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**Testimony by Mayor Bill de Blasio
before the Senate Finance and Assembly Ways and Means Committees
February 11, 2019 11:00am – Albany, New York**

Thank you, Chair Krueger, Chair Weinstein; ranking minority members Senator Seward and Assemblymember Barclay; legislative leaders, Majority Leader Stewart-Cousins and Assembly Speaker Heastie, and all members here today.

I'm joined by two key members of my team: City Budget Director Melanie Hartzog and Director of State Legislative Affairs, Simonia Brown.

Let me begin by congratulating this Legislature for the historic work you've already done this session. With lightning speed, you've crossed off a checklist of vital issues: Election reform; Reproductive Health Act; DREAM Act; GENDA; Gun Reform; Child Victims Act. And you are just getting started.

I also want to thank you for your support of the five boroughs.

Last week, I was compelled to deliver sobering news. The City's FY20 Preliminary Budget faces three major uncertainties. First, the economy shows growing signs of a slowdown, and our personal income tax revenues are projected to be almost \$1 billion less than we collected last year. Second, the City faces \$600 million in potential cuts and costs shifts in the current State Executive Budget before you address your own shortfall in personal income taxes. And third, another possible shutdown in Washington could result in city residents losing \$500 million a month, including \$100 million to City government, starting in May.

So we have set a mandatory savings target of \$750 million that we'll meet by using, for the first time ever under this Administration, a Program to Eliminate the Gap, or PEG, and by deepening our existing hiring freeze.

Our Preliminary Budget has the most limited range of investments since we took office. But I want to be clear: Depending on how events proceed we may have to further limit, slow down, or cut some investments, and that will be painful to city residents and to us as their representatives.

Now, I would like to focus on five major issues for New York City and then outline a few more in less detail.

First: We strongly support the three-year extension of mayoral control of New York City schools.

Mayoral control is working. My Administration is shaking the foundations of education with our Equity and Excellence agenda, helping every child, in every school reach their full potential.

We've provided *every* four-year-old with free, high-quality full-day Pre-K and 20,000 three-year-olds are set to begin 3K this fall.

For the fifth year in a row, we have set a record graduation rate. Today, three quarters of our students graduate high school on time. That number hovered around 50 percent before mayoral control. And 59 percent of public school graduates went on to higher education last year – another all-time record.

The combination of accountability and authority that mayoral control provides is the only way to produce real results. We cannot return to the lack of accountability and chaos that once blocked progress.

Second: I want to turn to the \$300 million in cuts and costs shifts to education funding in the Governor's Executive Budget.

The school aid proposal leaves the City \$148 million short of the funding we need to cover the increase in State-mandated services, including payments to charter schools and special education services.

That's exacerbated by a funding formula that isn't equitable. It would require us to send 75 percent of our foundation aid increase to just 20 percent of City schools. That would force us to backfill or reduce funding for the remaining 80 percent of our schools.

Our Administration already invests 21.3 percent more in students in our highest-poverty schools, as the statistics we submitted in July in the State School Funding Transparency Form show.

We have raised the Fair Student Funding levels for all schools to an average of 93 percent, with the neediest schools at 100 percent. Our Equity and Excellence agenda – including AP-, College-access-, and Computer Science-for all; Pre-K, 3-K; after-school for middle school students; the Bronx Plan, and more – is raising excellence at all schools, with an emphasis on schools and districts too long ignored.

Let's do more. I urge you to allocate the \$1.2 billion City students are owed under the Campaign for Fiscal Equity (CFE). That alone could fully cover the City's Fair Student Funding formula for every school.

Third: New York City residents agree, it's time to fix the state-run Metropolitan Transportation Authority this year – in this budget.

Frustratingly, it isn't clear exactly what capital funding the Authority needs year to year and we must have an exhaustive review to determine that.

We do know the M.T.A. will need tens of billions in sustainable funding over the long haul and we should start securing that now.

I continue to believe a Millionaire's Tax is the fairest, most progressive way to finance the M.T.A., and 70 percent of City residents agree. But no single option will meet the enormous need. I look forward to working with you as you consider multiple options. However, that cannot include revenue from the City budget.

City government should not fund a State responsibility and we can't. The impact on our Capital budget would be devastating, potentially damaging our credit rating, and imperiling basic infrastructure – like schools, parks, roads and bridges, water and sewer – that our constituents, and yours, rely on.

If congestion pricing is an option, I've been clear that it must consider hardship exemptions, put revenue in a lockbox for subways and buses, and invest in transit deserts. Further, New York City must be included in developing and implementing any congestion pricing scheme. The Executive Budget proposal cuts New York City out entirely, giving control of City streets to the MTA. This won't work unless we have full partnership between City government and the M.T.A. and respect for the needs of city residents.

