

1 BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

2 -----

JOINT LEGISLATIVE HEARING

3 In the Matter of the
2019-2020 EXECUTIVE BUDGET
4 ON LOCAL GOVERNMENT OFFICIALS/
GENERAL GOVERNMENT

5 -----

6 Hearing Room B
Legislative Office Building
7 Albany, New York

8 February 11, 2019
11:04 a.m.

9

10 PRESIDING:

11 Senator Liz Krueger
Chair, Senate Finance Committee
12
13 Assemblywoman Helene E. Weinstein
Chair, Assembly Ways & Means Committee

14 PRESENT:

15 Senator James L. Seward
Senate Finance Committee (RM)
16
17 Assemblyman William A. Barclay
Assembly Ways & Means Committee (RM)
18
19 Assemblyman Edward C. Braunstein
Chair, Assembly Committee on Cities
20
21 Senator Robert Jackson
Chair, Senate Committee on Cities
22
23 Assemblyman Fred W. Thiele, Jr.
Chair, Assembly Committee on Local Governments
24
25 Senator James Gaughran
Chair, Senate Committee on Local Government

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4 PRESENT: (Continued)

5 Senator John C. Liu
Chair, New York City Education Committee

6

Assemblyman Colin Schmitt

7

Senator Patty Ritchie

8

Assemblyman Harvey Epstein

9

Assemblyman Charles D. Fall

10

Assemblyman David Weprin

11

Senator Andrew J. Lanza

12

Assemblyman Jonathan G. Jacobson

13

Assemblyman Nader J. Sayegh

14

Senator Anna M. Kaplan

15

Assemblywoman Karen McMahan

16

Assemblywoman Catherine T. Nolan

17

Senator Gustavo Rivera

18

Assemblywoman Nicole Malliotakis

19

Assemblyman Pat Burke

20

Senator Robert E. Antonacci

21

Assemblyman Robert Carroll

22

Senator Diane J. Savino

23

Assemblyman Walter T. Mosley

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4 PRESENT: (Continued)

5 Assemblywoman Nily Rozic

6 Senator Brad Hoylman

7 Assemblyman David Buchwald

8 Senator Brian Benjamin

9 Senator Luis R. Sepúlveda

10 Assemblyman Félix W. Ortiz

11 Senator Jamaal T. Bailey

12 Assemblyman John T. McDonald, III

13 Senator Shelley Mayer

14 Assemblywoman Patricia Fahy

15 Assemblyman Steven Otis

16 Senator Brian Kavanagh

17 Assemblyman Dan Stec

18 Senator Jessica Ramos

19 Assemblywoman Tremaine Wright

20 Senator James Sanders Jr.

21 Assemblywoman Nathalia Fernandez

22 Senator Kevin Thomas

23 Assemblywoman Rodneyse Bichotte

24 Senator Zellnor Myrie

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4 PRESENT: (Continued)

5 Assemblyman Edward P. Ra

6 Senator Rachel May

7

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10 LIST OF SPEAKERS

11 STATEMENT QUESTIONS

12 Honorable Mike Spano
Mayor

13 City of Yonkers 11 20

14 Honorable Bill de Blasio
Mayor

15 City of New York 30 46

16 Honorable Byron W. Brown
Mayor

17 City of Buffalo 208 213

18 Honorable Kathy M. Sheehan
Mayor

19 City of Albany 233 243

20 Honorable Lovely A. Warren
Mayor

21 City of Rochester 258 264

22 Honorable Ben Walsh
Mayor

23 City of Syracuse 277 287

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6 Honorable Corey Johnson
 Speaker

7 New York City Council 301 313

8 Honorable Scott M. Stringer
 Comptroller

9 City of New York 348 361

10 Stephen J. Acquario
 Executive Director

11 NYS Association of Counties
 -and-

12 Dan McCoy
 Albany County Executive

13 President
 NYS County Executives Assn. 401 411

14
 Gerry Geist

15 Executive Director
 Association of Towns of the

16 State of New York
 -and-

17 Councilwoman Valerie M. Cartright
 Town of Brookhaven

18 Suffolk County
 -and-

19 Councilwoman Dorothy Goosby
 Town of Hempstead

20 Nassau County 442 456

21 Laura Curran
 County Executive

22 Nassau County 481 486

23 Carolyn Warren Price
 President

24 Upstate New York Towns
 Association 491 495

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5

Steve Choi
 6 Executive Director
 New York Immigration Coalition

7 -and-

Juanita Lewis
 8 Hudson Valley Organizing Dir.
 Community Voices Heard

9 -and-

Amy Torres
 10 Director of Policy
 Chinese-American Planning

11 Council

-on behalf of-

12 New York Counts 2020 501 507

13 Todd D. Valentine
 Co-Executive Director

14 Robert A. Brehm
 Co-Executive Director

15 NYS Board of Elections 510 516

16 Darlene Harris
 President

17 Dustin M. Czarny
 Democratic Caucus Chair

18 Election Commissioners Assoc.
 of the State of New York 526 532

19

Michael J. Malbin
 20 Director
 Campaign Finance Institute

21 -and-

Chisun Lee
 22 Senior Counsel,
 Democracy Program

23 Brennan Center for Justice
 -and-

24 Henry T. Berger
 Election Law Attorney 540 554

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6 Rob Hayes
Clean Water Associate
7 Environmental Advocates
of New York 571

8

Alex Camarda
9 Senior Policy Advisor
Reinvent Albany 576 581

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Agit Bhullar

11 Fellow
Public Citizen 587

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1 CHAIRWOMAN WEINSTEIN: So good
2 morning. I'm Helene Weinstein, chair of the
3 New York State Assembly Ways and Means
4 Committee, cochair of today's hearing. Today
5 we begin the 111th in a series of hearings
6 conducted by the joint fiscal committees of
7 the Legislature regarding the Governor's
8 proposed budget for fiscal year 2019-2020.

9 The hearings are conducted pursuant to
10 the New York State Constitution and the
11 Legislative Law.

12 Today the Assembly Ways and Means
13 Committee and the Senate Finance Committee
14 will hear testimony concerning the Governor's
15 budget proposal for local government
16 officials and general government.

17 I'll introduce members from the
18 Assembly, and Senator Krueger, chair of
19 Senate Finance, will introduce members from
20 the Senate. In addition, our ranking Ways
21 and Means member, Will Barclay, will
22 introduce members from his conference.

23 So far we have, from the Democrat
24 conference, the chair of our Cities

1 Committee, Ed Braunstein; Assemblyman Charles
2 Fall; Assemblyman Harvey Epstein; Assemblyman
3 Jonathan Jacobson; Assemblyman Robert
4 Carroll; Assemblyman David Buchwald;
5 Assemblywoman Mahoney {sic}; and Assemblyman
6 Nader Sayegh. Oh, Assemblywoman Karen
7 McMahan. Sorry.

8 And Assemblyman Barclay, for your
9 conference members?

10 ASSEMBLYMAN BARCLAY: Thank you,
11 Chairwoman.

12 We're joined by our ranker on Local
13 Governments, Colin Schmitt. And we also have
14 -- who I think just stepped out for a moment
15 -- Nicole Malliotakis.

16 CHAIRWOMAN WEINSTEIN: Senator
17 Krueger.

18 CHAIRWOMAN KRUEGER: Thank you. Good
19 morning. Welcome to all. And I am going to
20 be introducing my Senators: Senator Jim
21 Gaughran, chair of the Local Government
22 Committee; Senator Robert Jackson, chair of
23 the Cities Committee; Senator John Liu, chair
24 of the Education in New York City Committee.

1 I'm going to stop naming chairs now.

2 Senator Brian Benjamin, Senator

3 Jessica Ramos, Senator Shelley Mayer, Senator

4 Diane Savino.

5 And we're also joined with our

6 Republican ranker on Finance, Senator James

7 Seward.

8 And I see Senator Gustavo Rivera

9 entering as I stop my list.

10 Thank you, Assemblymember.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 So I would just remind witnesses that

13 we do have your submitted testimony. So to

14 the extent that you both keep within your

15 allotted time limit and also summarize your

16 comments, that will be helpful as we go

17 along. All the written testimony is part of

18 the record.

19 And for members, just to remind

20 people, we have a time clock and there will

21 be -- the time will show up, there will be a

22 green light, then a yellow light when you

23 have one minute. Then the red light will

24 flash to say that your time is up. And the

1 time for members is both for questions and
2 answers.

3 So we're going to start with the mayor
4 of Yonkers, Honorable Mike Spano, to
5 accommodate -- and we want to send our
6 condolences to you and your family. And
7 we're happy to accommodate your situation
8 today so you can attend to that.

9 CHAIRWOMAN KRUEGER: Press, could you
10 move over from where you are so that you're
11 not intruding?

12 CHAIRWOMAN WEINSTEIN: And following
13 Mayor Spano, we will return to our original
14 order with Mayor de Blasio.

15 MAYOR SPANO: Thank you, Madam Chair.

16 CHAIRWOMAN WEINSTEIN: Sure.

17 MAYOR SPANO: And Chairwoman Krueger,
18 Chairwoman Weinstein, distinguished members
19 of the Assembly and the Senate, thank you for
20 your indulgence for allowing me to come up.
21 As you can imagine, it's been a rough past 20
22 hours. But this is obviously very important
23 that I'm up here to today to speak about
24 Yonkers.

1 What I will say right up front is
2 reflecting on my time as mayor of Yonkers
3 over the past seven years, my testimony won't
4 be very different than it's been over the
5 last couple of years. So you probably can
6 predict what I'm going to say. But I will
7 also tell you that despite our challenges,
8 Yonkers continues to succeed. Over the past
9 seven years, our unemployment rate has hit
10 the lowest it's been since 2000. There's
11 about \$3.5 billion in private investment as a
12 result of thousands of new permanent jobs.

13 Also, with the help of our great
14 Governor, Andrew Cuomo, and of course all of
15 you in the State Legislature, we've been able
16 to improve the fiscal outlook of our city,
17 and today Yonkers bond ratings are the
18 highest that they've been in a generation.
19 Our graduation rates are up; we are leading
20 the way with the Big 5 cities. Yonkers has
21 the highest graduation rate of all the Big 5.

22 The crime rate is the lowest that it's
23 been in recorded history, and people are
24 starting to change their view of Yonkers.

1 And despite the successes that we've
2 had over the years, we do have -- we still
3 can have those severe budgetary needs that we
4 talk about each and every year.

5 Here are the hard facts that we can't
6 ignore about our Yonkers schools. Over the
7 years you have heard me speak of the
8 startling deficiencies that Yonkers schools
9 still face due to necessary cuts in services.

10 Twelve percent of our students are learning
11 English for the first time.

12 Seventeen percent of our students have
13 disabilities. We need psychiatrists, social
14 workers, school counselors in every school.
15 We don't have them in every school currently.

16 We need art, music, technology to be
17 part of every student's educational
18 experience. It is not part of every one of
19 their experiences. We need a modified and
20 junior varsity sports program offered to all
21 students in the district. It's currently not
22 offered to all students.

23 We need pre-kindergarten, as we all
24 know, supported every year as a mandate, as a

1 state mandate, not just offered when grant
2 funding is available.

3 You know, we're deficient in the
4 current resources provided to us, yet our
5 district's enrollment continues to grow. The
6 City of Yonkers, the big city outside of
7 New York City, is the city that continues to
8 have enrollment growth while many others have
9 declined or stayed the same.

10 The reason why Yonkers public schools
11 have been able to succeed in certain
12 categories is because of our annual pleas to
13 all of you with one-shots. And you have been
14 there for us, and I have to say that. But
15 it's in large part -- at least for us it's
16 been somewhat of a Band-Aid approach. It
17 helps us for the year. We would never not
18 say thank you for that. But there are still
19 major problems with the Foundation formula
20 that need to be addressed.

21 You know, the Foundation formula
22 appropriates nearly \$8,000 per pupil by
23 formula. The next closest city to Yonkers,
24 the next peer city to Yonkers gets about

1 \$4300 more per pupil. Total federal, state
2 and local cost-adjusted classroom funding for
3 Yonkers students lag our sister cities,
4 cities like Syracuse, Rochester and Buffalo,
5 by \$2,000 to \$3,000 per pupil.

6 So based on enrollment, that is a
7 difference of about anywhere between 52 to
8 \$79 million. That is numbers that the local
9 taxpayers cannot sustain. We cannot get past
10 that. It is impossible.

11 So this year we're looking in our
12 current fiscal year at a \$60 million
13 status-quo budget shortfall for the Yonkers
14 schools. And our issues can be explained and
15 our expenditures can be explained very, very
16 easily. But one thing we know for sure is
17 that our expenditures are outpacing our
18 revenues.

19 And I mentioned earlier that there's
20 no way that Yonkers taxpayers can afford to
21 fund this problem alone. Foundation Aid is
22 based on the wealth of the municipality, and
23 Yonkers has exhausted its wealth. Let me
24 take a moment to explain it. We are right

1 now at a 92 percent constitutional -- of our
2 constitutional taxing limit. And so if we
3 were even to max that out and make that 100
4 percent of our constitutional taxing limit,
5 we wouldn't come close to meeting the
6 shortfall that the taxpayers are having.

7 And so essentially what that says to
8 each and every one of you is that the city
9 cannot fund its shortfall; hence, the kids
10 will suffer. You don't let that happen. And
11 we're hopeful that you'll work with us to
12 make sure that doesn't happen.

13 We were taking a look at just our
14 Maintenance of Effort. And our Maintenance
15 of Effort, which is quite extensive, has a
16 number of things that aren't even included as
17 part of the traditional Maintenance of
18 Effort. Like, for instance, we pay -- the
19 city side pays the debt service of the Board
20 of Education. And if you look at that, our
21 numbers are 69 percent of our budget goes
22 towards education.

23 So let's not forget that we've
24 exhausted other means of revenues. And what

1 I mean is we have a gross utility -- we've
2 exhausted gross utility tax, real estate
3 transfer tax, mortgage tax, hotel occupancy
4 tax, cable franchise tax, resident income
5 tax, nonresident income tax.

6 Our sales and use tax revenue, which
7 is at \$90 million, also provides for
8 education. And the fact is -- and this is
9 another I think pretty surprising fact -- is
10 that while people look at cities, let's say
11 like Rochester, and say, Well, you know,
12 Rochester doesn't have the economic base that
13 Yonkers has. And I will have to tell you
14 that I was very surprised to see that
15 Rochester's sales tax is about \$150 million,
16 a city that is roughly the same size as
17 Yonkers, and our sales tax is 90 million.
18 Why? Because we compete with New York City,
19 we compete with White Plains, we compete with
20 areas around. We are not the exact center of
21 sales tax revenue.

22 So Yonkers' wealth is not nearly as
23 strong as the formula may suggest. And
24 excessive taxes have hampered our ability to

1 allow our residents to use their disposable
2 incomes in other places. Our real property
3 taxes were raised last year by 6 percent, so
4 now that stands at \$378 million. That brings
5 us to 92 percent of our constitutional taxing
6 limit. So we've done all we could.

7 I know I only have two minutes left,
8 so I'll just -- I took a lot of time there.
9 I'll ask that -- just real quickly, I'll
10 ask -- as far as the casino is concerned,
11 Yonkers Raceway is now owned by MGM. We'd
12 ask that you might look at doing something to
13 expedite doing the licensing for full gaming
14 quicker. That would certainly help us out in
15 our revenues. It would also help out with
16 job development for the city.

17 And I'd also ask that you allow sports
18 betting to happen in the City of Yonkers.
19 That would be critically important to the
20 city. I know you're doing it for upstate.
21 It would be very helpful for Yonkers.

22 You know, the Yonkers Raceway had
23 8 million visitors there last year. We
24 expect that this is going to continue to be a

1 real drive for Yonkers and for the region.

2 And our rebuilt schools. We have to
3 rebuild our schools. We're 4500 kids over
4 capacity. Last year you helped us with
5 enabling legislation that provided us a
6 Double MCA, which was -- I want to say thank
7 you to our delegation for making that
8 available to us. But still the local share
9 would be \$153 million. That's money that,
10 when you're at 92 percent of your
11 constitutional taxing authority, just isn't
12 there.

13 So what I'm asking is that if the
14 changing of the formula to allow us to
15 reflect the sister cities of upstate isn't
16 possible, that you at least look at the
17 potential of a block grant of anywhere
18 between \$50 million and \$100 million that
19 would provide an offset for the local share
20 of the cost of rebuilding our schools.

21 If we borrow \$30 million in Yonkers,
22 that's 1 percent of the tax levy. One
23 percent. So think of it this way. We have
24 to borrow \$153 million to build those

1 schools.

2 If you don't mind, I'll be real quick,
3 I can just see if there's anything else I
4 needed to wrap up on. And I believe I got
5 everything I needed to get in, Madam Chair.
6 And with that, I'll just open it up for
7 questions.

8 I'm also joined by John Jacobson, who
9 is our budget director, and John Liszewski,
10 our finance commissioner.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 The Assembly doesn't have any
13 questions at this time. The Senate?

14 CHAIRWOMAN KRUEGER: Thank you.

15 Senator Robert Jackson.

16 SENATOR JACKSON: Good morning, Mayor.

17 Let me express my condolences to you and your
18 family.

19 Thank you for coming in. I see that
20 in your testimony you spent a lot of time on
21 education. And so understanding how
22 important education is, I would assume that
23 you support what the Board of Regents and the
24 commissioner is saying, that we need to fully

1 fund the Campaign for Fiscal Equity under the
2 Foundation Aid formula, which is \$4 billion
3 statewide.

4 I want to know what's your opinion on
5 that, or do you agree with the Governor that
6 CFE is a ghost of the past and a distraction
7 to the present?

8 MAYOR SPANO: Well, I'm not going to
9 characterize -- I didn't hear what the
10 Governor had said about that, but --

11 SENATOR JACKSON: That's what he
12 actually said.

13 MAYOR SPANO: But I'll tell you real
14 quick about what I think about full funding
15 of the formula.

16 When the school formula isn't funded
17 fully, cities like Yonkers, where wealth
18 doesn't work -- the wealth factor of this
19 formula doesn't seem to work for a city like
20 Yonkers for a host of reasons. We end up
21 getting clobbered in that scenario. We're
22 down I think another \$42 million just from
23 the CFE. And so yeah, I mean, of course I'd
24 be for the full funding of the formula. That

1 goes without saying. I mean, it's a -- the
2 Campaign for Fiscal Equity, I lived it when I
3 was up here with all of you. It was a
4 promise we had made. But then the economy
5 dipped, and we had to make some hard choices.

6 Hopefully I think for the sake of all
7 the municipalities, that we'll see a change
8 in direction on that.

9 SENATOR JACKSON: Now, you indicated
10 in your testimony that Yonkers I believe you
11 said had the highest graduation rate of all
12 of the I guess Big 5.

13 MAYOR SPANO: Of the Big 5.

14 SENATOR JACKSON: What is your
15 graduation rate? Because our mayor, Mayor de
16 Blasio, has boasted our graduation rate is
17 about 75 percent, the highest that it's ever
18 been. So I'm curious as to what your
19 graduation rate is.

