

## **Full Testimony, As Prepared for Delivery**

Good morning.

It is a privilege to be back in Albany, alongside so many old friends. And it is an honor to sit on the other side of the dais today. It is quite strange to sit on this side of the room—and hard to believe that I have a whole ten minutes.

I want to thank Chairs Krueger and Pretlow, Cities Chairs Bottcher, Ryan, and Burke, Local Governments Chairs Martinez and Jones, as well as the members of all the Committees, with a special shoutout for the Real Property Tax Committee, and the three minutes I would wait all year for.

Thank you to all the legislators who have long attended this hearing and advocated the same cause that I am today—the cause of the working person—and who have espoused that vision in their respective One House budgets year after year.

Thank you to Speaker Heastie and Majority Leader Stewart-Cousins. And thank you to the members of my team here with me—First Deputy Mayor Dean Fuleihan, OMB Director Sherif Soliman, and Director of Intergovernmental Affairs Jahmila Edwards.

I have spoken before about the new era we are working to usher in in New York City—one where every person across the five boroughs can afford to live a dignified life. But that new era cannot stop at the city limits. It must extend the roughly 150 miles between New York City and Albany as well.

For too long, the relationship between City Hall and the State has been defined by pettiness instead of partnership, power struggles instead of problem-solving. I look forward to something different: a productive relationship with Governor Hochul, and a collaborative relationship with the legislature.

I served alongside many of you for five years. None of you do this work because it is easy. You do it because you care deeply about the communities you represent and because you hold a sincere belief in the power of public service to deliver change. I do too.

Over the first weeks of our administration, we have used the power of City Hall to fulfill that belief. We have stood up for tenants who have been mistreated and neglected. We have made our streets safer and invested in public infrastructure. We have expanded supportive housing, cracked down on deceptive business practices, and won multi-million dollar settlements from bad landlords.

And in partnership with the Governor's \$1.2 billion commitment, we will deliver what more than one million New Yorkers voted for in November: universal childcare. This will transform educational outcomes for our children, make our economy hum with productivity, and allow a future in our city to be something that New Yorkers dream of, not dread. Thank you, Governor Hochul, for your partnership and your leadership. To Chairs Brisport, Hevesi, the "Mom Squad," and the many members who've championed this cause for years: thank you.

The cumulative goal of this work—and all that will follow—will be a city that works for the many, not just the few. One where we restore New Yorkers' faith in our democracy. That faith is at an all-time low. After years of having been deceived by the leadership of the past, frankly, I cannot blame them.

Today, New York City is contending with the consequences of budgetary failures of the past. We are confronting a multi-billion-dollar budget deficit. I'm talking about the ABC—the Adams Budget Crisis. For four years, former Mayor Adams engaged in gross fiscal mismanagement.

Budget gaps are twice as large as what he said they would be, to the tune of billions of dollars. Adams ignored projections that indicated major expenses would only rise in the years to come, leaving an enormous hole in our budget. He budgeted \$860 million for cash assistance, when the need was \$1.6 billion. \$1.1 billion for rental assistance, when the need was \$1.8 billion. \$1.5 billion for shelters, when the need was \$2 billion.

And when combined with the systemic imbalance that has long characterized the fiscal relationship between the City and the State, we face an even more alarming budget situation.

For years, New York City has been treated not as an engine of shared prosperity, but as a resource to be drained. Former Governor Andrew Cuomo perfected this approach. He saw our city as somewhere that generated incredible growth and could thus endure incredible extraction.

He was wrong. Worse, he was not alone. His approach had deep roots in a broader conservative playbook—one that treats cities not as economic powerhouses, but as liabilities to be disciplined and denied. Costs are shifted downward. Revenue tools are restricted. Services are weakened and then cities are blamed for the decline.

The imbalance former Governor Cuomo fostered is stark. No one gives more and gets less in return than New York City. New York City contributes 54.5% of state revenue but only receives 40.5% back. In FY22, we contributed \$21 billion more than we received back.

This drain on the City includes sales tax revenue intercepts totaling over \$1.6 billion since 2021 and over \$300 million annually in cuts to public health programs, foster care and assistance for low-income families.

Time and again, we have been singled out. In 2010, the State eliminated AIM revenue-sharing to New York City, depriving the city of at least \$4.8 billion over 16 years. New York City is the only eligible municipality in our state that receives nothing. That imbalance has real world consequences: families forced to leave a city they can no longer afford and diminished investments in schools, libraries, parks—our essential services.

We want to solve this crisis by turning to a politics of ambition, not a politics of austerity.

We also want to govern with honesty. When I first shared the details of our budget crisis, I told New Yorkers that the picture would change as we got an updated economic forecast and factored in Wall Street bonuses. I'm glad to report that by assuming an aggressive posture on savings without compromising city services, incorporating updated revenue and bonus estimates, and using in-year reserves, we have lowered that \$12 billion gap to \$7 billion. And while we will share more detail when we release our preliminary budget on February 17<sup>th</sup>, we will be transparent throughout this process.

We've made some meaningful progress towards shrinking the gap. However, New York City is still placed on a ledge. The most responsible way off is with dedicated, recurring revenue that can provide the services New Yorkers deserve.

First, the imbalance in our relationship with the State is draining the city's resources. We are calling to **end the drain**. This is not just a crucial first step, it is a key part of the problem. Without solving this inequity, we will only postpone this crisis. No longer can New York sustain giving so much and receiving so little in return.

And second, I believe the wealthiest individuals and most profitable corporations should contribute a little more so that everyone can live lives of dignity. That's why—along with raising the corporate tax—I'm asking for a 2% personal income tax increase on the most affluent New Yorkers. Someone earning a million dollars a year can afford to contribute \$20,000 more.

Especially when we know that, according to a report by the Fiscal Policy Institute, President Trump's One Big Beautiful Bill Act delivers a collective \$12 billion a year in federal tax cuts to New Yorkers earning over \$1 million—an annual savings of \$129,600 per millionaire.

That 2% tax would resolve nearly half of our budget deficit. I will continue to advocate for these policies not only because they offer the most direct route out of this budget crisis, but because they will transform what is possible in our State.

I will end by saying I am encouraged by the partnership we have built with Governor Hochul, and the results it is already yielding.

And I am heartened by the Governor's Executive Budget. It is a marked step forward, and a clear statement of intent.

In addition to a down payment on universal childcare, the Enhanced Child and Dependent Care Tax Credit will make a real difference for working families.

I welcome the 4-year extension of mayoral accountability, which will help us deliver a quality public education for every child, and a public school system where communities and parents have a voice. And I am thankful for this year's 3.5 percent increase to foundation aid, though I still believe we must continue to update the formula by modernizing the Regional Cost Index and increasing weights for our highest-need students, as recommended by the Rockefeller Institute.

I'm eager to work together on SEQRA reform, so we can build the housing New Yorkers need.

I commend the Governor's leadership in making our streets safer by taking on super speeders, and I thank her for protecting immigrant New Yorkers from ICE. Thank you to the Legislature for your advocacy as well.

Over the months to come, I look forward to continuing our partnership, including fulfilling the promise to make buses fast and free.

As I take your questions today, I do so with gratitude—for the opportunity to govern alongside you, and to prove to New Yorkers that leadership can not only look different, but that its results can be different too. Thank you.