

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

BEFORE THE COUNCIL COMMITTEE ON APPROPRIATIONS

5

- - -

6

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, May 7, 1998
9:24 a.m.

8

9

- - -

10

11

12 BILL NO. 980193 - Authorizing transfers and
13 appropriations for Fiscal Year 1998 within the
14 HealthChoices Behavioral Health Revenue Fund from
15 the Department of Public Health to the Department
16 of Public Health, the Department of Human
17 Services-Offices of Emergency Shelter and
18 Services, and the Director of Finance -
19 Contribution to School District.

16

17

PRESENT: COUNCILWOMAN JOAN L. KRAJEWSKI
18 COUNCILWOMAN ANNA CIBOTTA VERNA
19 COUNCILMAN MICHAEL A. NUTTER
20 COUNCILMAN RICHARD T. MARIANO
21 COUNCILMAN W. THACHER LONGSTRETH
22 COUNCILMAN FRANK RIZZO

21

- - -

22

23

VINCENT VARALLO ASSOCIATES, INC.
24 Registered Professional Reporters
Eleven Penn Center, Suite 600
Philadelphia, PA 19103
25 (215) 561-2220

25

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 P R O C E E D I N G S

3 COUNCILWOMAN KRAJEWSKI: The Committee
4 on Appropriates is now in session. Will the clerk
5 please read the title of the bill.

6 THE CLERK: Bill No. 980193,
7 authorizing transfers and appropriations for
8 Fiscal Year 1998 within the HealthChoices
9 Behavioral Health Revenue Fund from the Department
10 of Public Health to the Department of Public
11 Health, the Department of Human Services -
12 Offices of Emergency Shelter and Services, and the
13 Director of Finance - Contribution to School
14 District.

15 (Dean Kaplan comes forward.)

16 COUNCILWOMAN KRAJEWSKI: Please state
17 your name for the record.

18 MR. KAPLAN: Thank you. I'm Dean
19 Kaplan, the City's Budget Director. With me today
20 are Estelle Richman, the City's Health
21 Commissioner; Michael Nardone, the Deputy Managing
22 Director for Special Needs Housing. And to my
23 left, Gary Ledebur, who's the Executive Director
24 of the Family Resource Network for the School
25 District of Philadelphia.

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 We are appearing before you today to
3 offer testimony on Bill 980193, which would make
4 Fiscal Year 1998 budget appropriation transfers
5 within the HealthChoices Behavioral Health Revenue
6 Fund to support two important programs.

7 As you know, the structure of Community
8 Behavioral Health (CBH) provides for the
9 accumulation of certain funds not necessary for
10 the payment of claims, expenses, or the City's
11 reserve, but to provide appropriations for social
12 services and human services in the City. The bill
13 before you today would appropriate \$1 million of
14 these reinvestment funds in FY 1998.

15 Commissioner Richman and Deputy Manager
16 Nardone are going to describe each of these
17 projects providing for a winter initiative for the
18 mentally-ill homeless and for the Children's
19 Behavioral Health Services project in the City's
20 public schools in some more detail.

21 What I'd like to say in brief is that
22 the project would, from a sheerly budget
23 perspective, the project -- the legislation would
24 transfer \$410,000 to the Health Department, and
25 \$90,000 to OESS for the Winter Mental Health

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 Initiative, and 500,000 for the Director of
3 Finance contribution to the School District for
4 the Children's Behavioral Health Services project.

5 As members of the committee are aware,
6 there was some significant confusion in the
7 process of setting up the program. And as a
8 result, we have established a new process whereby
9 in the future, all CBH reinvestment projects will
10 be submitted to Council in advance.

11 COUNCILWOMAN KRAJEWSKI: So, in other
12 words, you'll come to Council before you spend the
13 money.

14 MR. KAPLAN: Absolutely. And,
15 obviously, that will be a change from what
16 happened this time and, we believe, a significant
17 improvement in the process.