20 MAYOR SPANO: We are 86 percent.

21 SENATOR JACKSON: Eighty-six percent.

22 MAYOR SPANO: Which we're very proud
23 about that. You know, it's a district that
24 has a lot of challenges. As we all know, in

1 the district -- in the surrounding districts
2 they're graduating at 99 percent, and none of
3 us are going to be happy till we get that
4 number.

5 But the reality is that our kids have
6 challenges, but our kids are just as bright,
7 just as determined. And our teachers and the
8 administration have really done a remarkable
9 job in turning the district around.

10 SENATOR JACKSON: Mayor, so if in fact
11 the monies that you feel you need in order to
12 run your city to give the children of Yonkers
13 the education they rightfully deserve, if you
14 don't receive that type of money in this
15 budget, what are some of the consequences of
16 -- if that's not obtained? And I don't want
17 to think negative, I want to think positive.
18 But I want to know all the parameters.

19 MAYOR SPANO: Yes. The
20 consequences are real, and the consequences
21 are very simple. What happens when you have
22 a school district that already has
23 overcrowded classroom space, does not have
24 enough guidance counselors, does not have a

1 full music, art and sports program -- well,
2 you're going to have less of those things.
3 And you may see complete cuts of many of
4 those things. That's not something that our
5 kids, especially our kids in the big
6 cities -- we all know that our kids -- the
7 struggling families are in the cities.
8 They're not all in the city, but we know that
9 their concentration is in the cities. And
10 that our kids who have the greatest needs,
11 because they're some of the greatest
12 challenges, the only way out of poverty is
13 with a good education.

14 We want to make sure that they are
15 getting the same type of educational
16 opportunity that they're getting in the
17 suburban school districts. It shouldn't
18 be -- I go to the other side of the train
19 tracks, literally the other side of the train
20 tracks, and our kids have, you know,
21 classroom space that's beautiful, that they
22 have full art, full music, full sports. And
23 these are great -- these really enhance their
24 educational experience and allow them to

1 achieve higher goals.

2 And that's why we find it so hard. We
3 have put something back each and every year
4 for the past few years, incrementally, you
5 know, put back full-day pre-K, obviously with
6 your help and the help of the Legislature
7 here. We put back a modified sports program.
8 We put back a lot of our sports programs that
9 we wanted, but certainly not all of them.

10 But these are the things that you
11 lose. It's the whole idea of social
12 bankruptcy. You know, we'll lose the things
13 that can really help our kids excel and go
14 into this new world economy, if we're not
15 careful about what gets cut.

16 SENATOR JACKSON: Well, Mayor, let me
17 thank you for coming in.

18 So my message to everyone is that if
19 in fact we collectively feel that our
20 children are entitled to more under the
21 Foundation Aid formula, I ask you to join
22 with me in communicating with the Governor
23 and ask your parents and educators to do the
24 same thing and keep the pressure not only on

1 the Governor, but on the Legislature to do
2 the right thing collectively on behalf of the
3 children of your district.

4 MAYOR SPANO: Senator, thank you. And
5 I appreciate those comments. And just so you
6 know, tomorrow the Yonkers kids are coming
7 upstate by the bus droves just to deliver
8 that message. So they'll be up here.

9 SENATOR JACKSON: Good. Thank you.
10 Thank you very much.

11 CHAIRWOMAN KRUEGER: The Assembly.

12 CHAIRWOMAN WEINSTEIN: Since we
13 started we've been joined by Assemblywoman
14 Nolan, our deputy speaker, and Assemblyman
15 Thiele, chair of Local Governments.

16 And to Mr. Barclay.

17 ASSEMBLYMAN BARCLAY: Thank you,
18 Chairwoman.

19 And good morning, Mayor.

20 I don't think many people know, but
21 when I started in the Assembly I had the
22 honor of sitting next to the mayor, and he
23 always said to me: "What's in it for
24 Yonkers?" And then I had the pleasure of

1 being in conference with the mayor, and every
2 time he asked staff, he always said "What's
3 in it for Yonkers?" And this year is my
4 first time as the ranker on Ways and Means,
5 and it's good to have you in front of us
6 asking "What's in it for Yonkers?"

7 (Laughter.)

8 ASSEMBLYMAN BARCLAY: So great seeing
9 you, Mr. Mayor. And I just want to give my
10 condolences to you and your family.

11 MAYOR SPANO: Thank you, Assemblyman.

12 ASSEMBLYMAN BARCLAY: Thank you.

13 MAYOR SPANO: Thank you so much.

14 CHAIRWOMAN WEINSTEIN: Senate.

15 CHAIRWOMAN KRUEGER: Hi. We've been
16 joined since the last time we listed by
17 Senator Sepúlveda, by Senator Brian Kavanagh,
18 by Senator Brad Hoylman. I've seen them come
19 out and go back in.

20 I also want to offer my condolences to
21 you and your family, and appreciate your
22 coming today. And on behalf of Andrea
23 Stewart-Cousins and Shelley Mayer -- who's
24 here, but isn't a member of the committee so

1 can't ask questions, to assure you that our
2 conference is very, very focused on trying to
3 address the concerns of Yonkers and the other
4 Big 5 cities in New York State.

5 MAYOR SPANO: Thank you very much,
6 Senator.

7 CHAIRWOMAN KRUEGER: And I just want
8 to turn it over it to Senator Jim Seward for
9 one second.

10 SENATOR SEWARD: I just want to
11 acknowledge the presence of Senator Bob
12 Antonacci, who's joined us as well.

13 And I have no question for you, Mayor,
14 other than on behalf of my conference, I want
15 to express our deepest sympathies and
16 condolences to you and your family.

17 MAYOR SPANO: Senator, thank you so
18 much.

19 SENATOR SEWARD: Your father was a
20 great man.

21 MAYOR SPANO: Thank you so much.

22 CHAIRWOMAN WEINSTEIN: Yes, thank you,
23 Nick, and -- Nick. I'm sorry, Mike.

24 CHAIRWOMAN KRUEGER: Been happening

1 your whole life, right?

2 MAYOR SPANO: To all of you, I very
3 much appreciate your indulgence. And thank
4 you.

5 CHAIRWOMAN WEINSTEIN: On behalf of
6 all of our members -- I think each one would
7 like to personally wish you condolences, but
8 so that we could move on, thank you for being
9 here. I'm glad we were able to help you out
10 today. Thank you.

11 MAYOR SPANO: Thank you,
12 Assemblywoman.

13 CHAIRWOMAN KRUEGER: Thank you.

14 (Pause.)

15 CHAIRWOMAN WEINSTEIN: So in a moment
16 we're going to be joined by the Honorable
17 Bill de Blasio, mayor of the City of
18 New York, who should be walking in the door
19 momentarily and was in a holding room.

20 (Pause.)

21 CHAIRWOMAN WEINSTEIN: Thank you.
22 Thank you, Mr. Mayor. We'll save the hellos
23 for a different time, the personal hellos.

24 So thank you. We have your testimony.

1 And feel free to begin. Just be mindful we
2 have 15 minutes on the clock, and that light
3 will flash yellow in front of you when
4 there's a minute to go. And I know there's a
5 number of members who have questions, so I'm
6 sure everything will come out in our
7 questions.

8 MAYOR DE BLASIO: Chair, I will follow
9 instructions.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 MAYOR DE BLASIO: Thank you.

12 I want to thank Chair Krueger,
13 Chair Weinstein, Ranking Minority Members
14 Senator Seward and Assemblymember Barclay,
15 and of course our legislative leaders,
16 Majority Leader Stewart-Cousins and Assembly
17 Speaker Heastie, and all the members here
18 today. Thank you for this opportunity to be
19 with you.

20 I want to begin by congratulating all
21 of you. This has been a historic time, what
22 you have done in this session has been
23 outstanding already, and you've done it with
24 lightning speed, a whole host of issues that

1 for many of us we have waited for decades for
2 action on.

3 I want to thank you also for your
4 continued focus on the needs of the
5 8.6 million people who live in the five
6 boroughs.

7 Last week I presented my preliminary
8 budget for the City of New York, and I was
9 compelled to deliver sobering news. The
10 budget for fiscal year '20 faces three major
11 uncertainties.

12 First, the economy shows increased
13 signs of a slowdown, and our personal income
14 tax revenues are projected to be almost \$1
15 billion less than what we collected last
16 year.

17 Second, the city faces \$600 million in
18 potential cuts and cost shifts in the current
19 State Executive Budget, and that was before
20 the recent announcement of an additional
21 shortfall that the state is experiencing in
22 income personal taxes.

23 And then third, of course, another
24 possible government shutdown in Washington.

1 And we have calculated the impact of that,
2 once it takes full effect, New York City
3 residents will lose approximately
4 \$500 million a month -- that's half a billion
5 a month -- in direct support from the federal
6 government, \$100 million additional negative
7 impact on city government. That would start
8 in May if the shutdown were to occur soon.

9 As I continue, I also want to note, of
10 course, I'm joined by two key members of my
11 administration, my city budget director,
12 Melanie Hartzog, and our director of state
13 legislative affairs, Simonia Brown. They'll
14 be joining me in answering your questions.

15 So I mentioned that we have seen real
16 areas for concern in our budget. For this
17 reason, we have set a mandatory savings
18 target of \$750 million that we will meet by
19 April at the time of our executive budget.
20 So this is on top of the savings programs we
21 had in effect previously, on top of the
22 healthcare savings that we have achieved with
23 our colleagues in labor. This is an
24 additional \$750 million in savings that we

1 must find. We will for the first time ever
2 be instituting a PEG program, a Program to
3 Eliminate the Gap. Every city agency will be
4 given a numerical dollar figure to cut back.
5 And there will be a deepening of our existing
6 hiring freeze.

7 Now, our preliminary budget has a few
8 but very limited investments, the smallest
9 since I first took office. And I want to be
10 clear, depending on how events proceed, we
11 may have to further limit or slow down or cut
12 some of these investments. And of course
13 that will be painful to city residents and to
14 all of us who serve them.

15 Now I want to focus very quickly on
16 five major issues and then a few other
17 smaller issues, but I'll do this very
18 quickly.

19 First, strongly support the three-year
20 extension of mayoral control of New York City
21 schools. Mayoral control is working. My
22 administration has made it our focus to bring
23 equity and excellence to our schools and to
24 reach children in every zip code more

1 effectively. We've provided every 4-year-old
2 with free, high-quality full-day pre-K, with
3 your great assistance, and we are now moving
4 on to 3-year-olds. Twenty thousand
5 3-year-olds will have free early childhood
6 education as of September.

7 For the fifth year in a row, we've set
8 a record graduation rate. Today,
9 three-quarters of our students graduate high
10 school on time. That compares to under 50
11 percent before mayoral control of education.

12 And also this last year, 59 percent of our
13 public school graduates went on to higher
14 education. That's the all-time high, and we
15 want to build upon that number.

16 The accountability and the authority
17 that mayoral control creates allows for real
18 change to happen and happen quickly. And we
19 cannot return to the days when there was a
20 lack of accountability and there was a chaos
21 that blocked progress.

22 Second, I want to turn to \$300 million
23 in cuts and cost shifts to education funding
24 in the Governor's Executive Budget. The

1 school aid proposal leaves the city \$148
2 million short of the funding we need to cover
3 the increase in state-mandated services,
4 including payments to charter schools and
5 special education services. That's
6 exacerbated by a funding formula that is not
7 equitable. It would require us to send 75
8 percent of our Foundation Aid increase to
9 just 20 percent of city schools. That would
10 force us to backfill or reduce funding for
11 the remaining 80 percent of our schools.

12 I want you to know our administration
13 already invests 21.3 percent more in students
14 in our highest-poverty schools, as the
15 statistics we submitted in July in the State
16 School Funding Transparency Form illustrate.
17 We have raised the Fair Student Funding
18 levels for all schools an average of 93
19 percent, with median schools at 100 percent,
20 and we will continue to emphasize reaching
21 schools that were too long ignored.

22 I urge you to take the next step so
23 that we can help our children more and to
24 allocate the \$1.2 billion that city students

1 are owed under the Campaign for Fiscal Equity
2 settlement. That alone could cover the
3 city's Fair Student Funding formula for every
4 school. We'd be able to take every school to
5 100 percent.

6 The third issue, the MTA. New York
7 City residents agree it is time to fix the
8 state-run Metropolitan Transportation
9 Authority, and it needs to be this year in
10 this budget, I strongly believe.

11 Now, we know we all would like to see
12 a clearer accounting of MTA capital
13 expenditures and what money they need when.
14 But in the meantime, we also know that tens
15 of billions of dollars will be needed on a
16 sustainable basis. This is the moment to
17 achieve that. Obviously, I support the
18 millionaire's tax, but I know there are other
19 solutions that have been put forward. I urge
20 you to consider all options. But what's most
21 important is that we come up with sustainable
22 revenue to fix the MTA once and for all.

23 I must make clear that that revenue
24 cannot be gathered from the city budget

1 directly. City government should not fund a
2 state responsibility, and we simply can't.
3 The impact on our capital budget would be
4 devastating, potentially damaging our credit
5 rating and imperiling basic infrastructure
6 like schools, parks, roads and bridges, water
7 and sewer that our constituents -- all of
8 your constituents -- depend on. This is
9 where our capital money is going. And if we
10 had to pay MTA expenses, we could not make
11 these investments.

12 If congestion pricing is an option,
13 I've been clear that I believe strongly it
14 should consider and include hardship
15 exemptions. Revenue should be put in a
16 lockbox for subways and buses. And there
17 should be clear, dedicated investment in
18 transit deserts.

19 Further, New York City must be
20 included in developing and implementing any
21 type of congestion pricing scheme.

22 The Executive Budget proposal cuts
23 New York City out entirely from the
24 implementation, giving control of city

1 streets to the MTA. And this will not work,
2 and it will -- any situation like this would
3 not work without full partnership between
4 local government and state government. I
5 would say that's true in every jurisdiction
6 in this state.

7 Fourth point. There are other
8 worrying cuts and cost shifts in this budget
9 that must be addressed. I've already spoken
10 about \$300 million in education cuts.
11 There's another \$300 million that would hurt
12 New York City residents in a variety of ways.
13 I urge you to restore the following. The
14 Governor is proposing a shift of \$125 million
15 of state costs to the city for TANF financial
16 assistance for families in need. This would
17 shift the cost of cash assistance to the city
18 and cut shelter rates for those who need
19 shelter.

20 The state also proposes a \$59 million
21 cut in health services such as help for
22 mothers and children, including newborn home
23 visiting, clinics that treat STDs, HIV and
24 tuberculosis, response to communicable

1 diseases, including Legionnaires, West Nile
2 and Zika, and testing updated vaccines for
3 diseases like measles and hepatitis A.
4 There's also a \$13 million cut to
5 preventative services that help keep
6 5,000 young people a year out of foster care
7 and detention.

8 Fifth item. It's time for the State
9 of New York to join us in supporting our
10 400,000 public housing residents, and it's
11 time for the state to meet its obligations.
12 The hardworking working people in NYCHA are
13 the backbone of our city, and last month we
14 signed an agreement with HUD and the Southern
15 District to put us on a faster path to fixing
16 so many of the problems that plague NYCHA.
17 The city will be investing 2.2 billion over
18 the next decade on top of the \$4 billion we
19 have previously committed through our own
20 budget process.

21 Now the state must release the
22 \$450 million in funding that all of you
23 agreed to with the Governor, and we need that
24 money to get to NYCHA so NYCHA can continue

1 the work needed to improve the lives of our
2 residents.

3 Finally, very quickly on a few other
4 issues. Design-build. The five boroughs
5 deserve the same benefit that the state now
6 has for itself. Our agencies like DOT, DEP,
7 DDC, Parks, H+H and NYCHA need broad
8 design-build authority. This will save
9 money, save time, it's in the taxpayers'
10 interest, and it comes at no cost to the
11 state.

12 On criminal justice, we are addressing
13 the issue of mass incarceration in New York
14 City. We're driving down our jail
15 population, and we plan to close Rikers
16 Island, but we need further reform. The
17 state can do so much to encourage speedy
18 trials and reform the discovery process. We
19 believe in those initiatives.

20 We also believe that the Governor's
21 proposal on eliminating cash bail is a good
22 start, and it includes something that I've
23 been advocating for, allowing judges to take
24 public safety into account during pretrial

1 detention hearings. There's more work to be
2 done; we have to make sure that we achieve
3 the right balance between safety and reform.

4 We also support the parole reform
5 championed by Assemblymember Mosley and
6 Senator Benjamin. Let's ensure that people
7 who have violated parole and are a risk to
8 the community are incarcerated, but those
9 charged with minor or technical violations
10 are not.

11 We also need the state to move
12 state-supervised parole violators in city
13 jails into available space in state
14 correctional facilities.

15 And finally, we ask for legislative
16 change to allow city prisoners serving less
17 than a year to earn reduced sentences for
18 good behavior, as they do in state
19 institutions.

20 On housing, there are too many
21 landlords still trying to game the system and
22 put hardworking people out of their
23 apartments. We strongly support reform in
24 preferential rent so it lasts for the life of

1 the tenancy. Strongly support the end of
2 vacancy decontrol, the elimination of the
3 vacancy bonus, and limits on MCI and IAI
4 increases.

5 I also want to express support
6 strongly for the Krueger-Hevesi Home
7 Stability Support legislation.

8 On marijuana, legalization absolutely
9 is the right thing to do, but it must be done
10 in a way that protects health and safety and
11 does not create a new corporatization of a
12 new industry that causes the same problems we
13 saw with the tobacco industry and the
14 pharmaceutical industry.

15 So I ask that we focus on ensuring
16 that economic benefits from marijuana
17 legalization reach the communities that so
18 long have suffered, and we not repeat the
19 mistakes that have occurred with other
20 agencies.

21 On safety on our roadways, we are
22 doing everything we can to protect
23 New Yorkers. Our Vision Zero strategy is
24 working. Two crucial items before the

1 Legislature. On school speed cameras, we
2 support the idea strongly of expansion and
3 see in the Governor's proposal to extend and
4 expand city school zone cameras. A good
5 start, but we need more zones and longer
6 hours of operation. We look forward to
7 working with the Legislature to create a
8 stronger, better program.

9 One further point. Revenues from this
10 program should be used to keep our kids safe
11 and not fund the MTA. We have to make sure
12 that the speed cameras are there for safety
13 and we have the resources to have them in the
14 school zones that need them.

15 On red light cameras, also strongly
16 support proposals in the Executive Budget
17 that extend authorization for the city's red
18 light camera program to stop speeding. But
19 we ask that the Legislature expand it to 300
20 intersections.

21 We also, final point on this matter,
22 strongly support lifting the cap on the
23 number of bus lanes with automated
24 enforcement so we can speed our buses.

