

Testimony by Mayor Bill de Blasio
Senate Finance and Assembly Ways and Means Committees
February 11, 2021

Thank you, Chair Krueger, Chair Weinstein, Ranking Members O'Mara and Ra, legislative leaders, Majority Leader Stewart-Cousins and Speaker Heastie, and all members attending.

I am joined here today by City Budget Director **Jacques Jiha** and Director of State Legislative Affairs **Simonia Brown**.

Today I ask for your help creating A Recovery For All of Us.

This pandemic has had a massive impact on our budget. The City suffered a \$10.5 billion drop in its tax revenue over Fiscal Years 20 through 22.

In order to save lives, protect our City, and get our kids back to school, our City has spent \$6.1 billion on COVID-19 related expenses. As much as \$685 million of that may not be covered by Federal reimbursement. And the Federal government has so far failed to pass a real stimulus package with direct local aid.

Our City made it through the past year thanks to sound fiscal management achieving a total of \$2.2 billion in savings over Fiscal Years 2021 and 2022, including \$1.3 billion in Program to Eliminate the Gap, or PEG savings. And we have instituted strong hiring and attrition management and implemented furloughs.

Now, New York City needs your help in standing up against painful cuts in the State Executive Budget.

The State Executive Budget proposes cuts and cost shifts to NYC of \$310 million in Fiscal Year 21 and \$309 million in Fiscal Year 22. On top of that, the Executive Budget proposes cuts to public health and supplants \$800 million in Federal education funding owed to the City.

Additionally, the Executive Budget proposal assumes \$6 billion in Federal stimulus aid - meaning we face additional cuts if Washington does not come through.

Regardless of what happens in Washington, calling on working New Yorkers to forgo essential services is wrong.

Let me break down the main areas of this Budget's impact on New Yorkers in need.

FIRST POTENTIAL CUT: EDUCATION

New York City students, families and educators have endured a year of emotional and academic challenges.

The Federal government recognized the challenges our schools faced and gave the State funding for schools. Last year, the State supplanted over \$700 million in education aid. And now, the State is proposing to supplant again – taking almost \$800 million in funds away from our students. We need these funds to help keep our schools open and restore critical programs.

We could increase Fair Student Funding levels for schools; give all 1,600 schools the academic intervention and remedial services they need to close the achievement gap; and restore arts, AP and algebra classes.

On top of the supplanted dollars, the proposed Budget shifts mandated charter school costs to NYC: \$179 million in Fiscal Year 21 and \$100 million in Fiscal Year 22.

Lastly, we request reimbursement for \$92 million in school bus costs that went to support our hardworking bus drivers.

SECOND POTENTIAL CUT: HEALTH + HOSPITALS

Our Administration’s commitment to building a robust public health system was the difference between life and death when the pandemic hit New York City.

Health + Hospitals is vaccinating New Yorkers across the City and remains the bulwark of our protection against future outbreaks.

But even as our healthcare heroes are still struggling to make sure New Yorkers are taken care of, the Executive Budget proposes cuts to Health + Hospitals totaling \$139 million in Fiscal Year 21 and \$334 million in Fiscal Year 22.

That would mean closing 19 H+H clinics, which treat 140,000 patients a year and losing 900 doctors and nurses, resulting in longer wait times for patients.

Further, the Executive Budget proposes to cut our public health infrastructure by \$51 million in Fiscal Year 22, slashing programs like Nurse Family Partnership that supports new mothers.

The Budget also proposes to cut \$28 million in Fiscal Year 21 and \$43 million in Fiscal Year 22 in support for substance abuse and domestic violence services, resources for youth in foster care, and protection for our seniors. We can’t let our most vulnerable be victims of austerity.

Instead of cuts, we must tax the wealthy.

This recovery must be built from the grassroots up. By making the wealthy pay their fair share, we can avoid these cuts to our schools, health care and social safety net – and get our City back on the road to a recovery for all of us.