18 And, therefore, I respectfully request
19 that the Committee approve the proposed
20 legislation allowing this transfer of \$500,000 in
21 CBH reinvestment funds for the Winter Health
22 Initiative and 500,000 for the Children's
23 Behavioral Services Plan.

24 If the Commissioner or the Deputy
25 Managing Director or the Executive Director would

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 like to jump in, you know, I think they should go
3 now.

4 COUNCILWOMAN KRAJEWSKI: Just summarize
5 it, Commissioner.

6 COMMISSIONER RICHMAN: Okay.
7 Essentially, what we're asking to do is transfer a
8 \$1,410,000 to the Department of Public Health,
9 90,000 to the Department of Human Services for the
10 Office of Emergency Shelter, and \$500,000 to the
11 School District for a collaborative process
12 between the School District and the community
13 mental health agencies to be able to put a
14 preventive program into the schools for children
15 with behavioral problems.

16 Essentially, I also would like to say
17 we have changed the process to make sure that all
18 of the consideration comes to Council before any
19 of the dollars are allocated.

20 The homeless project did happen this
21 winter. The school project isn't set until after
22 Council's approval of it. And at this point, it
23 would start in the fall of '98. So those dollars
24 have not been spent.

25 But the entire process of looking at

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 reinvestment dollars will be before Council before
3 any dollars are spent in the future.

4 COUNCILWOMAN KRAJEWSKI: Can you give
5 me a list of those schools affected by this?

6 COMMISSIONER RICHMAN: Yes, I can.

7 COUNCILWOMAN KRAJEWSKI: What are those
8 schools?

9 COMMISSIONER RICHMAN: Gary?

10 (Gary Ledebur comes forward.)

11 MR. LEDEBUR: Gary Ledebur, from the
12 School District.

13 Cooke Middle School, Olney High School,
14 Central High School --

15 COUNCILWOMAN VERNA: I'm sorry, I'm
16 sorry. I can't hear you.

17 COUNCILWOMAN KRAJEWSKI: Speak into the
18 mike.

19 MR. LEDEBUR: Cooke Middle School,
20 Olney High School, Central, Steel, Birney, Cooke,
21 Shellcross, Sharwood, Frankford, Hunter, and
22 Heston.

23 COUNCILWOMAN KRAJEWSKI: Do you have
24 any questions, Councilwoman?

25 COUNCILWOMAN VERNA: Yes, I do. Can

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 you tell me what criteria was used in selecting
3 these schools? I would certainly think that a
4 school such as Audenried would be included.

5 COMMISSIONER RICHMAN: There was -- we
6 have a couple different initiatives going actually
7 targeted Audenried as a special project, outside
8 of CBH money for this year, and we have a
9 full-time person now at Audenried to facilitate
10 all the behavioral projects at Audenried. And the
11 two school clusters that we chose to work a
12 special project through, not using reinvestment
13 dollars, has been Audenried and Olney.

14 If you would like to know more about
15 what is happening at Audenried within the special
16 projects, I do have Harriet Williams, and I think
17 Gary also knows the activity going on with
18 Audenried.

19 COUNCILWOMAN VERNA: How does the
20 program presently being conducted compare with
21 what is being proposed today?

22 COMMISSIONER RICHMAN: How does what
23 we're doing at Audenried compare? It's much more
24 comprehensive and much more inclusive because it
25 takes the entire cluster rather than just the

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 school, and it's designed to do an outreach to
3 many more children than just these two projects.

4 Can you put a dollar figure on what
5 we're doing with Audenried this year?

6 MR. LEDEBUR: Not off the top of my
7 hand. It's an extensive project.

8 COMMISSIONER RICHMAN: It's an
9 extensive project. And we've used some of our
10 federal grant in that cluster also. That
11 particular project started last fall.

12 COUNCILWOMAN VERNA: And it will
13 continue until next year?

14 COMMISSIONER RICHMAN: Oh, it's an
15 ongoing project.

16 COUNCILWOMAN VERNA: It's an ongoing
17 program?

18 COMMISSIONER RICHMAN: Yes. But we
19 chose to do that with our allocation dollars
20 coming out of the Office of Mental Health as
21 opposed to reinvestment dollars.