1 Finally, a very important matter: On
2 Civil Rights Law 50-a, the need for reform.
3 Section 50-a is broken and undermines the
4 trust we have built between our police
5 officers and our communities. I know
6 Commissioner O'Neill feels this strongly, and
7 Commissioner Bratton before him felt this
8 strongly as well.

9 We need to work together to tear down
10 the barriers created by this outdated law and
11 give the public the transparency and
12 accountability that they deserve.

13 I also want to note two last points.

14 Commercial vacancy tax. We have a
15 number of empty storefronts. It's a growing
16 problem in our neighborhoods. Let's pass a
17 smart targeted tax to force landlords from
18 leaving their properties empty, from
19 blighting neighborhoods. Let's make clear to
20 landlords that this is a problem for our
21 communities. And with this tax, hopefully we
22 would encourage landlords to turn their
23 properties over more quickly and ensure that
24 small businesses have an opportunity to rent

1 them at a reasonable level.

2 Final point, on health. We are by all
3 accounts the richest nation on earth, and yet
4 we have people with preventable health
5 problems who end up in emergency rooms with
6 catastrophic problems and astronomical bills.

7 We have a new initiative, NYC Care, that we
8 will use as part of a plan to guarantee
9 access to healthcare for 600,000 uninsured
10 New Yorkers. I believe this is going to make
11 a huge difference in the lives of our people.

12 At the same time, I want to work with you to
13 the day that we can have a single-payer
14 system for this whole state and obviously
15 ultimately for this nation.

16 To conclude, I want to thank you for
17 all you do on behalf of the people of this
18 state and the people of our city. We are
19 deeply appreciative for the many, many times
20 that you have provided support for the kind
21 of initiatives that really have improved the
22 lives of New Yorkers. I look forward to a
23 dialogue with you today, and I look forward
24 to working with you to keep our cities strong

1 and safe and resilient for the 8.6 million
2 New Yorkers who live there.

3 Thank you so much. 45 seconds left,
4 Chair.

5 (Laughter.)

6 CHAIRWOMAN WEINSTEIN: You got it.
7 You earn extra points for that. I'm not sure
8 dollars, but certainly points.

9 MAYOR DE BLASIO: All right.

10 CHAIRWOMAN WEINSTEIN: So we're going
11 to go to our chair of Cities, Assemblyman
12 Braunstein.

13 ASSEMBLYMAN BRAUNSTEIN: Thank you.

14 And thank you for joining us today,
15 Mr. Mayor.

16 The Executive Proposal would require
17 certain school districts to devote a portion
18 of their 2019-2020 Foundation Aid increase to
19 raise the per-pupil allocation for certain
20 schools that the Executive has identified as
21 high-need but underfunded.

22 How would this impact the city? And
23 how does the city currently allocate funding
24 per pupil?

1 MAYOR DE BLASIO: So although -- and
2 I'll state at the outset I will, in the vast
3 majority of cases, answer the question or
4 start to answer the question, but my two
5 colleagues may jump in at any time to fill in
6 additional blanks.

7 Although I'm certain the proposal is
8 well intended, there are real problems with
9 it. Unfortunately, it has an unequitable
10 impact on a number of schools because what
11 really happens is it takes away our ability
12 to keep funding a number of our schools,
13 including schools with real needs, at the
14 current level. That would put us in a
15 situation where we would either have to find
16 resources to backfill for those schools and
17 continue their current level of support or,
18 God forbid, not be able to do that and then
19 those schools would end up being hurt by the
20 proposal.

21 We're looking for situations where we
22 help all schools simultaneously. Obviously I
23 believe the single most powerful way to do
24 that is by funding the CFE decision. But the

1 approach we've taken -- with, often, great
2 help from the Legislature -- is to keep
3 raising the Fair Student Funding levels.
4 We're now at an average of 93 percent for the
5 city. Our goal is to get to a 100 percent
6 for every single school. We believe we can
7 do that in just a few years, with your help.

8 That's the equitable way, not to take
9 away from a school -- many schools, as you
10 know, struggle to improve. We don't want to
11 set them back and then give to another school
12 that's also struggling. We want to lift all
13 schools up. So that's the vision that we
14 would have.

15 But the practical impact is,
16 unfortunately, it would endanger the funding
17 that some schools currently depend on.

18 ASSEMBLYMAN BRAUNSTEIN: And I share
19 those concerns.

20 As you know, with the property tax
21 system in the City of New York, generally
22 wealthy homeowners pay lower effective
23 property tax rates than lower-income
24 New Yorkers. To address this, you propose a

1 commission, you put together a commission to
2 make recommendations to the New York City
3 property tax system. Is there a timeline on
4 when we can see those recommendations?

5 MAYOR DE BLASIO: Yes. Those
6 recommendations will be put forward this
7 calendar year; our hope is as soon as
8 possible. The question that now faces us is
9 what package is necessary, what will have to
10 be approved by the State Legislature, what
11 would have to be approved City Council, do
12 they all have to happen simultaneously, could
13 they be delinked? That's what the commission
14 is working through right now.

15 As you know, there's some
16 extraordinary people on that commission who
17 really know a lot about state and city
18 government. But the goal is to have all that
19 wrapped up this calendar year.

20 ASSEMBLYMAN BRAUNSTEIN: Okay. And as
21 you know, it's going to be a challenge
22 whatever they propose. And I look forward to
23 working with you to finally fixing our broken
24 property tax system.

1 MAYOR DE BLASIO: I appreciate it very
2 much. And we are confident we can come up
3 with ideas that are workable and create more
4 equity. I share your concern. We don't want
5 to see any lack of equity or any lack of
6 transparency.

7 ASSEMBLYMAN BRAUNSTEIN: In the
8 interim, you know, I would also just want to
9 voice my support for the City Council's
10 proposal that they put forth last year for a
11 property tax rebate for homeowners with
12 income \$150,000 and below. That's just a
13 statement.

14 And then my final question is you
15 expressed support for Senator Krueger and
16 Assemblymember Hevesi's Home Stability
17 Support proposal. Do you have an estimate,
18 if we were to pass that, on what impact it
19 would have on the homelessness numbers in the
20 City of New York?

21 MAYOR DE BLASIO: I'll start and turn
22 to my colleagues.

23 We think this would be a major step
24 forward in allowing us to access a host of

1 apartments we can't right now, on behalf of
2 people who need a chance to turn their lives
3 around. I want to emphasize very quickly
4 that the goal, when folks go into shelter, is
5 to as quickly as possible get them back on
6 their feet. And more and more people in
7 shelter in New York City are working people
8 or people who have worked recently. They're
9 folks who the problem is an economic one, it
10 is not a mental health challenge, it's not a
11 substance abuse challenge. It's simply that
12 they could not make ends meet with rising
13 costs and wages that have not increased as
14 much.

15 So it's really important for us to
16 have as many options to find them good
17 housing as possible. And this legislation
18 would greatly help that effort.

19 Would you like to add?

20 OMB DIRECTOR HARTZOG: I would just
21 add that currently the state, under our
22 existing rental subsidy program, does not
23 allow us to pay the most recent fair market
24 rate, as per HUD's regulations. And so that

1 means that we're not able to access a certain
2 amount of apartments because we were not able
3 to pay a higher level of rent. What this
4 would do is allow us to access those
5 apartments and therefore move out many more
6 families than we currently do. And that is a
7 very good thing.

8 ASSEMBLYMAN BRAUNSTEIN: Okay, thank
9 you.

10 MAYOR DE BLASIO: Thank you.

11 CHAIRWOMAN WEINSTEIN: We've been
12 joined by Assemblyman Dan Stec and
13 Assemblyman Walter Mosley since we began.
14 Senate?

15 CHAIRWOMAN KRUEGER: And we've been
16 joined by Senator Anna Kaplan and Senator Bob
17 Antonacci. And just looking around -- I saw
18 a few others come and go, so they'll probably
19 bop back.

20 But our first questioner is Senator
21 Jackson, chair of the Cities Committee.

22 SENATOR JACKSON: Thank you, Madam
23 Cochair.

24 So Mayor de Blasio, welcome. And this

1 is my first time up in Albany as a member of
2 the State Senate, and so I'm so happy to be
3 here in order to support not only New York
4 City but all of the cities and municipalities
5 that are here to ask for help.

6 So there's a perception out there that
7 New York City has all of the money that it
8 needs, so it's like a tree, you just shake
9 the tree and it comes off. And people feel
10 that why should we shift money from upstate
11 to downstate. Do you hear that? Is that
12 true? What's your opinion? Does New York
13 City have all the funds it needs to carry out
14 its mandates and all of the things we need to
15 do?

16 MAYOR DE BLASIO: Senator, no, we do
17 not. The City of New York, I want to first
18 say, has been consistently having to find
19 additional savings over the years. That's
20 why we've had a partial hiring freeze now for
21 several years. We have had a very aggressive
22 savings plan that has achieved billions of
23 dollars in savings.

24 We just announced, again, a

1 \$750 million additional savings plan that we
2 must implement in the next two months, and
3 that will include requiring every city agency
4 to make cuts.

5 And we're very, very concerned about
6 the state of the economy, and we're very
7 concerned about the effect of the proposed
8 cuts in the Governor's budget. When I tell
9 you that we're already having to find
10 \$750 million in cuts, that's without taking
11 into account what the Governor has proposed
12 because we were not going to, obviously,
13 treat that as a final decision until the
14 Legislature has spoken.

15 But that would cause us to have to
16 turn back to those same agencies and say now
17 we have to find up to \$600 million more.
18 That's going to mean program cuts. That's
19 going to mean a lot of jobs will not be
20 filled, by attrition. When city positions
21 open up, we will not be able to fill them.
22 So there are real tangible consequences.

23 I would only say that I'm someone who
24 believes that we're all in this together in

1 this state. New York City is 43 percent of
2 the state's population. Of all the states in
3 America, this is the city with the highest
4 percentage of its state's population. We
5 believe it is our responsibility to support
6 and work with our colleagues all over the
7 state. We are proud to be an economic
8 engine. We're proud to provide a lot of
9 revenue to the state government. I think
10 that's all fair.

11 But I think there has to be fairness
12 as a two-way street. And the Campaign for
13 Fiscal Equity, which I think you know a thing
14 or two about, is the most obvious example,
15 and I thank you for your leadership. And I
16 know you feel the frustration that I feel, we
17 talked about it back in our City Council
18 days, that this still has not been realized
19 even though our children deserve that support
20 and we would be able to give every school
21 100 percent Fair Student Funding. But here's
22 another example, we can't do it right now.

23 SENATOR JACKSON: So I wanted to ask
24 you some questions about that. But first,

1 looking at the Executive Budget impact on
2 cities, there's a list of all of the cities
3 that are receiving Aid to Municipalities.
4 And I don't see New York City listed. Why
5 isn't New York City listed, and how much
6 impact does that have on our city?

7 MAYOR DE BLASIO: Well, I'll start --
8 and I think my colleagues know the specifics
9 of the history better, but I remember vividly
10 in the previous administration when I think
11 an unfortunate decision was made here to not
12 continue that support for New York City.

13 And I think that's also an example of
14 something that I don't think was consistent,
15 because again, it left us with additional
16 obligations we had to somehow meet.

17 Senator, it's very important to
18 recognize, as we may be facing down an
19 economic challenge, I think everyone is very
20 sober. Obviously we heard what the Governor
21 and the Comptroller said about the state
22 budget's recent shortfalls, and we see
23 dangerous storm clouds in the overall
24 economy. If there were a recession in 2019

1 or 2020, all of us will be thrown back. The
2 state would see cuts from the federal
3 government, the state would see cuts in its
4 own revenue. The state would not be able to
5 help the city in that crisis, it's quite
6 clear. And the city would have to somehow
7 keep services like police and fire and
8 education going even as we would potentially
9 hemorrhage billions and billions of dollars
10 more.

11 I remind people that we're the level
12 of government, at the city level, that has no
13 choice but to somehow make do. We are
14 legally required to have a balanced budget.
15 The federal government, the state government
16 obviously has more flexibility.

17 But, Senator, I would only urge
18 recognition that we lost that Aid to
19 Municipalities, and that's hurt us for a long
20 time. And that's another reason why if we
21 suffered an economic crisis, we would have
22 less to fall back on than we did in the past.

23 SENATOR JACKSON: I believe that when
24 it was cut from New York City, the commitment

1 was made that it would be restored the next
2 year, and that commitment never occurred.
3 And at that time we were losing about
4 \$300 million a year.

5 MAYOR DE BLASIO: Correct.

6 SENATOR JACKSON: How much would we
7 now be losing if in fact we were currently
8 having it? Would it 450, 500 million, what?
9 Do you have any idea?

10 OMB DIRECTOR HARTZOG: I believe
11 there's a cumulative impact to that, and I
12 will ask my team to get back to you.

13 SENATOR JACKSON: Okay, very good.

14 So let me ask you about -- obviously I
15 know, unless you're going to tell me you do
16 agree -- our Governor said, and I'm going to
17 say it every time, because it's devastating.
18 He said that CFE, the Campaign for Fiscal
19 Equity, was a ghost of the past and a
20 distraction to the present. Do you believe
21 that that lawsuit is a distraction to the
22 present as far as the education of our
23 children?

24 MAYOR DE BLASIO: Senator, I -- with

1 deep respect for the Governor -- couldn't
2 disagree more.

3 The CFE lawsuit is alive. It is a
4 part of the facts on the ground in this
5 state. It was decided by the highest court
6 in New York State. It was never revoked, nor
7 was it ever fulfilled. The obligations, as
8 you know better than anyone, were fulfilled
9 temporarily and then suspended.

10 We should all be outraged that
11 something that was decided by our highest
12 court to help our children in cities that
13 needed help and in areas of the state -- in
14 rural areas as well that needed help, somehow
15 has not been brought to full fruition. And
16 the effect is obvious. I know every single
17 member here would like to see all of our
18 schools at 100 percent Fair Student Funding.
19 I hear it from a lot of elected leaders and
20 community people. We would do that in a
21 heartbeat if we had the resources that the
22 CFE decision by the Court of Appeals
23 dictated.

24 It should have been done then. It

1 should still be done now. It is something
2 that must be honored.

3 SENATOR JACKSON: And Mayor, I want to
4 ask you a couple more questions and time is
5 getting short. But you talked about an
6 extension of mayoral control. I don't
7 believe in control. Control is not what I
8 believe in. I believe in authority with
9 oversight at the appropriate level.

10 And so I give you the example -- you
11 know the example where we only had a
12 chancellor that was in there for three
13 months --

14 MAYOR DE BLASIO: Yes.

15 SENATOR JACKSON: -- and we don't want
16 that type of control to occur. So I don't
17 believe in control. I believe if we're going
18 to do anything, we need to come up with a
19 framework of authority with oversight at the
20 appropriate level. Are you willing to
21 participate in that?

22 MAYOR DE BLASIO: Senator, obviously I
23 want to work with you and with your
24 colleagues on a plan that makes sense for the

1 future.

2 I would say to you we have seen
3 extraordinary impact from mayoral control in
4 terms of serving our kids. But I hear you.
5 You and I have talked about this. The phrase
6 might be better called mayoral
7 accountability, for example; there's other
8 words you could use. The power of it is,
9 everyone here and all the parents in New York
10 City get to hold me accountable. That was
11 not true in the past, and there was a lot of
12 dysfunction, a lot of missed opportunities to
13 serve our kids. The high graduation rate,
14 the high college readiness that we see now is
15 directly related to the fact there was that
16 accountability.

17 So I'm absolutely ready to work with
18 people to see ways that we can make
19 everything work better. But the central
20 concept of that accountability and that
21 ability for the mayor to move the system
22 forward and be held accountable, we have to
23 maintain that whatever we do.

24 SENATOR JACKSON: Thank you.

1 I want to ask a question my colleague
2 asked me to ask. So last year the State
3 Budget included a provision requiring you to
4 submit your school budget allocation to DOB
5 and SED. And so was it done, and was it
6 approved? That's one question. And part of
7 that same question is, did the city do its
8 own analysis of that data and were there any
9 findings on equity or the lack thereof?

10 MAYOR DE BLASIO: Thank you. I'll let
11 my colleague speak to that.

12 STATE LEG. AFFAIRS DIR. BROWN: So we
13 did submit the form, and it was approved and
14 that allowed us to receive our school aid
15 increase.

16 In terms of any findings on equity, is
17 that the question?

18 SENATOR JACKSON: Yes.

19 STATE LEG. AFFAIRS DIR. BROWN: DOE
20 did do an analysis of the data that was
21 submitted, and what they found was, as the
22 Mayor stated in his testimony, we provide
23 21.3 percent more funding to our highest
24 poverty schools as determined by the free and

1 reduced-price lunch measure.

2 Additionally, they found that we
3 provide more per-pupil funding to schools
4 with a majority of black and Latino students.

5 OMB DIRECTOR HARTZOG: Let me just add
6 that that is in addition to all the targeted
7 investments that we've made in high-needs
8 districts, including renewal schools,
9 community schools. We made an investment in
10 3-K; we're now in the top 10 high-poverty-
11 needs districts --

12 SENATOR JACKSON: Yeah, I'm sorry, I
13 just wanted to ask another question before my
14 time is up.

15 MAYOR DE BLASIO: Please.

16 SENATOR JACKSON: We'll follow up.

17 But do you support red light cameras
18 in all schools in New York City?

19 MAYOR DE BLASIO: Yes.

20 SENATOR JACKSON: Okay. And what
21 about increasing the numbers of red light
22 cameras not in schools, but overall?

23 MAYOR DE BLASIO: My central concern
24 is around the schools, for our children. As

1 I said in the testimony, we think that there
2 are other intersections where just for Vision
3 Zero purposes, safety purposes, they should
4 be. So we want that number increased to 300.

5 But in terms of the schools, we have
6 seen fatalities go down, injuries go down,
7 crashes go down where the speed cameras were
8 around schools. It seems to me -- I know we
9 all care about our children -- if we have a
10 proven way of protecting our children, we
11 should be applying that every place it's
12 needed.

13 SENATOR JACKSON: Thank you.

14 MAYOR DE BLASIO: Thank you.

15 CHAIRWOMAN KRUEGER: Thank you.

16 Assembly.

17 CHAIRWOMAN WEINSTEIN: We'll go to

18 Assemblyman Thiele, chair of Local

19 Governments.

20 CHAIRWOMAN KRUEGER: I'm sorry, we've

21 also just been joined by Senator Sanders.

22 Thank you.

23 ASSEMBLYMAN THIELE: Good afternoon,

24 Mr. Mayor. I have a question on -- really on

1 the revenue side. You mentioned in your
2 testimony that you're projecting \$1 billion
3 less than what was collected last year. You
4 also referenced the news that we got a few
5 days ago on the state level of 2.8 million
6 less, a projection based on December numbers.

7 I guess my question for you, as you
8 prepare your budget and as we try to prepare
9 ours, how are you factoring in that news?
10 Are you looking at that like it was caused by
11 one-time factors, it's kind of a blip on the
12 radar screen as we try to project what our
13 revenues are going to be for the coming year?
14 Or are you looking at it as more of the
15 canary in the coal mine where this is a -- we
16 may be looking at very difficult times down
17 the road? You know, it makes a difference, I
18 think, as we try to project our revenue
19 estimates for the budget this year.