Fourth: There are other worrying cuts and cost shifts in this budget that must be addressed.

I have already spoken about the \$300 million in unacceptable education cuts. But there is another \$300 million that would have a painful effect on City residents in various ways.

I urge you to restore the following:

The Governor is proposing to shift \$125 million of State costs to the City for TANF financial assistance for families in need. This shifts the cost of cash assistance to the City and cuts shelter rates.

The State proposes a \$59 million cut in health services, such as help for mothers and children including Newborn Home Visiting; clinics to treat STDs, HIV and tuberculosis; response to communicable diseases including Legionnaires, West Nile and Zika; and testing updated vaccines for diseases like measles and Hepatitis A.

There's also a \$13 million cut to preventive services that help keep 5,000 young people a year out of foster care and detention.

Fifth: It's time for the State of New York to meet its obligation to the 400,000 New Yorkers who live in public housing.

The hardworking people of NYCHA are the backbone of our city and our state.

Last month, the City signed an agreement with the Department of Housing and Urban Development and the Southern District of New York, putting us on a faster path to fixing NYCHA.

The City will be investing \$2.2 billion over the next decade on top of the \$4 billion we have already committed. Now the State must release the \$450 million in funding it committed to NYCHA nearly two years ago and give NYCHA regular and sustained funding.

Now, in the interest of time, I would like to quickly walk through some other issues.

Design Build: The five boroughs deserve the same benefit the State possesses. Our agencies like DOT, DEP, DDC, Parks, H+H and NYCHA need the broad Design Build authorization the State has and the Executive Budget proposes to extend to other State agencies. This can be done at no additional cost to the State.

Criminal Justice: The crisis of mass incarceration didn't start in New York City, but it will end there and there's an urgent, immediate need to make that happen. We are well on our way to closing Rikers and creating a fairer, more effective borough-based jail system. Now we need further reform to get us there faster.

The State should encourage speedy trials, and reform the discovery process.

The Governor's proposal on eliminating cash bail is a good start. It includes something we've been advocating for: allowing judges to take public safety into account during pre-trial detention hearings. But there's more work to be done to achieve a better balance between safety and reform.

We support parole reform championed by Assemblyman Walter Mosley and Senator Brian Benjamin. Let's ensure that people who have violated parole and are a risk to the community are incarcerated, and those charged with minor, or technical violations are not.

We also need the State to move state-supervised parole violators in City jails into available space in State correctional facilities. Finally, we need a legislative change to allow City prisoners serving less than a year to earn reduced sentences for good behavior, as they do in State jails.

Housing Affordability: Too many landlords try to game the system and push hardworking people out of their apartments. This year, the State must:

- Reform preferential rent so it lasts for the life of the tenancy;
- End vacancy decontrol;
- Eliminate the vacancy bonus;
- Limit MCI and IAI increases.

To help us keep New Yorkers at risk of homelessness in housing, I urge you to enact the Krueger-Hevesi Home Stability Support legislation.

Cannabis policy: Legalizing adult use of recreational marijuana is a historic opportunity to right a historic wrong. But that cannot happen if we allow corporations to take over cannabis, like they have with alcohol and opioids. Instead, we must create a community-based industry and ensure people of color, low-income New Yorkers, people burdened by marijuana convictions, and residents of neighborhoods with the highest number of marijuana arrests, reap the benefits.

Safety on our roadways: We must do everything in our power to protect New Yorkers from dangerous drivers.

The Governor's proposal to extend and expand the City's school zone speed camera program is a good start, but we need more zones and longer hours of operation. We look forward to working

with the Legislature to create a stronger, better program. Further, revenues from this program should be used to keep our kids safe and not for the state-run M.T.A.

We strongly support proposals in the Executive Budget that extend authorization for New York City's red-light camera program, but ask that the Legislature expand it to 300 intersections.

On a related matter: We also strongly support lifting the cap on the number of bus lanes with automated enforcement.

Civil Rights Law 50-a Reform: Section 50-a is broken and undermines the trust we have built between police officers and communities. Let's work together to tear down the barriers created by this outdated law and give the public the transparency and accountability it deserves.

Commercial Vacancy Tax: Empty storefronts are a concern across the City. Let's pass a smart, targeted tax to stop landlords from leaving their properties empty.

Single-Payer Health System: Somehow, in the richest nation on earth, we have people with preventable health problems ending up in emergency rooms with catastrophic issues and astronomical bills. Through NYC Care, we are guaranteeing access to healthcare for 600,000 uninsured New Yorkers. But I look forward to working with all stakeholders to ensure we create a statewide Single Payer system.

To conclude, thank you for the chance to make the needs of New York City heard. We look forward to working with Albany to keeping our City strong, safe, and resilient for our 8.6 million residents and all of New York State.

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