

LABOR, WORKFORCE AND 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 December 16, 2010.

MEMBERS PRESENT:

Leg. John M. Kennedy, Jr., Chairman
Leg. Kate M. Browning, Vice Chair
Leg. Thomas Cilmi
Leg. DuWayne Gregory
Leg. Vivian Vilorio-Fisher

ALSO IN ATTENDANCE:

George Nolan, Counsel to the Legislature
Renee Ortiz, Chief Deputy Clerk
Jill Moss, Budget Review Office
John Ortiz, Budget Review Office
Ben Zwirn, County Executive's Office
Ed Hennessy, Aide to County Executive
Jason Richberg, Aide to Leg. DuWayne Gregory
Paul Perillie, Aide to Majority Leader
Dot Kerrigan, Legislative Rep for AME
Jack Caffey, Aide to Presiding Officer
Elizabeth Geary, Community Programs Center of LI
Lori Maldavir, Manager of Development & Special Projects
Ali Nazir, Aide to Leg. Kennedy
Kara Hahn, Communications Director
And all other interested parties

VERBATIM MINUTES TAKEN BY:

Diana Flesher, Court Stenographer

THE MEETING WAS CALLED TO ORDER AT 1:20 PM

CHAIRMAN KENNEDY:

Could I have all members of the Workforce, Labor to the horseshoe please? And the meeting will begin. We'll be led in our Pledge of Allegiance by Legislator Gregory, please.

SALUTATION

Okay, welcome everybody. No cards? Anybody here to speak or address the Committee?

PUBLIC PORTION

Yes, could you come forward, please, ma'am. You filled out a card, ma'am?

MS. GEARY:

I just signed up in the office. I thought that's what I needed to do for today.

CHAIRMAN KENNEDY:

Okay, that's fine. Thank you. Okay, ma'am, if you could just state your name for the record and go ahead, you have three minutes, please.

MS. GEARY:

Thank you. Yes, my is Elizabeth Geary. And I'm Director of Community Programs Center of Long Island. I want to thank you so much for the opportunity to voice our concerns about the legislation that would sunset the Living Wage Hardship Assistance. First, I want to begin by thanking Legislator Tom Cilmi for taking the time to visit our agency and to see firsthand the scope of services we provide to over 500 families per day. I greatly appreciate that we engaged in dialogue even though we have not yet reached a place of full agreement. And so I'm here today to address the full Committee because the Hardship Assistance is so critical to our agency's operations. And the withdrawal of Hardship Assistance would likely have unintended consequences.

The Living Wage Hardship Assistance has accomplished what it set out to do. We are successfully retaining well trained, highly motivated workforce which in turn has positively impacted the quality of our early childhood education centers. The application process for Hardship Assistance is rigorous. CPC meets those demanding criteria as established by the Legislature.

Over the past eight years CPC has worked to develop multiple funding streams. We continually work to reduce our dependence on the Living Wage Hardship Assistance and yet right now the remaining gap is still too great for us to fill by ourselves. Our ability to reduce cost is limited by the fact that personnel is far and away our largest expenditure and child to teacher ratios are mandated by New York State for safety reasons. Other ways to reduce costs would be to consider eliminating our DSS contract and lowering the wages of existing and incoming staff. Neither of these options would yield positive results and would in fact negate the County's investment over the past eight years.

The primary source for revenue of our child care program is private paying families. Our current tuition is comparable to other child care providers. In order to make up the loss of the Living Wage Hardship Assistance, we would need to raise fees for non-DSS private pay families by more than eleven percent. On average that would mean an increase of more than \$1500 per family. And this would price our services right out of the reach of middle class families as well as DSS families.

What's interesting is that approximately 20 percent of CPC's childcare revenue is from DSS. Yet 27 percent of the children that we serve are funded through DSS. There's a direct correlation between

the gap in our revenue stream and the reimbursement that we receive from DSS. And that reimbursement is non-negotiable. Many DSS subsidized families are eligible for these subsidies, but they also qualify for the federally funded Head Start Program which our agency also runs. Our screening process tries to direct the family to the programs that will serve them the best and we, therefore, try to direct them to Head Start when that's an appropriate and good fit for the family. This ultimately saves the County DSS revenue and expenses. It's a win/win for all of the stakeholders.

Put simply: If the Legislature had not mandated the Living Wage and provided the Hardship Assistance, the wages of our child care employees would still be lower than those offered in retail or fast food restaurants. Since our --

CHAIRMAN KENNEDY:

Pardon me. Your three minutes are up. If you could just wrap up. If you have something that you're reading from, certainly I'm sure we would all be interested if you wanted to provide it to the Clerk.