20 MAYOR DE BLASIO: Thank you,
21 Assemblymember.

22 Yes, we believe this is a time where
23 there should be a lot of concern. I think
24 the canary in the coal mine reference is a

1 good one. What we saw in December was
2 shocking to us. We thought things were
3 moving along pretty well in the economy and
4 in the stock market and in revenue, and then
5 in December you had the worst stock market
6 month since the Great Recession, the single
7 worst month in 10 years.

8 There's been obviously some rebound.
9 That's encouraging, but it's not comforting,
10 if you will. So we believe we have to be
11 very cautious. I want to say of our budget
12 director and her team, they have historically
13 been known as very cautious in their
14 estimates, and they thought they were being,
15 and they were very surprised by December. So
16 we are preparing even more cautious estimates
17 because there's a lot of volatility in the
18 economy in general and then obviously a
19 number of ups and downs, let's say, in
20 Washington that could affect -- trade policy
21 being an obvious one -- that could affect the
22 economy in unpredictable ways.

23 OMB DIRECTOR HARTZOG: I would just
24 add this is exactly why the Mayor has asked

1 me to develop a PEG program. And in the
2 coming months, we must find \$750 million in
3 savings in our budget.

4 ASSEMBLYMAN THIELE: Thank you very
5 much.

6 MAYOR DE BLASIO: Thank you.

7 CHAIRWOMAN WEINSTEIN: Senate?

8 CHAIRWOMAN KRUEGER: Thank you.

9 Senator Brian Benjamin.

10 SENATOR BENJAMIN: Thank you, Madam
11 Chair. Thank you, Mr. Mayor.

12 First I want to agree with you
13 wholeheartedly on parole reform. I think
14 it's desperately needed in the State of
15 New York.

16 A quick question for you. If we were
17 to pass the bill that you referenced that
18 Assemblymember Mosley and I carry, how much
19 time do you think that could take off closing
20 Rikers Island, in your view?

21 MAYOR DE BLASIO: I'll see if my
22 colleagues have an exact time estimate. I
23 would say I think it's a tremendously
24 important and helpful piece of legislation.

1 And the way we look at it is if you
2 combine the different pieces, your
3 legislation and the other speedy trial
4 legislation, bail reform done the right way,
5 et cetera, I think we have the chance of
6 taking several years off the process of
7 closing Rikers Island. I will try and give
8 you more exact information in follow-up, but
9 I think it's a fair ground rule to say that
10 several years could come off our plan if the
11 whole package were put together and voted on.

12 SENATOR BENJAMIN: Sure. One thing
13 you did not mention in your testimony was
14 Amazon. So I have two questions for you on
15 that. First, if you had to do it all over
16 again, would you have followed a different
17 process on this Amazon sort of situation?
18 I'll leave it at that.

19 And secondly, in addition to that, are
20 there other sites that you were looking at or
21 were considering in case, for example, this
22 Long Island City site cannot work for
23 whatever reason?

24 MAYOR DE BLASIO: Yes, there were a

1 variety of sites. I think it became very
2 clear during the process that the company
3 preferred the Long Island City site. And
4 obviously that's an area that has been
5 developing, and there is an opportunity to
6 develop more for the kinds of things we care
7 about. We care about more jobs for
8 New Yorkers, we care about creating more
9 affordable housing, we care about fixing our
10 infrastructure. You know, this is a part of
11 the city that's very important to the future
12 of the city.

13 But I want to emphasize this to your
14 question -- I think it's a very important
15 one. As I looked at this situation, you
16 know, one of the biggest companies on earth
17 offering the opportunity to bring 25,000 to
18 40,000 jobs -- this was a national
19 competition. Do I think it should be
20 structured that way? No. If I had my
21 druthers, it should not be city competing
22 with city, state competing with state.

23 But I was at a gathering and heard a
24 very powerful point from a former mayor,

1 Senator Bernie Sanders, who said if we're
2 really going to solve that problem, that
3 requires national legislation to stop that
4 situation where companies can try and set
5 city against city.

6 That said, we had a real-life choice
7 to make. And I think that 25,000 to 40,000
8 new jobs, many of them good-paying,
9 higher-level jobs that New Yorkers really,
10 really want -- that, by the way, are
11 available to a wide range of New Yorkers.
12 Half the jobs available in the tech sector
13 are available to folks who don't have a
14 four-year degree. We want to build up our
15 tech community so everyday New Yorkers have
16 jobs -- people who live in public housing,
17 CUNY graduates.

18 So to me it was mission critical that
19 this city get those jobs rather than the
20 other cities that I thought were very, very
21 well situated.

22 And to finish the answer, no, we
23 believed that, from a very careful tracking
24 of the competition, that there were several

1 other cities poised to win and that we had to
2 strike the right balance.

3 SENATOR BENJAMIN: So you had to do it
4 this way. Got it.

5 A couple of other quick questions.
6 Number one, you've been doing these parent
7 empowerment listening tours with the
8 commissioner. Can you talk a little bit
9 about what have you learned from these
10 forums? And has it been good, in your
11 opinion?

12 MAYOR DE BLASIO: It's been fantastic.
13 Chancellor Carranza has a very strong view
14 related to parent empowerment. We decided
15 together that we needed to do something more,
16 and this is something we will do on a
17 continuous basis, meeting directly with the
18 leaders of our community education councils,
19 meeting with PTA presidents. We've now done
20 several borough meetings, we will continue to
21 do them.

22 The feedback's been extraordinary both
23 in terms of some things that people believe
24 in -- they obviously believe in pre-K and 3-K

1 and AP for All and a lot of our big
2 initiatives, but also in things that we can
3 do better. And that if we deepen our
4 connection with parents, we're going to
5 figure out a way to do things better.

6 I want to thank you. A great example,
7 when we were dealing with the Wadleigh
8 campus, the involvement of you and other
9 elected officials and community leaders
10 helped us find a better solution than that
11 which was originally conceptualized by the
12 DOE. We want to do that on a regular basis.
13 So it's been very, very helpful.

14 SENATOR BENJAMIN: One last quick
15 question. Now, one of the things that I care
16 a lot about is the engagement of parents with
17 the DOE with school closures, consolidations.
18 Are there any changes that you believe you
19 can make as we're looking at mayoral control
20 to deal with sort of how parents can engage
21 when it comes to school closures and
22 consolidations, et cetera?

23 MAYOR DE BLASIO: The answer is yes,
24 but I want to preface consistently, as I did

1 with Senator Jackson, we have to maintain
2 accountability and we have to maintain a
3 system of decision-making that allows us to
4 keep making rapid progress for our schools.

5 But that said, I am certain there are
6 reforms that we can find together that will
7 amplify the parent voice and help us do a
8 better job.

9 CHAIRWOMAN KRUEGER: Thank you. I
10 have to cut you off, Senator Benjamin. Thank
11 you.

12 SENATOR BENJAMIN: Thank you,
13 Mr. Mayor.

14 CHAIRWOMAN KRUEGER: Assembly.

15 CHAIRWOMAN WEINSTEIN: Thank you.
16 Since we began, we've been joined by
17 Assemblyman Pat Burke, Assemblywoman Tremaine
18 Wright, and Assemblywoman Pat Fahy.

19 And we go to Assemblyman Charles Fall
20 for a question.

21 CHAIRWOMAN KRUEGER: Senator Jamaal
22 Bailey has also snuck in. Thank you.

23 ASSEMBLYMAN FALL: Thank you, Madam
24 Chair. Good morning, Mr. Mayor.

1 MAYOR DE BLASIO: Good morning.

2 ASSEMBLYMAN FALL: You know, before I
3 get into my questions I do want to thank you
4 for including a fast ferry in St. George in
5 my district --

6 MAYOR DE BLASIO: Yes.

7 ASSEMBLYMAN FALL: -- all the roads
8 that you repaved, and also universal pre-K,
9 which has had a tremendous impact on a lot of
10 kids in our district.

11 So, you know, we of course got word a
12 couple of weeks ago that there's going to be
13 a homeless shelter placed in our district.
14 And, you know, this is the same area that's
15 part of the Bay Street rezoning. And there's
16 been a lot of community engagement during the
17 Bay Street rezoning, but there was no mention
18 of the homeless shelter. And, you know, some
19 folks in the community are a little
20 frustrated with that.

21 And, you know, folks are trying to
22 understand, you know, is there a way we can
23 perhaps use the vacant NYCHA properties or
24 HPD properties to place those folks that are

1 in need, and perhaps use the funding for that
2 shelter for another Cromwell? Because there
3 is a significant need for community centers,
4 and I think the community would greatly
5 appreciate it.

6 MAYOR DE BLASIO: Assemblymember, I
7 appreciate the question and, first of all,
8 want to say the rezoning is an opportunity
9 for us to really make some major investments
10 in the community, things that have been
11 desired for a long time. Cromwell Center is
12 a great example. We have a lot of work to do
13 to figure out the exact plan, but here is an
14 opportunity to do something really big that
15 will help the people of your district and all
16 of Staten Island.

17 So I think by definition that rezoning
18 is a time to look at a whole host of
19 investments. So it's not an either/or with
20 the homeless shelter, I want to say that.

21 But I've also been very clear that
22 every part of the city needs to have capacity
23 for the folks who come from that part of the
24 city. The history is not good. Folks from

1 Staten Island were sent to Queens, were sent
2 to the Bronx when they were in shelter. That
3 was not going to help them get back on their
4 feet. There's about a thousand Staten
5 Islanders in our shelter system. Folks from
6 Staten Island should be sheltered on
7 Staten Island on their way back to a
8 different life, a better life, and getting
9 out of shelter.

10 So we think that site can work and
11 we'll put a lot of resources and energy into
12 making it work. But we're always wanting to
13 have a dialogue about alternative sites,
14 either for other needs or if anything comes
15 up that proves to us the alternative site is
16 superior. That's an ongoing dialogue we've
17 had very productively with a lot of elected
18 officials.

19 But I made a commitment to the people
20 of the city. By the way, before my
21 reelection I said we were going to open
22 90 facilities, we were going to change our
23 approach to homelessness so that it was much
24 more borough-based and neighborhood-based.

1 I'm following through on that. That's why
2 this shelter has been proposed. But we're
3 always ready to have a dialogue.

4 ASSEMBLYMAN FALL: Thank you.

5 In terms of The New York Wheel, since
6 it's not happening anymore, does the city
7 have any plans for this space? And it's also
8 important to note that this is a section in
9 my district that doesn't have much open
10 space. So, you know, perhaps a city park, a
11 state park would be nice there. But has
12 there been any discussion --

13 MAYOR DE BLASIO: We are very open and
14 we want to work with you and other community
15 leaders. Look, The Wheel unfortunately was
16 not coming together. But in the
17 glass-half-full category, obviously the
18 outlets are moving and I think that's going
19 to be a big boost to the Staten Island
20 economy. But now we have a major parcel of
21 land to make decisions on together for the
22 future. And I think the question is what's
23 going to help Staten Islanders the most,
24 what's going to fuel the economy, what's

1 going to create jobs. We should look at all
2 of that. Everything is on the table. We do
3 not have a specific proposal yet. We want to
4 engage you and your colleagues on that.

5 ASSEMBLYMAN FALL: Thank you. And
6 lastly, Bus Rapid Transit. Of course folks
7 in the community are looking for a BRT. And
8 I know there are certain areas where we can
9 work very closely with the city on, so I
10 looking forward to working with you and your
11 team.

12 MAYOR DE BLASIO: We're committed to
13 one. You know, there are some real
14 logistical challenges, but we want to get it
15 done. It's in our plan for Select Bus
16 Service expansion, and we are hopeful we'll
17 find a way.

18 ASSEMBLYMAN FALL: All right, great.
19 Thank you.

20 MAYOR DE BLASIO: Thank you.

21 CHAIRWOMAN WEINSTEIN: Thank you.
22 Senate?

23 CHAIRWOMAN KRUEGER: Thank you.
24 Senator John Liu.

1 SENATOR LIU: Thank you, Madam Chair.

2 And welcome, Mr. Mayor.

3 MAYOR DE BLASIO: Thank you, Senator.

4 SENATOR LIU: Just a quick follow-up

5 to Assemblymember Fall's question about the

6 homeless shelters and the budget. I mean, it

7 is a really large piece of the New York City

8 budget nowadays, isn't it?

9 MAYOR DE BLASIO: Yes.

10 SENATOR LIU: And how much of that do

11 you think goes towards actually sheltering

12 people as opposed to administrative costs,

13 social services, et cetera?

14 MAYOR DE BLASIO: I'll let my

15 colleagues speak to some of the breakout. I

16 would only say at the outset there's been a

17 real effort to try and make sense of the

18 shelter system going forward, getting out of

19 the cluster sites, which were not appropriate

20 housing, getting out of the hotels, which,

21 you know, as a formerly comptroller, are too

22 expensive. And we have a plan to leave them

23 once and for all. That's why we want

24 purpose-built shelters.

1 Also, one of the things we're doing
2 that is working and is a good use of money is
3 getting people off the streets who are
4 permanent homeless. Unfortunately, that does
5 put people in shelter and they're a cost.
6 So --

7 SENATOR LIU: Great. Mr. Mayor, I
8 mean, just really roughly speaking, are we
9 talking about 50 percent of the homeless
10 shelter -- I mean, the Department of Homeless
11 Services budget, does 50 percent go towards
12 actually sheltering people? Is it
13 25 percent? Is it more like 75 percent?
14 Real rough numbers.

15 MAYOR DE BLASIO: Let's have our
16 budget director start.

17 OMB DIRECTOR HARTZOG: So the total
18 budget is about 2.1 billion. Eight hundred
19 sixty million is for nonsheltering services.

20 SENATOR LIU: Okay. So a little more
21 than half is actually directed towards
22 sheltering people. And there are roughly --
23 what's the count now, about 40,000, 35,000
24 being sheltered?

1 MAYOR DE BLASIO: In shelter, it's
2 about 60, 61.

3 SENATOR LIU: Sixty-one thousand.

4 MAYOR DE BLASIO: Yes.

5 SENATOR LIU: Okay. And, I mean, just
6 for the record -- and this is something I'd
7 like to follow up with your office about.
8 You're proposing many new shelters across the
9 city, one of which happens to be in
10 College Point: \$9 million a year for
11 200 beds. That comes to about \$45,000 per
12 person. Is that in line with the costs that
13 the city provides all over the city?

14 MAYOR DE BLASIO: We can get you the
15 breakout on that unless the budget director
16 has it handy. But I will say clearly we want
17 to no longer have to engage private
18 landlords, which is the least cost-efficient.
19 Obviously hotels, least cost-efficient --

20 SENATOR LIU: But this isn't -- you
21 are engaging a new landlord for this. I
22 mean, this is not yet in place, you're
23 looking to put this in place at a cost of
24 9 million for 200 beds every single year,

1 \$45,000 per bed.

2 MAYOR DE BLASIO: Let me check our
3 facts and make sure we get back to you.

4 SENATOR LIU: Great.

5 MAYOR DE BLASIO: I'm only making the
6 point that we know there's been a history of
7 high costs. We think having a purpose-built
8 shelter system will eventually lower those
9 costs. But let's get you the facts that
10 you're asking --

11 SENATOR LIU: This is not just high
12 cost, it's exorbitant. Perhaps obscene.

13 But I want to say thank you. I want
14 to say thank you because earlier, in
15 January -- actually on my birthday -- you
16 made a great announcement. You are going to
17 provide healthcare for 600,000 fellow
18 New Yorkers who don't have insurance. And
19 the bill for that would be about \$100 million
20 a year.

21 That is phenomenal. That is genius.
22 How did you do it? Because if that's the
23 case, we could probably cover everybody in
24 the State of New York for just over a billion

1 dollars.

2 MAYOR DE BLASIO: Senator, it is
3 something that took a long time to work
4 through. The question had been on the table
5 for years, was there some variation on
6 single-payer that could be achieved at the
7 local level. The answer was we looked at
8 some very interesting examples in both
9 Los Angeles and San Francisco; they were both
10 very good, but more limited.

11 We asked the question how could we get
12 truly universal. The X factor here is that
13 we have such a strong public health system
14 and that it covers so much ground in this
15 city, 80-plus facilities. And also that the
16 public health system has made huge strides in
17 the last few years. It is now not only
18 solvent, but it has a surplus. It's much
19 more effective, much more modern. That was
20 really what opened the door.

21 And then the recognition that if we
22 gave people a direct access to care through
23 the NYC Care card, and that particularly is
24 for 300,000 undocumented folks, that would

1 mean people going to a primary care doctor
2 instead of an emergency room, avoiding
3 long-term hospitalizations, which are
4 extraordinarily costly.

5 So it really was looking at the
6 central problem and asking ourselves if we
7 turn things around would we save a lot of
8 money in the end and could we use the things
9 we have better. And the answer was yes.

10 OMB DIRECTOR HARTZOG: Just to add on
11 that point about H+H and their financial
12 solvency. When we launched the
13 transformation plan several years ago, our
14 goal was really to make sure that they're in
15 a positive cash position at the end of the
16 year.

17 SENATOR LIU: Healthcare costs right
18 now for all New York City employees are
19 several billion dollars a year. Right now
20 you're able to get insurance for these
21 600,000 uninsured people for 150 bucks a pop,
22 150 bucks a year. That is phenomenal.

23 OMB DIRECTOR HARTZOG: That is the
24 incremental cost.

1 SENATOR LIU: And I hope we can do
2 that for everybody else as well.

3 OMB DIRECTOR HARTZOG: To be clear,
4 that's the incremental cost. Right? There
5 are additional costs that are built into the
6 Health + Hospitals system, so this additional
7 100 million is incremental.

8 SENATOR LIU: The 600,000 uninsured
9 New Yorkers that you claim are also
10 incremental. So it's an incremental \$150 per
11 person that did not have insurance before.

12 I mean, I think -- what I'm trying to
13 get at, I am not intentionally trying to drip
14 with sarcasm here. It's important that you
15 get the details out about this, because it
16 will help inform our decisions as to -- you
17 know, right now we're grappling with how to
18 deal with the healthcare issue in New York
19 City --

20 CHAIRWOMAN KRUEGER: Thank you.

21 MAYOR DE BLASIO: Thank you.
22 Appreciate it.

23 CHAIRWOMAN KRUEGER: I have to cut you
24 off, Senator. Thank you.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 We've been joined by Assemblyman

3 Ortiz.

4 And now to Assemblywoman Malliotakis

5 for a question.

6 ASSEMBLYWOMAN MALLIOTAKIS: Thank you,

7 Mayor.

8 MAYOR DE BLASIO: We meet again.

9 (Laughter.)