This Executive Budget also contains proposals that seek to usurp the City’s local authority and silence community input.

We strongly oppose doing away with City zoning regulations and the land use process to allow the conversion of commercial property and hotels to housing. This crisis is not an excuse to overturn the will of struggling communities and give away local control to wealthy real estate interests.

We do not support the proposal to give Javits Convention Center Operating Corporation discretion to override City building codes and City code enforcement.

We oppose the Executive Budget proposals that would allow the MTA to override DOT issued permits and to direct the City to relocate DOT and DEP infrastructure. This would delay ADA street improvements and disrupt flood protection projects in frontline communities.

We are firmly opposed to the new proposal in the Executive Budget to weaken the City's Local Law 97, landmark legislation to reduce carbon emissions from buildings. Climate change is already threatening our City, and New York City is in the vanguard of drawing down emissions and building up a green economy. We cannot afford to take a single step backwards.

From the start, our Administration has been committed to pushing forward comprehensive police reforms and strengthening the bonds of communities and police.

These bonds improved the quality of life in so many of our neighborhoods, with safer streets and fewer injustices. We have historic reforms underway: first-ever disciplinary matrix, doubling Cure Violence, and communities having a role in their choice of Precinct Commanders. But a budget that threatens to withhold funding and impose outside monitors and additional bureaucracy will only slow us down.

I also want to note that this Executive Budget contains many proposals we endorse.

The financial crisis and resulting unemployment has put far too many New Yorkers at risk of losing their homes. I am glad to see the State heeding our call to allow New Yorkers to use their security deposit for rent payments.

I urge you to go further by creating a new tenant right to request a payment plan for arrears and affording affirmative defense to tenants in court. We also request that you enact the Housing Stability Support initiative to provide rental assistance to those at risk of eviction.

I am pleased to see legalization of adult recreational cannabis. It is critical the final legislation ensures economic empowerment for communities that suffered the most from unjust enforcement in the past. And I urge you to ensure localities are able to make decisions about density, siting, and public safety.

Now, I would like to address initiatives we need added to the State Budget to help with a recovery for all of us.

Making that recovery work for all means direct aid to those who need it the most – including low-income New Yorkers and our small businesses.

We urge you to pass our Community Hiring legislation to require contractors and businesses to hire low-income New Yorkers and workers from high-poverty communities.

Putting people back to work is a time-tested way of building back – and investing in people.

We request that you also pass the NYC Small Business Recovery Tax Credit to provide \$50 million in rent relief to 17,000 small businesses. We need to make sure that our neighborhood businesses and beloved shopkeepers are able to keep their doors open in the months and years ahead.

With your help, my Administration has made great progress on MWBEs. Now, we have a chance to give the New Yorkers who bore the brunt of this crisis opportunities they never had. We can do more with your help.

We request the Legislature increase NYC agencies' discretionary purchase threshold to \$1 million, which is the same authority the MTA has, to create more opportunities.

Further, the Legislature can help MWBE subcontractors win bids on public construction projects by authorizing the City or the Prime Contractor to purchase the insurance on their behalf.

In addition, we want to allow non-MWBE firms that take steps to advance diverse workforces to receive extra points on their bids.

We also need to protect New York's homeowners, many of whom struggled to hang on to their properties during this pandemic. Because of State law, the assessed value of 1-to-3-family homes actually increased during the pandemic. Therefore, we request the ability to provide a new rebate to help families who own and live in a 1-to-3-family home with low and moderate market value.

Regarding the City Board of Elections, I look forward to continuing the work with Senator Krueger and Assembly member Rozic to professionalize staff, provide more oversight over operations and require more transparency and accountability to the public. Our electoral process should ensure that every vote is counted, and every voter has a voice in our government.

This year has proven how important local elections are – and how important the work our constituents elect us to do is.

Thank you for the opportunity to speak today and I look forward to working with you to build a recovery for us all.