22 COUNCILWOMAN VERNA: And how do the
23 dollars compare?

24 COMMISSIONER RICHMAN: I mean, we've
25 hired -- this one is for -- I will bring Harriet

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 up, but it's for consulting and doing some
3 preventive project.

4 With the Audenried one, we hired a
5 full-time staff and we have a whole range of
6 activities that are going in to facilitate
7 children being identified that have behavioral
8 problems, getting them into design programs,
9 providing case management services to them, and
10 doing a whole range of activities, as opposed to
11 just a small \$50,000 project.

12 In other words, these from
13 reinvestment, each school is doing sort of a
14 resource room for 50,000. For Audenried and
15 Olney, we put in full-time staff to do ongoing
16 activities that are far-reaching around the entire
17 cluster.

18 So it's a different project but much
19 more intensive and much more inclusive .

20 COUNCILWOMAN Verna: How many
21 respondents were there to the RFP for the School
22 District?

23 (Harriet Williams comes forward.)

24 MS. WILLIAMS: There were 37, and the
25 process --

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 COUNCILWOMAN VERNA: I'm sorry, I can't
3 hear you.

4 MS. WILLIAMS: There were 37
5 respondents.

6 COUNCILWOMAN KRAJEWSKI: Excuse me.
7 State your name for the record.

8 MS. WILLIAMS: I'm Harriet Williams. I
9 work in the Office of Mental Health.

10 We put out a request for proposal that
11 required schools to work collaboratively with the
12 behavioral health provider, and 37 schools
13 responded to it. And a committee that included
14 Parents Involved Network, other advocates, the
15 School District, and our office, read and rated
16 all 37 proposals.

17 The names of the schools you heard are
18 the schools that produced the best proposals.

19 COUNCILWOMAN VERNA: Okay. Why are we
20 -- why is this transfer ordinance coming to us so
21 late?

22 COMMISSIONER RICHMAN: In the
23 beginning, we had not set up a process under -- we
24 had not set up a process between the Health
25 Department and Council to know how we were going

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 to move these dollars. And that's why the project
3 has been postponed for a year for the School
4 District. Those dollars have not been expended
5 and have not been spent at all.

6 In the case of the School District,
7 dollars have not been committed. We've done the
8 RFP process so we know where want to spend them,
9 but none of the dollars within the school project
10 have been expended. We did expend the dollars on
11 the homeless project, but we were trying to do
12 something for the homeless during the winter.

13 We now will have all of the activity
14 and will hopefully -- we will have even the winter
15 activity before Council before we do any more
16 expenditure of dollars. But the school dollars
17 have not been spent.

18 COUNCILWOMAN VERNA: How do you justify
19 the fact that of the \$22.5 million in savings,
20 only \$1 million is being spent or used for
21 services?

22 COMMISSIONER RICHMAN: Of the \$22
23 million, we are under contractual obligation to
24 the State to put 14.5 in a reserve that we cannot
25 touch. So 14.5 of that 22 million is in a

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 reserve. That's a one-time reserve that the State
3 has required us to do.

4 We have 7.2 million that we have
5 established out of that 22 million to have a risk
6 and contingency fund within the City just in case
7 there are any overruns or dollars that we need for
8 any -- if we have -- \$7 million in reality only
9 would cover us for one month of activity if the
10 State didn't pay us.

11 COUNCILWOMAN VERNA: I thought we were
12 not assuming any risk.

13 COMMISSIONER RICHMAN: We aren't, but
14 we --

15 COUNCILWOMAN VERNA: Why are we putting
16 the 7.5 million aside?

17 COMMISSIONER RICHMAN: If the State
18 were late on payment to us, we would need those
19 dollars to be able to pay the bills that come in
20 for the providers that pay that service, so we
21 need to maintain an ability to have cash flow in
22 case there's any unforeseen activity at the State.