10 ASSEMBLYWOMAN MALLIOTAKIS: So you're

11 saying that we're going to have a billion

12 less in income tax revenue, yet the city

13 budget continues to increase. This year's

14 budget was a \$4 billion increase over the

15 previous year, and now you're proposing an

16 additional --

17 MAYOR DE BLASIO: I'm sorry, not --

18 ASSEMBLYWOMAN MALLIOTAKIS: A

19 \$3 billion increase --

20 MAYOR DE BLASIO: Yeah, thank you, a

21 3 billion increase.

22 ASSEMBLYWOMAN MALLIOTAKIS: -- in

23 addition to the 4 billion from last year. So

24 altogether the city budget has gone up

1 roughly 30 percent since you've taken
2 office -- about \$23 billion in additional
3 costs.

4 So if we are anticipating all these
5 problems with less revenue coming into the
6 city, why do you continue to increase the
7 budget dramatically? And, you know, we know
8 we have to fund our schools, we know we need
9 public safety, we know we need to invest in
10 infrastructure. I'm talking about all the
11 other stuff that we're spending money on. A
12 case in point, what my colleague from the
13 Senate just pointed out, the free healthcare
14 program, which half of it is going to
15 individuals who are citizens of other
16 countries. Yes, they reside in New York, but
17 they're here illegally and we're going to
18 give them free healthcare.

19 But in addition to that, you know, the
20 half-price MetroCards, I'm talking about the
21 chief democracy officer, the night life
22 office, you know, your 314 special
23 assistants, which I always like to talk
24 about. All these costs add up, and it's

1 putting a tremendous amount of burden on the
2 constituents that I represent that are
3 homeowners. The property taxes are out of
4 control, they're out of control. A
5 44 percent increase in the property tax levy
6 in just five years.

7 And you always come here and you say,
8 well, we haven't increased the property tax
9 rate. And that is accurate. I agree with
10 you on that. But what you do and what the
11 City Council does is increase the property
12 tax levy, which is the amount of money you're
13 seeking in total from property taxpayers, and
14 you've done that by 44 percent -- 5 percent,
15 6 percent, 7 percent or 8 percent every year
16 since you've been in office, while every
17 other municipality in the state has a 2
18 percent cap on their levy. And I've asked
19 you before, can we freeze the levy? You've
20 said no. Can we at least cap the levy?
21 Because it's having an enormous impact on the
22 people that I represent and so many others
23 that are in the outer boroughs that are
24 actually the more poor communities -- the

1 working class, the middle class. Those
2 homeowners who are trying to achieve the
3 American dream, they can't keep up with this
4 rapid increase every single year.

5 So once again I'm going to ask you,
6 will you please consider capping the levy
7 while we have the Property Tax Commission
8 look at the disparity that allows for someone
9 in my district that has a property value
10 that's half of what your property is pay
11 three times as much in property taxes? That
12 is unfair. I appreciate the commission
13 looking at this, but we've got to do
14 something to cap the levy in the meantime.

15 MAYOR DE BLASIO: Assemblymember, we
16 disagree on the specific solution. But like
17 you, I listen to my many, many constituents
18 who are homeowners. And the commission is
19 not just looking at this issue, the
20 commission is going to come forward with
21 solutions and we're going to bring them here,
22 we're going to bring them to the City
23 Council. We need a more equitable system.

24 But I do want to note that looking

1 at -- I don't have the specific details for
2 any one district, but I would surmise that
3 when you look at the things we've invested in
4 and you look at your own district, one of the
5 biggest things we've invested in is fairness
6 to our workforce. You know when I came into
7 office, municipal workers had not seen an
8 increase in their pay for quite a while.
9 They were all not under contract. We have
10 kept them under contract. We've gone through
11 another round of putting them under contract.
12 When you look at the increase, a very
13 substantial amount of the increase in the
14 budget comes from giving municipal workers
15 decent contracts. I know a lot of them live
16 in your district. And I think they would all
17 agree that's a high priority.

18 Another big piece of this is education
19 services. Special education costs have gone
20 up a lot because they were artificially kept
21 low in the previous administration because it
22 was very hard for special ed parents to get
23 the services they need.

24 So just to answer your question real

1 quick, the things that we're investing in I
2 think are critical to the future of New York
3 City, and I think they're having a very big
4 impact in outer borough districts like your
5 own. And I don't think, if you said to
6 everyday New Yorkers, Would you like us to
7 take back the pre-K or the 3-K or the special
8 education support, I know people would say to
9 me, Well, wait, no. Would you like us to
10 take back the repaving? No. They'd say, We
11 need those things, they're important for our
12 quality of life, they're important for our
13 future.

14 I think the investments have worked.
15 But we do need more equity in property tax,
16 and we intend to achieve it.

17 OMB DIRECTOR HARTZOG: Well, I want to
18 add, Mayor --

19 ASSEMBLYWOMAN MALLIOTAKIS: Excuse me,
20 because I only have 30 seconds left and I
21 just want to get this and then you have all
22 the time in the world to answer.

23 CHAIRWOMAN WEINSTEIN: No --

24 ASSEMBLYWOMAN MALLIOTAKIS: So we have

1 a disagreement because there's a whole bunch
2 of other stuff --

3 CHAIRWOMAN WEINSTEIN: -- not quite.

4 ASSEMBLYWOMAN MALLIOTAKIS: -- that we
5 could clearly not be spending money on in the
6 City of New York, and I'd be happy to talk to
7 you about them at another time.

8 I just want to go to one more thing,
9 because two years ago at this very hearing we
10 talked about the issue of sanctuary cities.
11 And at the time I said that, you know, I take
12 exception to the fact that we're protecting
13 individuals -- certain crimes that are not in
14 your list: Grand larceny, sex abuse,
15 patronizing a child for prostitution, welfare
16 fraud, identity theft, some other crimes.

17 CHAIRWOMAN WEINSTEIN: So we're going
18 to --

19 ASSEMBLYWOMAN MALLIOTAKIS: You said
20 you were going to have your attorneys look
21 into that. Have you done so? And do you --

22 MAYOR DE BLASIO: Yes.

23 ASSEMBLYWOMAN MALLIOTAKIS: -- have
24 any comment on what has occurred in Queens

1 with the MS-13 gang member who's here
2 illegally, and there were two individuals,
3 one is now murdered -- do you have any
4 comment on that?

5 Thank you. Thank you, Chairwoman.

6 MAYOR DE BLASIO: I would say the NYPD
7 is doing extraordinary work to fight gangs.
8 And the NYPD has been very clear about a
9 number of gangs that it's dealing with.
10 MS-13 is something we look at and take
11 seriously. There are other gangs that are
12 much more established here that are the ones
13 we have to particularly put our focus on. I
14 have total faith in the NYPD to address the
15 gang issue, to continue to make the city
16 safer.

17 On the issue of the way the NYPD and
18 every other agency in New York City respects
19 folks who live here and happen to be
20 undocumented, Commissioner O'Neill feels
21 adamantly that we are protecting public
22 safety by not asking people documentation
23 status. When the federal government --

24 ASSEMBLYWOMAN MALLIOTAKIS: The

1 question was on the lawyers, the lawyers.

2 Have the lawyers looked into it?

3 MAYOR DE BLASIO: I'm answering the

4 question, but I'm prefacing --

5 CHAIRWOMAN WEINSTEIN: Assemblywoman,

6 let the mayor answer. We have to move on.

7 MAYOR DE BLASIO: The federal

8 government attempted to hold back security

9 funding over this issue, and a federal court

10 found that was inappropriate. So our

11 security funding continues. Our policies

12 that keep New Yorkers safe continue. And our

13 police commissioner and his predecessors

14 believe these are the right policies.

15 On the question of the legislation of

16 the City Council, as you know, 170 specific

17 crimes by the vote of the City Council, and I

18 signed the bill, indicate when there's a

19 conviction in those cases that we do

20 cooperate fully with ICE. We have had the

21 law department review other areas of concern.

22 We are having that conversation with the

23 City Council right now to determine the

24 course of action.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 Thank you. Senate?

3 CHAIRWOMAN KRUEGER: We've been joined

4 by Senator Kevin Thomas, and our next

5 questioner is Senator Jim Seward.

6 SENATOR SEWARD: Good afternoon,

7 Mayor.

8 I wanted to return to a discussion on

9 the MTA and specifically on the Subway Action

10 Plan. Are you seeing any positive results of

11 the Subway Action Plan thus far?

12 MAYOR DE BLASIO: Senator, we finally

13 got a report from the MTA recently which

14 we're evaluating now. I think the goal of

15 regular reporting and clear results has not

16 yet been met, is the honest answer.

17 I'm going to remain hopeful. But I

18 would like to see, going forward, more

19 accountability, more transparency, more

20 results for the money that we put in.

21 SENATOR SEWARD: When the Subway

22 Action Plan came about in last year's State

23 Budget, it called for a fifty-fifty split,

24 city and state, funding it. Will the city

1 ever agree to contribute to the Subway Action
2 Plan? And if not, why not?

3 MAYOR DE BLASIO: Senator, obviously
4 the Legislature made that choice last time.
5 I've tried to say very consistently we think
6 it's a dangerous concept going forward. We
7 believe the only way to address the MTA issue
8 is to determine an ongoing sustainable
9 revenue source.

10 The very reason, Senator, is that
11 right now, if you look at our capital budget,
12 we have been trying our best to repave a lot
13 of the streets in New York City. We still
14 have huge problems. We've been trying to
15 create the new school space we need. I think
16 a lot of my colleagues from the five boroughs
17 would say they want to see more and faster;
18 we have a lot of overcrowded schools. We've
19 been trying to create more affordable housing
20 in a city that's become more expensive. You
21 go down the list, we have huge needs and we
22 can't meet them with our current capital
23 budget. There's a host of resiliency needs,
24 obviously, as a coastal city with what we're

1 facing in our climate.

2 So the problem with the formulation of
3 the fifty-fifty is it creates an open-ended
4 situation where clearly our ability to spend
5 on the things that are solely our
6 responsibility -- public safety, education,
7 parks, sanitation, you go down the list,
8 environmental protection -- that's all the
9 city's responsibility, period. We would not
10 be able to keep up our commitments if there
11 was a fifty-fifty split structure. We would
12 have to take away from a number of areas that
13 our people depend on.

14 I think the better solution is put
15 together whatever package of funding
16 solutions, it could be from the Internet tax,
17 it could be from the marijuana tax.
18 Obviously I believe in the millionaire's tax,
19 others believe in congestion pricing. A
20 state bond act for transportation is another
21 option. Whatever combination the Legislature
22 feels comfortable with, that protects the
23 long-term future of the MTA without
24 undermining the services that are keeping

1 New York City going.

2 SENATOR SEWARD: You described your
3 budget presentation last week as being a
4 sobering report. And I wanted to just zero
5 in on the level of workforce in the city.
6 It's my understanding that it's at the
7 highest level since the 1975 fiscal crisis --
8 you know, an increase of some 30,000
9 employees.

10 Has the city's workforce grown too
11 much? Is there a possibility of layoffs?
12 Should our New York City Police Department be
13 concerned about cuts and layoffs there?

14 MAYOR DE BLASIO: There's no plan for
15 layoffs, Senator. In fact, of all the
16 increases in personnel that we have focused
17 on, the 2,000 more police officers on our
18 streets was one of, I think, the best
19 decisions we've made in the last five years.
20 It helped us drive down crime, it helped us
21 achieve neighborhood policing, it improved
22 the relationship between police and
23 community.

24 We've added pre-K and 3-K teachers,

1 which has helped to really change our
2 educational system for the better and support
3 parents who needed that service provided for
4 free. I think -- you know, more special ed
5 teachers, more sanitation workers to make the
6 city cleaner, I feel good about those
7 choices. We can get you the exact history of
8 which level of employment the city had when,
9 I think that would be valuable to share. If
10 we have it, we'll offer it or get it to you
11 right after.

12 But, Senator, I think the central
13 point is no layoffs, but as I've made clear,
14 we do have a partial hiring freeze, so that
15 means that open jobs in many cases are not
16 being filled, job vacancies are being taken
17 back by the Budget Office. When there's
18 attrition, we're now saying there will have
19 to be a decision within each agency whether a
20 job that opens up through attrition will be
21 filled or will be canceled. So it's not
22 layoffs, but it is the kind of actions that
23 will lead to reductions in personnel.

24 SENATOR SEWARD: And finally, in the

1 few seconds we have left, if congestion
2 pricing comes about -- and you mentioned you
3 had wanted to see some hardship provisions in
4 there. Would you consider a waiver here or
5 hardship for our upstate farmers who bring
6 their produce into the city, you know, for
7 farmers markets in some of those parts of the
8 city that don't have fresh vegetables?
9 There's a lot of concern in terms of our
10 upstate farmers having to have to pay this
11 congestion pricing.

12 MAYOR DE BLASIO: I think that's a
13 good example, because we value those green
14 markets, and we're particularly trying to get
15 them to communities that don't have enough
16 fresh produce. So that's a great example of
17 something where there might be an important
18 carve-out to make because we're trying to
19 achieve another goal and we don't want to
20 contradict that goal.

21 I think another great example,
22 Senator, is obviously so many of our
23 hospitals, so many of the greatest hospitals
24 around are in that particular area that would

1 be the zone where you'd have to pay more to
2 enter under a congestion pricing vision.

3 I'm concerned about working people,
4 everyday people who can't afford the constant
5 additional cost if they have to go to the
6 hospital frequently. That's the case for a
7 lot of folks, including a lot of seniors and
8 a lot of folks with disabilities or chronic
9 diseases.

10 I think there's a way to address that.

11 But I think if we failed to address it, we'd
12 be creating a really unfair hardship.

13 SENATOR SEWARD: Thank you.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Assembly.

16 CHAIRWOMAN WEINSTEIN: So a while ago
17 we were joined by Assemblyman Ortiz,
18 Assemblyman Weprin, Assemblywoman Rozic, and
19 Assemblywoman Fernandez just walked in, I saw
20 her.

21 We're going to go to Assemblyman
22 Schmitt.

23 ASSEMBLYMAN SCHMITT: Good afternoon,
24 Mr. Mayor.

1 MAYOR DE BLASIO: Good afternoon.

2 ASSEMBLYMAN SCHMITT: Since rent
3 regulation is coming up for renewal this
4 year, can you tell me approximately how much
5 of every rent dollars a tenant in a Class 2
6 apartment building pays in rent goes to pay
7 property taxes?

8 MAYOR DE BLASIO: I wish I had that
9 handy. Let's see if the budget director
10 does. No. We can get that to you today,
11 though.

12 ASSEMBLYMAN SCHMITT: I would
13 appreciate that. My understanding is between
14 30 and 40 percent, an increase over the last
15 15 years of about 18 percent, but I'd love to
16 confirm that with your team.

17 Recently you stated there is plenty of
18 money in the world, plenty of money in the
19 city, it is just in the wrong hands. You
20 also stated on CNN that, quote, The 1 percent
21 has rigged the system. They have created
22 policies that led to, quote, huge windfalls
23 to corporations and the wealthy, and we need
24 policies that give back to working people,

1 unquote.

2 Knowing that the rest of New York has
3 not seen the same level of economic strength
4 and recovery from the Great Recession that
5 New York City has experienced, and that you
6 negotiated with the Governor the largest
7 taxpayer funded incentive package in the
8 history of the state for Amazon, which is one
9 of the richest companies in the history of
10 the world, given the recent comments of yours
11 that I mentioned, are you still supportive of
12 taking billions of dollars in taxpayer money
13 from upstate residents, money that can be
14 used for upstate job growth, tax relief
15 across the state, and critical infrastructure
16 improvements, money that can improve many
17 lives, in my opinion, to assist this wealthy
18 corporation, or is this just kind of a
19 talking points phase shift?

20 MAYOR DE BLASIO: Assemblymember, I
21 think it's the reality I spoke about earlier
22 that we have a dynamic in this country where
23 if a corporation is talking about that number
24 of jobs -- we've never had a single plan, a

1 single agreement that brought us that many
2 jobs at once. That's just a pure historical
3 fact. Twenty-five thousand to 40,000 jobs is
4 a seismic impact.

5 Clearly there was a competition. I
6 think the rules of engagement should be
7 different in the future, but these are the
8 rules we had. The incentives that the
9 company had access to overwhelmingly were
10 because of state law that any company would
11 have had access to under the same conditions,
12 going into Queens and bringing new jobs.

13 So I think what's important to
14 recognize here is you're talking about a
15 nine-to-one impact, nine dollars in revenue
16 for every dollar spent in incentives. Which
17 by any measure will help the people of the
18 city and the whole state. If we know that
19 much revenue is coming back, by definition
20 it's in the taxpayers' interest.

21 So we have more work to do going
22 forward to make sure that Amazon lives up to
23 all of its commitments, make sure that jobs
24 go to people who need it in the five

1 boroughs, make sure that they become good
2 neighbors and invest in our city. But the
3 fundamental notion of that many jobs and that
4 much tax revenue, I would -- I'd say very
5 clearly to all New Yorkers, we would rather
6 have that in our city than lose that.

7 ASSEMBLYMAN SCHMITT: Thank you.

8 Also in regards to HQ2 and the
9 anticipated population growth in the area,
10 how will New York City protect the increased
11 population in that area? And do you plan on
12 reopening Engine 261 in Long Island City?

13 MAYOR DE BLASIO: We're going to look
14 at that. I'm someone -- I will say very
15 squarely, Assemblymember, I'm not going to
16 make a blanket commitment at this moment
17 because it's something we have to evaluate.

18 But I will say that I was deeply involved in
19 the effort to stop a number of firehouse
20 closures when I was a council member. And
21 when I came into office, I said one thing we
22 would not do is the additional closures that
23 the previous administration had tried to
24 engineer. And we stopped it, and there have

1 been all firehouses open since.

2 It stands to reason that when there's
3 new areas of growth in our city, we need to
4 evaluate whether our fire and emergency
5 service is sufficient or whether we need to
6 do more. So we will be doing that.

7 And I'll remind you that even in the
8 buildout with Amazon, it's 10 to 15 years
9 building out all those jobs, so there is some
10 time to make that evaluation. But we will
11 take it very seriously.

12 ASSEMBLYMAN SCHMITT: Expanding on
13 that question -- maybe it's the same
14 answer -- but FDNY has had its busiest year
15 in history this year. And then with the --
16 do you have any plans on opening a newer fire
17 company in the Hudson Yards area with the
18 approximately 100,000 people that is
19 estimated to also be coming to that area?

20 MAYOR DE BLASIO: Very fair question.
21 Same answer. We are going to look at that.
22 That's obviously a whole area of change in
23 our city. We need to make sure the fire and
24 EMS service is sufficient, so we're looking

1 at that right now.

2 ASSEMBLYMAN SCHMITT: Thank you,

3 Mr. Mayor.

4 MAYOR DE BLASIO: Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 Senate?

7 CHAIRWOMAN KRUEGER: Thank you.

8 I just want to reference that that

9 Assemblymember's father is an FDNY member who

10 I know very well. That's where that question

11 came from.