MS. GEARY:

I'm sorry. Something written?

CHAIRMAN KENNEDY:

Well, no, in other words, your three minutes is up. You got to wrap up with your speaking. But if you had a letter or something that you were reading from, you could provide that to the Clerk so that each of us would have an opportunity to review it.

MS. GEARY:

Absolutely. I'll be happy to do that.

CHAIRMAN KENNEDY:

Okay. So is that it? You kind of summed up? You concluded?

MS. GEARY:

I think you got the key points.

CHAIRMAN KENNEDY:

Okay. Thank you. Thank you very much. You know what, yeah, we have a question from the Committee. Legislator Gregory.

LEG. GREGORY:

Thank you, Mr. Chair. Just state again, you had said something about 20 percent DSS. And then there was another 27 percent of something else.

MS. GEARY:

I was looking at the different revenue streams that support the program and trying to establish what's the correlation. So the correlation is that 20 percent of the revenue that we received to support the Child Care Program comes directly through DSS payments for the services that we've rendered. But the DSS payment scale is below the private pay market rate. So the reality is 27 percent of the children that we serve are DSS funding, but the revenue isn't at the same 27 percent of our total revenue pool. So I just see it as part of a reality.

LEG. GREGORY:

So there's a 7 percent difference from the pool and the revenue?

MS. GEARY:

Yeah, and that's approximately what the Living Wage Hardship Assistance is that we receive --

LEG. GREGORY:

Okay.

MS. GEARY:

-- when you factor it all out; they're similar.

LEG. GREGORY:

And there's also, as I understand the Living Wage, if you take or -- I guess more appropriately, if you take DSS referred clients, that you have a limit in the cap and the salary or maybe that's a Living Wage? I know there's a cap. Maybe, Kate, you can talk, or Vivian. There's a cap of the difference between the workers -- no, you can't --

D.P.O. VILORIA-FISHER:

You're talking about the percentage that the administrator, the highest paid person is making --

LEG. GREGORY:

Right.

D.P.O. VILORIA-FISHER:

-- as opposed to the lowest paid.

LEG. GREGORY:

Right.

D.P.O. VILORIA-FISHER:

There's a ratio that has to be met in order to qualify for, you know --

LEG. GREGORY:

That's because of -- taking in DSS clients? Or is that the Living Wage --

MS. GEARY:

No, it's really because that was built into the Hardship Assistance legislation as I understand it; that if you were going to qualify for the Hardship Assistance, then nobody in the agency could be paid more than six times the wage of the lowest worker. So any agency that's applying for Living Wage Assistance has to document that we meet that standard. And we made it.

LEG. GREGORY:

Right. So that could either put an agency in a position of not taking any DSS clients or assistance and taking all private or putting that restriction on you, which makes it more difficult and -- okay, all right.

MS. GEARY:

Yeah.

LEG. GREGORY:

Thank you.

D.P.O. VILORIA-FISHER:

Mr. Chair, I have a question.

CHAIRMAN KENNEDY:

Sure, Legislator Viloría-Fisher.

D.P.O. VILORIA-FISHER:

Thanks for coming down, again, Elizabeth.

MS. GEARY:

You're welcome.

D.P.O. VILORIA-FISHER:

You said something that you said quickly and I want to make sure it sank in with everyone. And that is without the Living Wage bill, the people who work teaching, guiding, nurturing very young children were being paid less than somebody flipping burgers at McDonald's.

MS. GEARY:

That's exactly what I said.

D.P.O. VILORIA-FISHER:

And the economics of that comes out of the fact that there are very, very restrictive state laws regarding the number -- the teacher child ratio especially in infant care.

MS. GEARY:

Exactly, yes.

D.P.O. VILORIA-FISHER:

And so it's a very labor intensive industry. And we had tried to remedy that. I had a bill and nobody else in this Legislature, nobody who's sitting here was on the Legislature at that time, I had a bill which replicated a state program which was the enhancement.

MS. GEARY:

Right.

D.P.O. VILORIA-FISHER:

And how much did -- you had used that?

MS. GEARY:

Actually it was before my time as Executive Director so I'm not familiar with the numbers but --

D.P.O. VILORIA-FISHER:

Well, what happened was that encouraged people to stay with their particular child care agency and to increase their educational level. And because the Living Wage bill came in, I didn't continue to try to pass that child care enhancement bill. But that was a straight subsidy that we were giving to actually through the agency to the workers. If someone worked at the same child care provider for more than six months and took certain credits, they were entitled to this. So this is an industry that's very, very important and needs our help because they're so labor intensive and they're being paid very often by people who aren't making a lot of money. And that's -- they're young families. You know, that's the point in your life when you're not making a lot of money and that's when you have a lot of expenses. So thanks for coming down, again, Elizabeth.