23 The State is very well known for being
24 late on its medical assistance payments as we move
25 towards June 30th. But the providers within the

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 system still need to be paid for the services they
3 are providing.

4 So our being able to maintain some kind
5 of contingency funds makes sure that we can always
6 keep cash flowing to hospitals and other community
7 providers that are small and need that continual
8 cash flow. So we're trying to make sure we can
9 meet all of the contractual needs we have to pay
10 the provider system, have put aside the one-time
11 State contingency, and are now beginning to put
12 forth a plan for reinvestment.

13 COUNCILWOMAN KRAJEWSKI: Thank you.

14 COUNCILWOMAN VERNA: Madame Chair, if I
15 may, I would ask that we be given list of schools
16 that have been selected. I know they were
17 mentioned.

18 COUNCILWOMAN KRAJEWSKI: I think there
19 is a list.

20 COUNCILWOMAN VERNA: I could not write
21 them as quickly as they were being said.

22 COMMISSIONER RICHMAN: I will give you
23 a copy of both the process, the activities, and
24 the names of the schools.

25 COUNCILWOMAN KRAJEWSKI: Yeah, give one

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 to each member.

3 COMMISSIONER RICHMAN: Yes.

4 COUNCILWOMAN KRAJEWSKI: All right,
5 thank you.

6 Are there any other questions?

7 (No questions.)

8 COUNCILWOMAN KRAJEWSKI: Thank you. Is
9 there anyone else here to testify for or against
10 this bill?

11 MR. LEDEBUR: Could I say a few words
12 from the School District on the School Link
13 behavioral health project?

14 COUNCILWOMAN KRAJEWSKI: Make it brief,
15 because there are --.

16 MR. LEDEBUR: Absolutely. You know,
17 City Council, the Commissioner, the Mayor are all
18 to be commended for taking the risk in doing
19 community behavioral health.

20 I was at Audenried just the other day
21 and talking to kindergarten teachers, and
22 kindergarten teachers are talking about students
23 that are acting out, that are hitting; older
24 elementary kids that are experimenting with
25 drugs.

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 The school folks have to work in a very
3 complex system of regulations, State and federal
4 regulations that allow us to spend hundreds of
5 thousands of dollars on kids that have very
6 serious problems, but it makes it very difficult
7 to spend on kids that are in kindergarten if we
8 reach early can be helped.

9 And through these projects, as well as
10 the Audenried and Olney projects that the
11 Commissioner talked about, we're able to reach out
12 to students at an earlier stage and help them
13 before they become more serious and more
14 expensive. So I would urge Council to support
15 that.

16 COUNCILWOMAN KRAJEWSKI: All right,
17 thank you.

18 COUNCILWOMAN VERNA: Do we have any of
19 the schools in Southwest Philadelphia under this
20 program?

21 MR. LEDEBUR: Mental health projects
22 that are in South Philly, we have them in --
23 spread across --

24 COUNCILWOMAN VERNA: No, in the
25 southwest.

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 MS. WILLIAMS: It's not in Southwest
3 Philadelphia. They are -- our mental health
4 projects are largely -- we've got several in
5 Audenried, the South Philadelphia and Furness
6 clusters.

7 COUNCILWOMAN VERNA: But they're the
8 clusters in South Philadelphia.

9 MS. WILLIAMS: Yes, right.

10 COUNCILWOMAN VERNA: I'm talking about
11 Southwest Philadelphia.

12 MS. WILLIAMS: I do not believe so.

13 COUNCILWOMAN KRAJEWSKI: All right,
14 thank you. Is there anyone else to testify for or
15 against this bill?

16 Thank you very much.

17 MS. WILLIAMS: Thank you.

18 (Pat Redmond comes forward.)

19 MS. REDMOND: Pat Redmond, representing
20 Philadelphia's Citizens for Children and Youth.

21 And because of the present business, I
22 have prepared testimony which I'd like to submit.
23 And I'd like to emphasize that Philadelphia
24 Citizen for Children and Youth has heard
25 repeatedly from school nurses and counselors and

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 parents who support additional services located in
3 schools.