12 MAYOR DE BLASIO: There you go.

13 ASSEMBLYMAN SCHMITT: Thank you,

14 Chairwoman.

15 CHAIRWOMAN KRUEGER: Thank you.

16 Next on the list is Senator Jim

17 Gaughran.

18 SENATOR GAUGHRAN: Mr. Mayor, how are

19 you?

20 MAYOR DE BLASIO: Good to see you.

21 SENATOR GAUGHRAN: Thank you for

22 coming here. It's nice to meet you finally.

23 MAYOR DE BLASIO: Congratulations.

24 SENATOR GAUGHRAN: Thank you.

1 Getting back to the MTA, you support
2 the millionaire's tax, which I understand.
3 There are some of us in the Senate who do
4 not, because quite frankly we're worried
5 about what appears to be a declining economy,
6 the impact of the president's SALT
7 deductions, really which is a property tax
8 increase, as you know, for states like
9 New York. We're very concerned that that
10 additional tax could lead to more people
11 leaving the state and a loss of revenue to
12 the entire state.

13 So on the assumption we don't pass the
14 millionaire's tax, I've heard you might
15 support congestion pricing. Is that fair to
16 say?

17 MAYOR DE BLASIO: Senator, I've said
18 that I have not yet seen a plan I could
19 support, but I remain open to, you know, new
20 versions. I've raised some of the concerns
21 that I have -- the need for a lockbox, the
22 need for specific help in the outer boroughs
23 and transit deserts, the need for hardship
24 exemptions. I'm very open to the discussion.

1 But just one quick response before
2 hearing the rest of your question. I do want
3 to note our analysis so far by our Budget
4 Office is that the tax plan that the
5 president and the Congress voted on, I agree
6 with you, did a huge disservice to this state
7 and others by eliminating SALT. I believe
8 there will be a strong effort in a few years
9 to get that exemption back, which we deserve.
10 That plan can be repealed, and we should get
11 the SALT exemption back. But I also would
12 note we believe a number of millionaires and
13 billionaires actually net-gained in that
14 legislation in New York because of the lower
15 tax rates that they also experienced.

16 And I remind you, the plan we put
17 forward -- I understand there's real concern
18 about it, but it was only to tax millionaires
19 and billionaires in the five boroughs, not
20 beyond.

21 SENATOR GAUGHRAN: I understand that.
22 But I believe that it would also impact the
23 rest of the state for revenue.

24 Well, I actually agree with you on the

1 concept that I have not seen a congestion
2 pricing plan that I can support. And one of
3 the concerns I have as a Senator representing
4 part of the North Shore of Long Island is
5 that I want to make sure that if this fee
6 goes into effect, when my constituents go
7 back and forth to the city -- whether it's
8 for work, whether it's to go to Broadway,
9 whether it's to go visit people -- that
10 they're getting some -- you know, their money
11 back for paying this additional fee.

12 And that's why I'm concerned about
13 your saying that this money has to go into a
14 lockbox for subways and buses, which I
15 presume you're just talking about New York
16 City buses. What about the Long Island Rail
17 Road? Many of my constituents are now
18 driving into Manhattan because of the very
19 poor declining service of the Long Island
20 Rail Road.

21 So -- and also some of our local
22 communities, towns and villages, are spending
23 a fortune in rebuilding parking facilities.
24 And some of that has to do with the fact that

1 for years electrification doesn't go further
2 east, and so communities like mine are
3 inundated with more structures and cars.

4 So I guess my question for you is that
5 if you end up supporting congestion pricing,
6 would you support the concept of it being
7 used on a regional basis, including
8 supporting such things as upgrading the Long
9 Island Rail Road and buses for Long Island --
10 where we really have no north-south buses,
11 and if you don't have a car, you sometimes
12 just can't get to work.

13 MAYOR DE BLASIO: Senator, I want to
14 say, in the spirit of real unity, I think all
15 over this state folks are struggling to get
16 the transit they need. And I think it's only
17 fair that we all regard each other's problems
18 respectfully and say we want solutions for
19 everyone. You know, what's good for
20 Long Island is good for New York City, and
21 what's good for New York City is good for
22 Long Island. If your communities are working
23 better, it helps us, and vice versa.

24 So of course the Legislature is going

1 to look at this issue. It's a complex issue.
2 And we're ready to engage in any conversation
3 that helps us get there. When I say lockbox,
4 I'm only emphasizing the point that one of
5 the central reasons of course to have a
6 congestion pricing plan would be to try and
7 help our subways and buses recover, they're
8 obviously in a really tough situation. And I
9 think it's fair to say, Senator, a lot of
10 your constituents also -- if they come in to
11 work, for example, a lot of them will take a
12 subway or bus to -- or even if they're coming
13 in for other reasons.

14 So I think it's fair to say that our
15 transit system benefits people in the entire
16 metropolitan area. But there's lots of ways
17 to do this. We have to make sure in the end
18 that we all come to a feeling, whatever the
19 combination of revenue streams, that there's
20 actually enough to put the MTA on a
21 reasonable footing going forward and that we
22 can have reliable subway and bus service in
23 New York City in addition to whatever else
24 might be looked at. Because if we don't have

1 reliable subway and bus service in New York
2 City, the entire metropolitan area will
3 suffer.

4 SENATOR GAUGHRAN: Well, right now we
5 have a very unreliable Long Island Rail Road
6 as well. And I am really concerned about
7 this proposal because I have not seen the
8 regional aspect to it. And I hope you would
9 support that congestion pricing money being
10 used to solve our regional problem.

11 MAYOR DE BLASIO: Certainly want to
12 work with you, Senator.

13 SENATOR GAUGHRAN: And just quickly,
14 Mr. Mayor, one final question to follow up on
15 Senator Seward in terms of hardships for
16 congestion pricing. I have a lot of
17 constituents who own small businesses, they
18 drive small vans, they go into Manhattan all
19 the time. Would that be something that you
20 could support an exemption for?

21 MAYOR DE BLASIO: Again, as you and I
22 both start this discussion, at this point we
23 haven't seen a plan we could support. But I
24 remain open to the discussion. I think when

1 it comes to hardship -- I gave the example
2 that I see the most and I hear the most, of
3 folks from other parts of the five boroughs
4 who need medical care. I think Senator
5 Seward's example is a good one.

6 I think your example is a good one so
7 long as we have some ground rules that are
8 fair. If we say what defines small business,
9 for example. We want to be sensitive to a
10 real mom-and-pop operation. Other businesses
11 might have more resources.

12 But I'd be very open to any discussion
13 that we all end up feeling is fair. You
14 know, when I talk about the outer borough
15 dynamics -- for example, when Mayor Bloomberg
16 presented his congestion plan, there were no
17 guarantees for the communities I represented
18 in Brooklyn, and we all knew that Brooklyn
19 and Queens would be the first two places to
20 feel the impact; obviously, Long Island would
21 as well.

22 So I wanted to make sure that people
23 knew there was fairness in the plan. I can
24 hear that in your question as well. I'm open

1 to whatever gets us there, and I think it's a
2 productive dialogue.

3 SENATOR GAUGHRAN: Thank you,
4 Mr. Mayor. And thank you, Madam Chair.

5 MAYOR DE BLASIO: Thank you.

6 CHAIRWOMAN WEINSTEIN: Thank you.

7 We go to Assemblyman Carroll.

8 MAYOR DE BLASIO: My Assemblymember.
9 Honor to see you.

10 ASSEMBLYMAN CARROLL: Good afternoon,
11 Mayor de Blasio.

12 So let me first start with where I
13 agree with you before I get into where I
14 disagree with you.

15 First, I agree with you that whatever
16 MTA funding we do, we cannot put a burden on
17 the city to pay half the capital cost. We
18 need to come up with a solution that raises
19 the capital dollars for the entire region
20 here in Albany.

21 As you know -- and this is where I'm
22 going to get to where I disagree with you.
23 As you know, the MTA is facing a \$1.6 billion
24 deficit in 2022. The suggestions -- to be

1 perfectly blunt, I think it is disingenuous
2 to say that you would support a congestion
3 pricing plan and then talk about the number
4 of carve-outs that you've suggested today.
5 Because we know that at the end of the day,
6 with those carve-outs, we will end up not
7 raising nearly enough revenue.

8 With a traditional congestion pricing
9 plan that charges about 5.76 for folks
10 crossing the East River bridges or
11 60th Street, we'd raise about a billion
12 dollars. We would still need at least an
13 additional 600 million to really fully fund a
14 five-year capital plan that includes the Fast
15 Forward plan, as well as make sure we fulfill
16 all the other obligations that the MTA owes.

17 So how do you plan? In a Legislature
18 that clearly is not looking to raise taxes on
19 millionaires, and congestion pricing being
20 the only viable option, to come here and say
21 yes, I may support congestion pricing, but I
22 want a number of carve-outs that will reduce
23 the total revenue of that, and we will not
24 get anywhere near the amount of revenue we

1 need by 2022.

2 And as you know, congestion pricing
3 will, you know, take 20 percent of CO2
4 emissions from cars out of the air, it will
5 make our streets more safe. How is this not
6 the progressive plan for right now? This is
7 what moves 6 million New Yorkers every day
8 who are disproportionately lower-income than
9 those folks who drive into Manhattan every
10 day and park.

11 MAYOR DE BLASIO: Well,
12 Assemblymember, look. I appreciate your
13 honesty. I would disagree with you,
14 respectfully. I don't think it's
15 disingenuous in the least. I am someone who
16 has had real concerns about the different
17 plans put forth. I understand the hopes that
18 people have associated with those plans, and
19 there's very commendable elements. If we
20 really do have a plan that reduces congestion
21 and helps the MTA, addresses in some way
22 global warming, those are all very important
23 elements.

24 But the concerns I've raised are real

1 and tangible. I do not agree that you can't
2 have some valid carve-outs. I just don't. I
3 don't think they have to debilitate the
4 funding stream. I think it's a balance
5 point. I think there's a way to figure out
6 what is a fair hardship exemption and what is
7 not, what does it do to our revenue, what
8 revenue we need.

9 I also believe firmly --

10 ASSEMBLYMAN CARROLL: Well, we know
11 what revenue we need, respectfully,
12 Mr. Mayor. We know that we need to get
13 somewhere to 1.6 billion dollars. And we
14 know that a congestion pricing plan with no
15 carve-outs only gets us a billion.

16 MAYOR DE BLASIO: Well, I --

17 ASSEMBLYMAN CARROLL: So where is that
18 hardship cap?

19 MAYOR DE BLASIO: Assemblymember,
20 first of all, I would argue there's a real
21 open question about what amount of money is
22 needed each year in light of what we've seen
23 in terms of real MTA spending and the real
24 concerns that a lot of us have about the

1 efficiency levels of the MTA. I think that's
2 a different question than what grand total we
3 need. But I think there's an objective, fair
4 question: In the coming few years, what
5 amount is needed each year? I do think
6 that's open.

7 But on your bigger point, I also
8 firmly believe there's not going to be one
9 specific plan that covers all of it. I wish
10 that -- I've heard people say a millionaire's
11 tax is not on the table for a lot of people.
12 I respect that. I still think it should be
13 given a look. But let's say you put that
14 aside. What about internet sales tax, what
15 about some portion of marijuana revenue, what
16 about a state transportation bond act? We
17 are going to need some combination to get
18 where we need to go either way.

19 ASSEMBLYMAN CARROLL: Mayor de Blasio,
20 I agree with you that there needs to be some
21 combination. But how can we get there when
22 the single largest revenue source, which is
23 congestion pricing, before we even get to
24 that we have carved it to death where it will

1 not raise nearly enough revenue.

2 MAYOR DE BLASIO: I -- I don't --

3 ASSEMBLYMAN CARROLL: What did you

4 think that the progressive plan would be?

5 The plan that's for the environment, the plan

6 that's for safe streets, the plan that's for

7 6 million New Yorkers who take the buses and

8 subways every single day to have a

9 full-fledged congestion pricing plan so that

10 we can get the largest amount of revenue for

11 our subways right off the bat, and then

12 figure out how we can get internet sales tax,

13 how we can get taxes on marijuana, how we can

14 get additional revenue.

15 MAYOR DE BLASIO: Respectfully,

16 Assemblymember, I think if I'm asking for

17 real consideration for hardship for working

18 New Yorkers, for example, with chronic

19 medical conditions --

20 ASSEMBLYMAN CARROLL: Working

21 New Yorkers take the subway, Mr. Mayor --

22 MAYOR DE BLASIO: I'm sorry --

23 ASSEMBLYMAN CARROLL: Working

24 New Yorkers -- they do.

1 MAYOR DE BLASIO: Assemblymember,
2 respectfully, if a working New Yorker has a
3 chronic medical condition or is disabled, a
4 senior who needs to go to the hospitals in
5 that zone regularly, I'm sorry, there is a
6 valid discussion of a hardship exemption. It
7 does not debilitate the revenue source, I
8 just disagree with you.

9 CHAIRWOMAN WEINSTEIN: Thank you.

10 To the Senate.

11 CHAIRWOMAN KRUEGER: Thank you.

12 Senator Ramos.

13 SENATOR RAMOS: Good afternoon,

14 Mr. Mayor. Good to see you.

15 MAYOR DE BLASIO: Good to see you.

16 Congratulations.

17 SENATOR RAMOS: Thank you, sir.

18 I have questions about several topics,

19 so I'm going to try to go through them

20 quickly. I'm going to start with NYCHA.

21 The Governor's proposal decreases the

22 Housing and Community Renewal funding by

23 \$203 million, one of the factors that has

24 contributed to a \$250 million reduction of a

1 one-time investment in NYCHA. What plans do
2 you have in place that could prevent a
3 potential gap in funding?

4 MAYOR DE BLASIO: Senator, we have put
5 forward a very vigorous plan, the NYCHA 2.0
6 plan, which is all publicly available, to
7 address the now almost \$32 billion in
8 physical need at NYCHA. But we're very
9 honest in that plan that we cannot reach the
10 whole total at the current time. We can do a
11 lot with the existing resources that we get
12 from the federal government, with the money
13 that the city continually provides, and we've
14 added 4 billion more previous to this recent
15 settlement with the federal government,
16 another 2.2 billion coming from the
17 settlement.

18 So the city is present and accounted
19 for. The federal government has some skin in
20 the game; they should have a lot more. The
21 fact that the \$450 million previously
22 authorized by the state has never reached us
23 is a central problem. We have to resolve
24 that quickly and get that money to NYCHA for

1 heating, for elevators, for addressing lead,
2 et cetera.

3 But the truth to your question is to
4 finish that gap of that \$32 billion figure,
5 there must be new federal funding. I've
6 spoken to Senator Schumer about this
7 repeatedly. He's been very, very supportive.
8 My distinct hope is that starting soon, but
9 particularly after the 2020 elections, we
10 will have an opportunity to get the federal
11 government back in the business of fully
12 funding public housing. That's how we could
13 ultimately turn around NYCHA.

14 We're also doing a lot of I think the
15 right things in terms of the RAD program and
16 other efforts to bring in additional outside
17 private resources as well.

18 But the answer is we must one day see
19 an increase in federal funding if we really
20 want to fix the totality of the problem.

21 SENATOR RAMOS: With regard to the
22 federal appointed monitor, have you received
23 a short list of candidates that are being
24 considered?

1 MAYOR DE BLASIO: Yes.

2 SENATOR RAMOS: Can you share any --

3 MAYOR DE BLASIO: Out of respect for
4 the Justice Department, I don't think that
5 would be appropriate right now. But there
6 has been I think very open communication,
7 respectful communication, and I feel that the
8 process is moving in a good direction.

9 SENATOR RAMOS: But since you'll have
10 input as to the selection of the federal
11 monitor, can you talk to us about what you're
12 looking for in terms of criteria?

13 MAYOR DE BLASIO: Yes. I think what
14 we've seen with the other federal monitors
15 we've had in New York City in the last few
16 years. We have a federal monitor right now
17 at the NYPD on the stop-and-frisk case. It's
18 been a very productive, constructive
19 relationship to make change but do it in a
20 collegial fashion. The same at the
21 Correction Department, the same at NYCHA in
22 terms of the mold issue.

23 So there's three examples that are
24 working. We'd like to see that kind of

1 approach emulated here.

2 The idea is to move the housing
3 authority forward, to change some of the
4 things that needed change but also to respect
5 that there's a lot of people, hardworking
6 people there every day trying to make the
7 place better, and we need to be smart about
8 the balance, how we proceed. And I think a
9 monitor who wants to work with existing
10 leadership constructively is the best way --
11 you know, that's the best model for getting
12 things done.

13 SENATOR RAMOS: Thank you. A few
14 questions on Amazon. In your negotiations
15 with Amazon, Mr. Mayor, did you ask them if
16 their workers would have the right to
17 unionize or collectively bargain?

18 MAYOR DE BLASIO: We made clear that
19 at the site -- because the negotiation, of
20 course, was over the headquarters site. The
21 agreement was construction would be done by
22 union workers, building services on the site
23 would be provided by union workers.

24 That was the extent of negotiation,

1 because it was relevant to the site that was
2 being discussed in the deal.

3 SENATOR RAMOS: You've characterized
4 the Amazon deal as good for New York, one
5 reason being because it will bring in revenue
6 to the city to help pay for things like the
7 expansion of healthcare. Have you explored
8 ways to pay for necessities for healthcare
9 without giving out billion-dollar tax breaks
10 to corporations? Wouldn't it be more
11 progressive to ask corporations to pay taxes
12 at a time when the city needs more revenue
13 instead?

14 MAYOR DE BLASIO: I do believe
15 corporations should pay more taxes.

16 And the fact is that if the City of
17 New York had the power to determine taxation
18 levels, we'd be doing that right now. That
19 power rests here and it rests in Washington.
20 Unfortunately, in Washington they went in the
21 opposite direction and gave a huge tax break
22 to the wealthy and corporations in the tax
23 bill. So I would welcome the opportunity for
24 us to levy higher taxes on corporations.

1 But in this particular construct that
2 we were dealing with, Senator, I am aware of
3 the fact that the City of New York, what we
4 do with healthcare, education, affordable
5 housing -- there's a lot we do for people.
6 We think it's the right thing to do. We need
7 consistent revenue to do that. We believe we
8 will get it from this particular plan.

9 Also, Senator, Amazon asked us for
10 additional and specific tailor-made
11 incentives. We refused. We said we're not
12 doing that anymore in New York City. The
13 incentives they got were through existing
14 state incentive programs that any company
15 could access. I've said very openly if the
16 Legislature decides that those programs
17 should be changed going forward, I think
18 that's a commendable discussion. And the
19 state made some specific choices related to
20 that as well. But the City of New York did
21 not offer any additional incentives, period.
22 Everything was preexisting.

23 CHAIRWOMAN KRUEGER: Thank you.
24 Assembly.

1 CHAIRWOMAN WEINSTEIN: Assemblywoman

2 Nolan.

3 ASSEMBLYWOMAN NOLAN: Thank you.

4 I want to start out -- so often these
5 hearings are about areas we have concerns. I
6 just want to quickly highlight, on a personal
7 level, in the last two weeks both a member of
8 my family and a neighbor used the city's EMT
9 service, and I could never say enough about
10 the compassion and the dedication of the men
11 and women of that branch of our city's
12 uniformed services. And paramedics, EMTs,
13 you know, just outstanding in the service
14 that they give.