MS. GEARY:

Thank you.

CHAIRMAN KENNEDY:

Thank you, Legislator. I have just one quick question.

MS. GEARY:

Sure.

CHAIRMAN KENNEDY:

The rates that you make reference to for reimbursement, the rates that you receive for providing care for children that come to you through the Department of Social Services, those rates were

established at a state level, I believe.

MS. GEARY:

That's correct. They do a market analysis. And then they set the rates. And, for example, like last year I couldn't do a category by category, but the rates for children that we might be serving in one part of our program actually went down.

CHAIRMAN KENNEDY:

Really.

MS. GEARY:

And, you know, not every single -- like infants didn't go down; infants might have gone up a little bit. But some of your preschoolers went down and that dramatically impacts it because your population is stable whether the rates go up or down. So you can't adjust for those changes in the revenue stream.

CHAIRMAN KENNEDY:

So your comment that they were non-negotiable, though, also goes to the fact that we have no ability here at the local level. The local Department of Social Services --

MS. GEARY:

No.

CHAIRMAN KENNEDY:

-- can't take --

MS. GEARY:

No. It comes from Albany. Yes, it does.

CHAIRMAN KENNEDY:

Okay. All right. Thank you. Okay, well, thank you.

MS. GEARY:

Thank you.

CHAIRMAN KENNEDY:

We got another question. Legislator Gregory has another question.

LEG. GREGORY:

Now, just to clarify if it hasn't been clarified already, this funding is not going to, you know, elaborate salaries or anything. I mean --

MS. GEARY:

No.

LEG. GREGORY:

What's the -- I guess I should state what's the average salary of your employee?

MS. GEARY:

It's 10.50 an hour.

LEG. GREGORY:

Right.

MS. GEARY:

That's the cap.

LEG. GREGORY:

Okay.

MS. GEARY:

I mean that's the average.

LEG. GREGORY:

So, you know, and that is certainly not, you know -- it's not a king's ransom particularly here on Long Island. What is that maybe \$22,000 a year --

MS. GEARY:

Yes.

LEG. GREGORY:

-- or something like that maybe.

MS. GEARY:

Yeah.

LEG. GREGORY:

So, I mean, you know, we're trying to subsidize people that are taking care of our children that are, you know, barely surviving. So I think, you know, a subsidy is certainly appropriate for those people.

MS. GEARY:

And all I can say to you is it works. It helps. It does incentivize people to continue their education and stay in the field. Big difference before Living Wage, after Living Wage.

CHAIRMAN KENNEDY:

Okay. Thank you very much, ma'am. Thank you for your comments.

MS. GEARY:

Thank you so much.

CHAIRMAN KENNEDY:

All right. Anybody else to address the Committee? Oh, I'm sorry, Legislator Cilmi.

LEG. CILMI:

On the bill.

CHAIRMAN KENNEDY:

Okay, on the bill. **IR 1947 Adopting Local Law No. -2010, A Local Law to sunset living wage subsidies. (Cilmi)**

LEG. CILMI:

Mr, chair, I'm going to -- I have some remarks which I'll reserve, but I do still have some questions in my mind that before I move forward with this legislation or make a motion on this legislation, I need to have answered; therefore, I'm going to make a motion to table this bill today.

CHAIRMAN KENNEDY:

Okay. And I'll second that motion.

LEG. CILMI:

Thank you.

CHAIRMAN KENNEDY:

Okay. All those in favor? Opposed? Motion stands tabled. **(VOTE: 5-0-0-0)**

INTRODUCTORY RESOLUTIONS

Turning to introductory resolution **Introductory Resolution 2229, Establishing binding arbitration policy for Suffolk County Correction Officers Association (COA) contract. (Co. Exec.)** Any questions, any comments? I'll entertain a motion.

CHAIRPERSON BROWNING:

Motion.

CHAIRMAN KENNEDY:

Motion to approve by Legislator Browning, seconded by Legislator Vilorio-Fisher. All those in favor? Opposed? Resolution is approved. **(VOTE: 5-0-0-0)**

Anybody else here to go ahead and talk to us? Seeing none, I'll entertain a motion to adjourn. Motion to adjourn, seconded. All in favor? Opposed? That's it. It's a wrap. Thank you.

**THE MEETING CONCLUDED AT 1:35 PM
{ } DENOTES SPELLED PHONETICALLY**