4 COUNCILWOMAN KRAJEWSKI: Do you have
5 copy of that, that we can submit for the record?

6 MS. REDMOND: Yes, I do.

7 COUNCILWOMAN KRAJEWSKI: Well, just a
8 minute, someone will get it for you.

9 Thank you very much.

10 Is there anyone else here who wishes to
11 testify for or against this bill?

12 (Vernard Johnson comes forward.)

13 MR. JOHNSON: I would like to.

14 COUNCILWOMAN KRAJEWSKI: Yes, sir.

15 MR. JOHNSON: Good morning. My name is
16 Vernard Johnson. I'm the Executive Director of
17 Healthy Family Healthy Life, Inc. I'm also a
18 member of the Bartram Cluster Resource Board.

19 And I don't have enough information on
20 the bill to testify for or against it, but I
21 certainly wish we would have had more
22 information. I certainly wish that the Bartram
23 cluster of schools would have received information
24 so we could have received it.

25 And I want to say this: That the

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 School District has needs in a lot of other places
3 regarding the health care of children. They're
4 laying off hygienists, there are not enough nurses
5 in schools, and maybe that is where we should be
6 going.

7 And if we think it's important to have
8 behavioral health services in the school
9 buildings, let me remind you that at least 60
10 percent of the students in the Philadelphia school
11 system, by ninth grade, drop out.

12 And that we're not only talking about
13 -- when we're talking about children, we
14 shouldn't only be talking about children who are
15 in the public school system; we do have a
16 parochial school system. And that we need to be
17 considering providing services to those children,
18 as well.

19 And I want to close by saying this:
20 The children that we work with who are having
21 severe problems are the children who dropped out
22 of school, so there needs to be some connection
23 between CBH and behavioral health and the kids who
24 are walking the street corners every day and are
25 practicing in some sense criminal behavior. And

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 those kids we need to save as well.

3 And I think it's a disgrace that they
4 would come here and not be able to provide you
5 with a list of schools and tell you why they've
6 chosen those schools over other schools in the
7 District. And that's really -- that's all I want
8 to say.

9 But this whole system of practicing
10 psychiatry in schools is something that we have
11 been to this Council before and again and again
12 on. And it doesn't work in schools. And the
13 parents aren't going to go to schools and be
14 involved in the effort to get their kids better if
15 the schools don't change the way they receive
16 parents.

17 And so I'm not for or against -- I'm
18 concerned. And we just found out about it sitting
19 over here.

20 And psychiatry in schools is something
21 that hasn't work3ed, especially in the School
22 District of Philadelphia. And we came here with
23 this question around Ritalin and Prozac and how
24 they prescribe drugs. You mean to tell me that we
25 can't deal with kindergarten children without

1 APPROPRIATIONS COMMITTEE - BILL 980193

2 practicing psychiatry on 'em? That our kids are
3 in such bad shape that we can't educate and teach
4 'em without practicing psychiatry?

5 And if they need psychiatry, then in
6 fact, we should be working with the parents to
7 make sure it's being delivered in the communities.

8 COUNCILWOMAN KRAJEWSKI: Thank you very
9 much for coming in. I appreciate your testimony.

10 (Applause.)

11 COUNCILWOMAN KRAJEWSKI: Is there any
12 more questions or any more testimony for or
13 against this bill?

14 (No response.)

15 COUNCILWOMAN KRAJEWSKI: That ends our
16 public hearing. Now we'll go into our public
17 meeting.

18 - - -

19 COUNCILMAN NUTTER: Madame Chair, I
20 move that Bill No. 980193 be reported out of this
21 committee with a favorable recommendation, and a
22 further recommendation that the rules of Council
23 be suspended so as to permit first reading at our
24 next session.

25 (Duly seconded.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Thursday, May 7, 1998, were
reported and accurately by me, and that this is a
correct transcript of same.

RE: COUNCIL COMMITTEE ON APPROPRIATIONS
BILL NO. 980193

_____,
JOSEPHINE CARDILLO, RPR