15 And sometimes we forget to say that
16 thank you. When we have these hearings, we
17 focus on the glass half-empty. But as
18 someone who's feeling very happy about the
19 health of some of my nearest and dearest, I
20 feel very good about that.

21 MAYOR DE BLASIO: Thank you,
22 Assemblymember. Appreciate that.

23 ASSEMBLYWOMAN NOLAN: And we're going
24 to thank them, because they were wonderful.

1 I just want to quickly -- the
2 proposal, the Executive's proposal for school
3 aid, you talked a little bit about it
4 earlier. I'd like you to say again -- I know
5 it came up at the Ed hearing, as to some of
6 the inadequacies. And also your concerns
7 about the language that the Executive has put
8 in. And I want to phrase it in the context
9 of last year.

10 Last year we were asked and we finally
11 did, after much arm wrestling, come up with
12 some criteria. And you had to supply the
13 Division of the Budget with an endless stream
14 of information. I'm curious, (a), if they
15 ever got back to anybody with what they did
16 with all that information. And (b) as I
17 understand it, some of the groups that look
18 at these things, Ed Trust and others, have
19 shown that you spend more -- you, Mayor de
20 Blasio, your DOE is spending more on poorer
21 schools by maybe 10, 15 percent more than
22 schools with, you know, children that have a
23 little more at home.

24 So I don't really know why we're

1 looking at more language this year, I have a
2 lot of concerns about it, and I'd like you to
3 address that.

4 And then also I always ask about the
5 trailers. But we were successful in the
6 fall, thanks to your wonderful team of
7 Simonia and others on your team, finally
8 getting that money out of that commission
9 that we had -- and I think it's about
10 300 million. And I would like an update
11 because even having asked that question for
12 20 years at these hearings, there are still
13 thousands of New York City students going to
14 school in trailers. So I'd like a comment on
15 that as well.

16 MAYOR DE BLASIO: Yes. And
17 Assemblymember, I want to thank you because
18 you have been the leader on this issue and
19 helped to keep everyone's focus on it. And
20 that's good, because that accountability, as
21 a result of --

22 ASSEMBLYWOMAN NOLAN: And we got the
23 money to take care of it for you, so I hope
24 you're going to do it.

1 But if you can get me an answer on
2 that, and on the Fair Student Funding.

3 MAYOR DE BLASIO: This is a good -- a
4 good use of the phrase "the end is near." So
5 the end is near. I asked after it in a
6 budget meeting the other day, and my
7 colleagues will fill in the specifics, but
8 right now trailers are being removed
9 steadily. There is an end date for the
10 entire city, for all five boroughs, the day
11 there will not be a single trailer left. And
12 that is, again, thanks to you and your
13 colleagues for that focus.

14 I'll just finish the rest of the
15 question and then turn to my colleagues to
16 answer everything else outstanding.

17 Very quickly, you are correct that our
18 investments in schools in greatest need has
19 been steadily increasing over time -- it's
20 over a 20 percent increase, I noted earlier
21 in my testimony. And that is because it's
22 not just the increases we made in the Fair
23 Student Funding, it is pre-K, 3-K, community
24 schools, it's AP for all, it's after-school

1 programs. There's a host of things that
2 we've invested in that have
3 disproportionately helped schools in greatest
4 need. That's the whole story.

5 On your question about the reporting,
6 I have not heard of a particular follow-up.
7 My colleagues can speak to it better than I.
8 But I will say simply we duly provided the
9 reporting. The reporting showed how much we
10 had shifted resources to the schools in need.
11 I'm not aware of a particular dialogue or
12 follow-up that happened from that.

13 And I share your concern that although
14 we always want to be transparent, the goal
15 here is not reporting and adding more and
16 more reporting just for its own sake. The
17 goal is to help us be efficient and effective
18 and serve kids, and there's a balance point
19 that has to be struck.

20 Want to add, either one of you?

21 OMB DIRECTOR HARTZOG: Just on the
22 trailers, to your first question, we had 354
23 at the beginning of the administration, 198
24 have been removed. We have 65 plans for

1 removal. There's about 91 left that we're
2 still working on identifying space.

3 In our 2015-2019 SCA capital plan,
4 \$395 million has been budgeted. And then in
5 our --

6 MAYOR DE BLASIO: For the removal of
7 trailers.

8 OMB DIRECTOR HARTZOG: That's correct,
9 sir.

10 And then for the proposed, for
11 2020-2024, it's \$230 million.

12 ASSEMBLYWOMAN NOLAN: Okay, thank you.
13 We'll follow up with you about the specifics.
14 I appreciate the emphasis.

15 Just quickly, I represent the district
16 in Long Island City that the Amazon project
17 is part of. It has my support. But I want
18 to urge you to reopen the firehouse, to get
19 your economic development people out there
20 into our community. I think they've done a
21 great job. I have a lot of respect for Jim
22 Patchett and the work they've done. But they
23 are not out there -- they're not a community
24 agency type of agency. We need to get out

1 there and explain to people what's happening
2 so that the firehouse can come back and other
3 good things can happen.

4 MAYOR DE BLASIO: Thank you. We will
5 follow up on that for sure.

6 CHAIRWOMAN WEINSTEIN: Senate?

7 CHAIRWOMAN KRUEGER: Thank you.
8 Senator Diane Savino.

9 SENATOR SAVINO: Thank you, Senator
10 Krueger.

11 Good morning, Mayor. No, it's
12 afternoon now, I think.

13 MAYOR DE BLASIO: All right, afternoon
14 it is. Good afternoon, Senator.

15 SENATOR SAVINO: So first let me just
16 say when I agree with you, I agree with you.
17 And there's a few things I agree with you on
18 in your testimony.

19 I share your concern about the cuts to
20 New York City social service programs,
21 particularly foster care preventive services
22 and the continuing unfair treatment towards
23 the city with respect to Raise the Age. And
24 I've registered those complaints with the

1 administration.

2 But I need you to help me on
3 something. Because I was here when we
4 settled -- I think we settled the Campaign
5 for Fiscal Equity and the former governor,
6 Eliot Spitzer, adopted the Foundation Aid
7 formula. And I'm not an expert on education
8 funding, I'll be honest, but I'm somewhat
9 confused. Because I know we thought we were
10 going to implement it, then we had to slow it
11 down because of the financial collapse of
12 2008, '09, and '10, which continued, but we
13 have increased education funding each year.
14 And now we're almost 300 more million to
15 New York City in this year's budget, but
16 you're saying that we're getting 300 million
17 less. So help me understand that.

18 MAYOR DE BLASIO: Yes. And I
19 appreciate the question. Thank you very
20 much, by the way, for your leadership on the
21 social service issue, because it's absolutely
22 crucial to get that money restored.

23 To your question, so the first problem
24 with the proposal this year is the way the

1 money is specifically channeled,
2 unfortunately it creates a winners and losers
3 situation that we'd like to avoid. We
4 would -- you know, our goal, and we did it in
5 part with city funds last year, is to keep
6 raising that Fair Student Funding formula to
7 100 percent for all schools. We're at a
8 93 percent average now. Again, another
9 example where the end is near: We're in
10 striking range, within a few years of
11 100 percent for every single school.

12 But the reality of the Governor's
13 proposal is that it would specifically take
14 money from some schools and give it to other
15 schools. We don't think that's the smart or
16 equitable way to improve and support schools
17 that need more help by taking away from other
18 schools. That's the functional reality that
19 would occur here.

20 The other facts, Senator, are
21 obviously -- look, the cost of running such a
22 large school system have continually gone up.
23 The labor contracts we feel good about. We
24 made it a point to actually have labor

1 contracts. The previous administration did
2 not. That's one way they may have spent less
3 money.

4 We've been under a mandate for special
5 ed that we believe is fair, and we've
6 actually been living up to it and spending
7 that money. For example, money that we are
8 mandated to spend, and sometimes we have
9 disagreements on, is the charter mandate, but
10 that's something we've had to put a lot of
11 money out for.

12 So when you add it all up, our costs
13 have continued to increase, but so have the
14 results that you would rightfully demand.
15 The graduation rate continues to go up, test
16 scores are going up, college readiness,
17 college acceptance. And the big core
18 investments -- and your district has been an
19 area that's seen a lot, the pre-K and 3-K --
20 have gone to a lot of places that really were
21 not getting enough and have been very
22 powerful additions.

23 So I would argue that the problem here
24 is high-quality education costs a lot of

1 money. You can be as efficient as you want,
2 but it still costs a lot of money. And it
3 had to start a lot earlier anyway if we were
4 really serious about it. And that's what
5 we've been acting on. But if we took the
6 Campaign for Fiscal Equity and said, okay,
7 the law is the law, and it was followed
8 through on, that would -- in one fell swoop,
9 every school would be brought to 100 percent
10 Fair Student Funding.

11 SENATOR SAVINO: So just in the one
12 and a half minutes I have left, so it's not
13 necessarily the dollar amount the city is
14 getting, it's the direction that you're being
15 told --

16 MAYOR DE BLASIO: Correct.

17 SENATOR SAVINO: -- that you have to
18 use it in. So in the final minute I have,
19 let me just say I agree with my colleagues
20 with respect to the issue of property taxes.
21 As an aggrieved New York City property
22 taxpayer, the burden is getting higher. And
23 I understand the byzantine nature of the
24 New York City property tax system. It's

1 going to require the city and the state to
2 work together, and I think we need to do
3 something about it.

4 And with respect to congestion
5 pricing, I don't like the plan that's being
6 presented right now. I do think we need to
7 do something. I think, though, that there
8 was a proposal that came out a year or so
9 ago, the Move NY plan. I sponsored it in the
10 Senate along with some of my other colleagues
11 and some members of the Assembly. That's a
12 much fairer system, because it doesn't create
13 winners and losers. It puts tolls on every
14 bridge at a manageable rate, and everyone is
15 in and everybody gets something, all 13
16 counties of the system. And I think it's
17 something that we should look at, because we
18 heard last week from the MTA they have a
19 tremendous operating budget deficit as well
20 as a capital deficit. So this congestion
21 pricing proposal isn't going to solve both of
22 those problems.

23 And I represent people, as you know,
24 on Staten Island, some of whom -- and by the

1 way, thank you for the fast ferries. We
2 appreciate it. But many of our constituents
3 have to, you know, take multiple methods of
4 transportation to get to where they're going.
5 And Assemblyman Carroll, not everybody who
6 drives to work is rich. Some people have no
7 choice.

8 And we would like some, you know,
9 opportunities in the parts of the city that
10 need it. So thank you, Mr. Mayor.

11 MAYOR DE BLASIO: Thank you, Senator.

12 CHAIRWOMAN KRUEGER: Assembly.

13 CHAIRWOMAN WEINSTEIN: Assemblywoman
14 Wright.

15 ASSEMBLYWOMAN WRIGHT: Good afternoon,
16 Mayor.

17 MAYOR DE BLASIO: Good afternoon.

18 ASSEMBLYWOMAN WRIGHT: Okay, I have
19 questions about a number of different things.
20 I do share the concerns with the congestion
21 pricing. Almost everyone in my community
22 goes to get their healthcare in Manhattan, so
23 that's one of the concerns we definitely
24 have.

1 But as we talk about congestion
2 pricing, that doesn't really deal with
3 congestion, that's about money. And -- but
4 we do have some real concerns about
5 congestion in my community. And we want
6 to -- I would like to know what portion of
7 your budget is dedicated to trench repair.

8 MAYOR DE BLASIO: To trench repair?

9 ASSEMBLYWOMAN WRIGHT: Trench repair.

10 MAYOR DE BLASIO: I cannot tell a lie,
11 I have not heard that specific phrase before,
12 trench repair. Do you happen to know --

13 ASSEMBLYWOMAN WRIGHT: It's the
14 streets that are sinking in because no
15 budget -- no allocation in the city budget
16 has been made, except I think last year was
17 the first year in about 15 years to address
18 the problem of sinking streets.

19 MAYOR DE BLASIO: Okay. I may be used
20 to it by a different name. But we definitely
21 need to deal with sinking streets. I'm going
22 to say sinking streets, because that's what
23 I've heard.

24 ASSEMBLYWOMAN WRIGHT: Okay, so it's

1 sinking streets. So --

2 MAYOR DE BLASIO: Yes, we must address
3 that issue. I don't know if we have the
4 number offhand or we need to get back --

5 OMB DIRECTOR HARTZOG: We would have
6 to get back.

7 MAYOR DE BLASIO: Assemblymember, we
8 will get that to you today.

9 But obviously -- look, it is
10 consistent with the vision we put forward on
11 repaving streets. There's also a repairing
12 in situations like that. A major, major part
13 of our capital expenditures now are to fix
14 streets in general. That's not just because
15 of Vision Zero, which we believe in too, but
16 it's because a lot of our streets need to be
17 fixed to be functional.

18 So that's a big piece of our budget
19 now, and that's part of what we were
20 concerned about to protect --

21 ASSEMBLYWOMAN WRIGHT: So if they can
22 get back to me with the streets that you're
23 going to fix this coming year --

24 MAYOR DE BLASIO: Yes, we can do that.

1 ASSEMBLYWOMAN WRIGHT: Because last
2 year when we have over 10 streets that are
3 actually sinking in, only one block was
4 actually on the list to be repaired.

5 MAYOR DE BLASIO: We can get you the
6 data. The total dollar figure and which
7 streets in your community are going to be
8 addressed.

9 ASSEMBLYWOMAN WRIGHT: Yes. And then
10 also I would like to know, how much money has
11 the city collected from the fines levied by
12 the Office of Special Enforcement that goes
13 around to fine people for short-term rentals?
14 And how many have come out of the zip codes
15 of 11221, 16, 33 and 13?

16 MAYOR DE BLASIO: We can get you that
17 too.

18 ASSEMBLYWOMAN WRIGHT: And if you can
19 just at this time tell us how much you've
20 collected in fees from the Office of Special
21 Enforcement fines. Do you have that number?

22 MAYOR DE BLASIO: The overall number?
23 We will get that today.

24 ASSEMBLYWOMAN WRIGHT: So -- and I

1 just have to say at this moment white members
2 of my community are followed home from the
3 train station by your Office of Special
4 Enforcement. It is a problem, it is not
5 fair, it's discriminatory, the practice needs
6 to stop.

7 MAYOR DE BLASIO: I just want to say,
8 because it's a major concern, I can hear in
9 your voice --

10 ASSEMBLYWOMAN WRIGHT: Yes, it is.

11 MAYOR DE BLASIO: -- I have not heard
12 the specifics and I'd like to hear them from
13 you as quickly as we can arrange, because
14 that would deeply concern me. But it's the
15 first time I'm hearing that, and I want to
16 take it very seriously.

17 ASSEMBLYWOMAN WRIGHT: Okay. And I'd
18 also like to know what percentage of the
19 education budget is actually dedicated and
20 used to pay for either performing or fine
21 arts programs or after-school programs in K-8
22 schools?

23 MAYOR DE BLASIO: Let me start, and
24 if -- again, you're asking very important and

1 precise questions. We want to make sure we
2 give you exact answers. So if my colleagues
3 have them, they'll say it now. But I want to
4 make one overview point.

5 When I came into office, we
6 specifically mandated ongoing funding for
7 arts and culture programs in schools because
8 that had been an area, I think you know, that
9 had been cut back a lot. And we put
10 additional recurring funding in for those
11 programs. But I don't know the percentages
12 within the budget.

13 OMB DIRECTOR HARTZOG: We don't know
14 the percentages, but we'll get back to you
15 shortly on that. I just want to --

16 ASSEMBLYWOMAN WRIGHT: So I've been
17 asking for this number for six months already
18 and I haven't gotten it.

19 OMB DIRECTOR HARTZOG: I was not aware
20 that you were, but we will get it to you.

21 ASSEMBLYWOMAN WRIGHT: And I'd also
22 like to know --

23 MAYOR DE BLASIO: I'm sorry, I want to
24 say I apologize for that, because that's the

1 kind of thing we can get you in a day or two,
2 and this should have happened already. So
3 we'll make sure that's fixed.

4 OMB DIRECTOR HARTZOG: I just want to
5 also add when we respond to you and give you
6 the after-school, we're going to add in
7 programs for the Department of Youth and
8 Community Development, which also --

9 ASSEMBLYWOMAN WRIGHT: Nope, I just
10 want to know DOE budget. I don't want to
11 know what the Department of Youth Services is
12 doing, I want to know what the DOE is paying
13 for. Because not one of the schools -- I
14 have a district where not one of my schools
15 has any DOE dollars going directly to art --
16 any fine arts, performance arts or
17 after-school programs. According to my
18 principals.

19 And so I find that particularly
20 problematic. This is also the same school
21 district that had no middle-school foreign
22 language, and they just got some last year.
23 So I have a lot of problems with the
24 distribution.

1 MAYOR DE BLASIO: I just want to
2 clarify, there should not be a school with no
3 arts and culture funding. They might --

4 ASSEMBLYWOMAN WRIGHT: That's funded
5 directly by DOE. Not that they can't go out
6 and find a grant --

7 MAYOR DE BLASIO: No, no, I'm saying
8 there should not be one that has none, and I
9 want to examine -- I'm concerned about that.
10 So let us quickly find out -- do you know was
11 that middle school, elementary school?

12 ASSEMBLYWOMAN WRIGHT: K through 8.

13 MAYOR DE BLASIO: K through 8. We'll
14 get you an answer on that.

15 ASSEMBLYWOMAN WRIGHT: And so
16 obviously we have a lot of concern about
17 schools in my district -- I only have one
18 more second. I have to say I know that this
19 is probably not the best place, but I have to
20 lodge a complaint with Access-A-Ride. I do
21 need you to give some more attention to it
22 and how it's being administered. Thank you.

23 MAYOR DE BLASIO: We are fundamentally
24 dissatisfied with Access-A-Ride. It is under

1 the control of the MTA, and therefore under
2 the control of the state government. But we
3 have been trying to work with them on a new
4 system for residents who can use vehicles
5 other than the full vans, to use a host of
6 other for-hire vehicles to speed things up.

7 But no, that system has been broken
8 for a long time. I'm very frustrated with
9 it. But that has to be part of the other
10 changes we'd all like to see in the MTA.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 CHAIRWOMAN KRUEGER: Thank you.

13 Senator Sanders.

14 SENATOR SANDERS: How are you holding
15 up, Mr. Mayor?

16 MAYOR DE BLASIO: Quite well, sir.

17 Thank you. How are you?

18 SENATOR SANDERS: Oh, I'm doing well.

19 I'm doing well.

20 MAYOR DE BLASIO: I feel like it's a
21 reunion going on here for all of us who were
22 in the City Council.

23 (Laughter.)

24 SENATOR SANDERS: This is the City

1 Council section, sir, they put us in --

2 (Overtalk.)

3 SENATOR SANDERS: I want to thank you
4 for keeping me on your MWBE task force.
5 We're doing a lot of good work. You're doing
6 a lot of good work there. We have a long way
7 to go, but you're doing a lot of good work
8 there in moving the city.

9 I want to alert you that as the chair
10 of Banking, I'm going to -- I'm very
11 interested in the city's use of its money,
12 how it can deal with the issues of economic
13 justice and development by a skillful putting
14 some of its monies in banks of color. I've
15 looked into the law and found that there's no
16 fiduciary responsibilities -- that you can do
17 it, to make a long story short. We will
18 speak of that later.

19 I wanted to say that I'm very
20 concerned, of course, about NYCHA, having a
21 lot of NYCHA in my district, and
22 transportation. But we can speak of these
23 things later.

24 I want to tell you about the Board of

1 Ed -- I think it's -- it was silly and
2 backwards that you were only given a one-year
3 extension last time, and it's just a vengeful
4 thing. And I was against it then and I
5 certainly am in favor of an extension.

6 May I remind you, however, that New
7 York City is the only city in New York State
8 that doesn't have a school board. And
9 although there may have been problems with
10 the school boards in days gone by, the
11 problems of democracy are only solved by more
12 and responsible democracy. We just don't say
13 there was a problem, let's get rid of it, we
14 won't have it. A true parents' voice on a
15 school board may be a worthy thing.

16 And since you have a lot of questions
17 and I have -- you've given me access to
18 yourself and your administration, I look
19 forward to discussing these things at another
20 time. And I would, if I can, give my time to
21 RJ, Robert Jackson, so that he could speak
22 more on his --

23 CHAIRWOMAN KRUEGER: We don't give
24 time around that way, sorry.

1 (Laughter.)

2 SENATOR SANDERS: Well, I tried,
3 Robert.

4 MAYOR DE BLASIO: It was very
5 generous.

6 But Senator, to -- just in quick
7 response to your point, I absolutely believe
8 that we can continue -- and I think your
9 point about deepening democracy is a very
10 good one. One, you know, we had this series
11 of discussions recently, the chancellor and
12 I, with Community Education Council leaders
13 and members. And you and I both were school
14 board members, so we understand what it's
15 like for people who volunteer their time to
16 try and help make their schools better. And
17 I felt very kindred with the folks I was
18 meeting with.

19 But one of the things that they raised
20 was they said, well, if there's an individual
21 school concern, how much assurance do we have
22 it gets heard? And I proceeded to list to
23 them some of the individual schools around
24 the city where concerns had come up that had

1 gotten on my radar screen very quickly,
2 certainly got on the chancellor's radar
3 screen very quickly. And we felt accountable
4 to come up with a solution.

5 So it's a big city, yes, but education
6 is my number-one area of concern. I work
7 very closely with the chancellor. I think
8 the chancellor has been extraordinary in his
9 first year on the job.

10 I want to emphasize that the current
11 system of accountability is right down to the
12 school level. I had a caller to WNYC the
13 other day who asked about a specific school
14 and what we were going to do to address it.
15 That same day, we got back with an answer.
16 So there is accountability there.

17 But I think in terms of the CECs,
18 there are definitely things we can do to
19 better support the CECs, better engage the
20 CECs and have them have a bigger impact.

21 And I also think we are blessed to
22 have something we did not have in the
23 previous administration, which is a PEP that
24 looks objectively at issues and sometimes

1 says: No, we see it differently. And I
2 still fundamentally, of course, believe in
3 the mayoral accountability construct; I'll
4 take the Senator's idea there. But I'll tell
5 you, we have had items that the DOE sent
6 forward to the PEP that the PEP said, Nope,
7 we're sending it back. Fix it, bring it
8 back, do it differently -- and that was
9 honored and respected.

10 As opposed to what you remember in the
11 previous administration, where dissent was
12 not tolerated. We see the PEP as a good
13 check and balance with the current structure.

14 So we really are trying to give that
15 greater democracy that you believe in. I do
16 too. And I think it's had an effect. But we
17 think there's more we can do.

18 SENATOR SANDERS: {Inaudible} -- Green
19 New Deal in the days to come, and thank you.

20 CHAIRWOMAN KRUEGER: Thank you. Don't
21 even answer that. Thank you.

22 Assembly.

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 Assemblyman Barclay.

1 ASSEMBLYMAN BARCLAY: Thank you, Madam
2 Chairwoman.

3 Hello, Mr. Mayor, good afternoon.

4 MAYOR DE BLASIO: Good afternoon.

5 ASSEMBLYMAN BARCLAY: Thank you for
6 your testimony. I've enjoyed listening to
7 it.

8 I had one question about the MTA and
9 particularly about the governance of the MTA.
10 As you're aware, the Governor has said he's
11 not necessarily responsible for the MTA's
12 failures because he doesn't control the MTA.
13 Which is I guess true, he doesn't have a
14 majority on the board, although he does
15 appoint the most members of the MTA board.

16 I haven't heard him say he would want
17 control of the MTA. In fact, I haven't heard
18 anyone come up with a plan of what a better
19 governance system is for the MTA. Do you have
20 any thoughts on that? Do you think it should be
21 mayoral control, do you think it should be
22 gubernatorial control, or some other hybrid?

23 MAYOR DE BLASIO: Well, I appreciate
24 the question very much. I believe there's an

1 answer for today that is the most central way
2 to answer it. It may not be the same answer
3 for the future, but I think it's certainly
4 the answer for today.

5 The Governor and his predecessor
6 governors have named a chair of the MTA, have
7 determined the MTA budget. Whatever the
8 official makeup of the board, for many
9 gubernatorial terms now it's been quite clear
10 that the governors in New York State have
11 functionally controlled the MTA.

12 Of late, I've heard the Governor say
13 more definitive things about believing that
14 if he had a clear line of authority, that
15 more work could be done better. I think
16 there's truth in that. I liken it to the
17 reality with mayoral accountability for
18 education. I said it would just -- it's been
19 about 15 years, the graduation rate went from
20 under 50 percent to now 75 percent. So
21 that's one -- that's pretty fast in the
22 scheme of things, and that's an example of
23 what happens when there is actually someone
24 in charge and everyone knows it.

1 So I think the Governor's governance
2 proposal broadly is the right direction for
3 the here and now, and we want to make sure
4 it's fair, we want to make sure it's
5 transparent and there's appropriate checks
6 and balances. But I think having one person
7 clearly in control is right.

8 If that works, that's the best way to
9 solve our immediate problems with the MTA.
10 If for some reason that doesn't work, there
11 are other options that could be discussed in
12 the future like city control. But I think if
13 we're talking about a right-now crisis that
14 needs a right-now solution, rather than
15 trying an entirely different structure, we
16 should fix the structure we have, get it the
17 revenue it needs. That's our best chance for
18 success.

19 ASSEMBLYMAN BARCLAY: So I may have
20 missed this. The Governor is proposing full
21 control of the MTA?

22 MAYOR DE BLASIO: I'm going to say
23 this as a nonlawyer, forgive me. But I
24 think, for all intents and purposes, what

1 he's put forward so far amounts to
2 gubernatorial accountability, gubernatorial
3 control of the MTA in somewhat a similar way
4 as mayoral accountability and control for
5 education.

6 ASSEMBLYMAN BARCLAY: Understood.

7 Thank you, Mr. Mayor. Thank you, Chairwoman.

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 Senate?

10 CHAIRWOMAN KRUEGER: Thank you.

11 Senator Jamaal Bailey.

12 SENATOR BAILEY: Thank you, Madam

13 Chair. Good afternoon, Mr. Mayor.

14 MAYOR DE BLASIO: Where am I looking?

15 I know he's out there. Ah, okay. How are
16 you, Senator.

17 SENATOR BAILEY: Got here late. So I
18 have a litany of questions. And before I ask
19 my questions, I wanted to thank you for
20 expanding the ferry service to the Bronx. It
21 will certainly help ease some of our
22 transportation woes.

23 But the first question that I had for
24 you was concerning 50-a reform. I saw that

1 in your testimony, that you said that you
2 believe that it's broken and undermines the
3 trust we've built between police officers and
4 communities. I absolutely believe that to be
5 the case.

6 Do you have a position on repeal or
7 outright -- outright appeal or reform?

8 MAYOR DE BLASIO: We need -- we need
9 to start over either way you slice it.
10 Either we should take the existing law and
11 say let's clear the decks, think about all
12 the things we have to achieve, and rewrite
13 this from scratch -- or there should be a
14 concept of repealing and immediately
15 substituting with a new law.

16 Because the reason I think it's so
17 important to have a law in place is we have
18 to strike a balance between transparency,
19 which is absolutely necessary for our future,
20 and officer safety, which is absolutely
21 crucial, the bond of trust we have with our
22 officers who protect us, and issues within
23 the criminal justice system about protecting
24 the way in which our officers testify in

1 court and making sure that can be effective.

2 There's a series of needs that can be,

3 I think, accommodated in a balanced way.

4 50-a right now does not do that. It does not

5 achieve the transparency we need. It does

6 not provide the public with confidence that

7 they're getting the information they deserve.

8 But if you didn't have some kind of governing

9 rules, you would have other problems in terms

10 of the functioning of the criminal justice

11 system, and certainly in terms of protecting

12 officer safety.

13 So I think it's either a fundamental

14 rewrite of the current bill or it's a

15 simultaneous repeal and substitute with a new

16 bill.

17 SENATOR BAILEY: Okay. I look forward

18 to working with you and your office on that

19 matter.

20 As you mentioned criminal justice

21 matters also as well, you've indicated

22 support for bail reform, speedy trial and

23 discovery. Have you or your office taken a

24 position on the Executive's proposal or some

1 of the legislation that has been advanced by
2 the Legislature relating to pretrial reform?

3 MAYOR DE BLASIO: You mean in terms of
4 the bail reform and all?

5 SENATOR BAILEY: Yes, bail reform,
6 speedy trial and discovery.

7 MAYOR DE BLASIO: I think the initial
8 proposal from the Governor is a step in the
9 right direction because it speaks to both
10 ending cash bail but also recognizing there
11 are situations where a suspect may prove to
12 be very dangerous to the community.

13 I have to invoke a tragedy, the loss
14 of Officer Randolph Holder. We lost a good
15 young man serving our city as a police
16 officer. The individual involved -- by any
17 commonsense standard, the shooter should have
18 been still behind bars. He was the suspect
19 in another crime.

20 But I think we can strike that
21 balance. I think the way it cuts is that for
22 a huge swath of individuals, they are
23 currently held and they should not be. And
24 that's why we should eliminate cash bail.

1 We're talking about nonviolent individuals,
2 folks who did minor crimes.

3 For folks who pose a violent threat,
4 for folks who pose a flight risk, a judge
5 clearly needs the ability to hold that
6 individual and make sure they are not a
7 danger to the community. Right now judges do
8 not have sufficient power to do so.

9 So in writing this reform, I think we
10 can balance both pieces of that equation.

11 SENATOR BAILEY: Okay. I would align
12 myself with some of your thoughts. I agree
13 that we have a Tale of Two Cities, as you've
14 often indicated, and that wealth-based
15 detention is never the key to a fair and just
16 criminal justice system.

17 A question on education. Obviously
18 you are in favor of continuing mayoral
19 control. But why should you alone be in
20 charge of selecting the chancellor and
21 superintendent?

22 MAYOR DE BLASIO: I believe there's a
23 number of things that we can do across the
24 whole question of mayoral accountability,

1 mayoral control, to again improve the role of
2 parents, improve the different voices.

3 But when it comes to the selection of
4 the chancellor, I would say two things. One,
5 I think it's the quintessential example of
6 accountability. I get elected by the voters.
7 I choose a chancellor. I am held accountable
8 every day for what that chancellor does. I
9 think that's the most effective way. I feel
10 very proud of the two chancellors that I have
11 chosen, both educators who have been, I
12 think, exemplary.

13 But also there is a personnel reality
14 that has to be seen in its fullness. The
15 discussions that happened, some of them
16 became very public this last year. There's
17 no way to get a top-flight educator through a
18 public process. Most top-flight educators of
19 course are somewhere serving as a
20 superintendent. They cannot expose
21 themselves to a public selection process or
22 they wouldn't be able to put their name
23 forward. They would compromise their current
24 employment. And of course no one knows if

1 they are going to be chosen until they are
2 chosen.

3 We would undermine our ability to get
4 the very finest leader for our school system
5 if it was a system that not ultimately
6 involved the choice of the mayor in a
7 discreet personnel process. But there's lots
8 of other ways we can get more input into the
9 type of chancellor we need -- ideas about
10 names of people to look at. There's a lot of
11 ways I think we can improve the system while
12 still maintaining, you know, what actually
13 functionally works.

14 CHAIRWOMAN KRUEGER: Thank you.

15 SENATOR BAILEY: Thank you for your
16 answer, Mr. Mayor. And thank you to your
17 team for always being responsive.

18 MAYOR DE BLASIO: Thank you.

19 CHAIRWOMAN WEINSTEIN: Thank you.

20 We go to Assemblyman Ortiz for
21 questions.

22 ASSEMBLYMAN ORTIZ: Thank you, Madam
23 Chair.

24 Good afternoon, Mr. Mayor.

1 MAYOR DE BLASIO: Good afternoon.

2 ASSEMBLYMAN ORTIZ: So good to see
3 you.

4 I have a couple of quick questions.

5 One has to do regarding the BQE. As you
6 know, the BQE has a 50-block stretch that
7 runs right down through the middle of my
8 district. And it not only brings traffic and
9 noise pollution, but also I have 14 schools
10 almost on the same stretch next to it, and
11 we're trying to build a school across the
12 street --

13 MAYOR DE BLASIO: You know,
14 Assemblymember, it's my neighboring district.
15 I know it well.

16 ASSEMBLYMAN ORTIZ: I understand. But
17 just for the record.

18 MAYOR DE BLASIO: Yes.

19 ASSEMBLYMAN ORTIZ: For the record.

20 And one of the questions that I have
21 is, who is responsible to do -- to put the
22 quality sensors to make sure the air quality
23 of the BQE?

24 MAYOR DE BLASIO: So our Department of

1 Environmental Protection is responsible. I
2 can't speak to the state level, there may be
3 duplication at the state level. But
4 certainly our Department of Environmental
5 Protection is responsible.

6 ASSEMBLYMAN ORTIZ: Okay. The reason
7 I ask the question is because, you know,
8 there's been an increase of asthma and
9 bronchitis on that section of Sunset Park,
10 and we really would like to get a sense of
11 direction, how high is the emissions and the
12 air quality.

13 MAYOR DE BLASIO: We'll get you the
14 recent ones.

15 ASSEMBLYMAN ORTIZ: If it's possible
16 we can work together in that regard.

17 MAYOR DE BLASIO: Yes. Yes.

18 ASSEMBLYMAN ORTIZ: I also would like
19 to echo the issue of the property taxes. As
20 you probably know, you know the district very
21 well, you did work in the district at some
22 point.

23 MAYOR DE BLASIO: As a school board
24 member.

1 ASSEMBLYMAN ORTIZ: That is correct.

2 And real property taxes right now
3 really is displacing those folks who have
4 been saving their money for their entire
5 life, and they don't have enough to pay the
6 property taxes as a result of they're too
7 high. So they're selling their homes and
8 they leave.

9 I just want to be on the record that
10 there is something that can be done,
11 something that can be worked out to ensure
12 that we do not allow those people who have
13 been saving for their entire life, who still
14 live in Sunset Park -- that they can find a
15 way to really stay and pay their property
16 taxes and keep going in the community. Also
17 the kids leave the community because they
18 cannot afford to stay there anymore because
19 of the gentrification.

20 I also would like to raise the issue
21 of NYCHA. First of all, I would like to
22 thank you for the staff that you have in
23 NYCHA. They've been very courageous to pick
24 up my email and my phone calls at 1 o'clock

1 in the morning when we don't have heat and
2 hot water. But they've been prompt to
3 respond. And I don't complain about that.

4 But we do have still some issues with
5 the heat, with the hot water. We also have
6 issues with the ticketing that they're giving
7 to people that they have to have -- they need
8 to have repairs in their homes, and sometimes
9 the workers go, they say they are not in the
10 home, they don't come back. So, you know,
11 there has to be some kind of working
12 relationship between tenants and the workers
13 that when they come to repair the apartment,
14 that they get the ticket in order to
15 repair -- whether it's the wall, whether it's
16 the lead, whether it is the toilet, whether
17 it is the bathroom.

18 So I will encourage that there should
19 be better communication between those two
20 lines.

21 And lastly, I also would like to thank
22 you and the First Lady for continuing to work
23 very hard to ensure that we have mental
24 health and psychologists and providers inside

1 the schools. And on that note, I also would
2 like to know how many social workers have
3 been hired full-time in the schools to
4 address the needs of mental health for our
5 children. If you can provide that
6 information to us, that will be great.

7 And lastly, I mentioned to you
8 about --

9 MAYOR DE BLASIO: Can I get that one
10 in? Because I want to make sure --

11 ASSEMBLYMAN ORTIZ: Yeah, sure.

12 MAYOR DE BLASIO: I mean, we will get
13 you the follow-up material.

14 I appreciate the focus on mental
15 health you're raising. Every school in New
16 York City now has access to mental health
17 professionals. That was not true in the
18 past. A lot of them have on-site mental
19 health professionals in our community
20 schools. We're expanding that approach.

21 So, you know, there's mental health
22 trained professionals, there's social
23 workers, obviously guidance counselors. All
24 these pieces interact. We've been increasing

1 the number of personnel, and we'll get you
2 the facts on that.

3 I also want to say on NYCHA that I
4 appreciate your point. I will tell you the
5 good news is the response time on heating
6 problems is getting rapidly better. A night
7 and day situation compared to last winter; a
8 lot of changes have been made.

9 And I've emphasized to the NYCHA
10 leadership that we have to do better customer
11 service. We have to make sure that problems
12 are being addressed, but also there's
13 communication to the residents about what's
14 happening and when the problem is resolved.
15 I think you'll see some major improvements in
16 that. But we want to make sure that NYCHA is
17 talking to you directly about what you've
18 experienced.

19 ASSEMBLYMAN ORTIZ: Wonderful.
20 Because the other issue that I have faced on
21 the school system is that I have been -- as
22 you know, I visit a school every Friday, and
23 I -- one of the things I have experienced is
24 regarding kids with eating disorders. Kids

1 with eating disorders, they sometimes don't
2 have the access, they're sometimes shameful
3 to come out. Sometimes they go to the
4 breakfast, to the lunch room, but they don't
5 eat, they don't associate, so nobody really
6 pays attention to how these kids react.

7 So one of the major components of
8 having social workers in place is to address
9 those needs as well.

10 Thank you, Mr. Mayor.

11 MAYOR DE BLASIO: Thank you.

12 CHAIRWOMAN WEINSTEIN: Thank you.

13 We've been joined by Assemblywoman
14 Bichotte.

15 And to the Senate?

16 CHAIRWOMAN KRUEGER: Hi. I think I'm
17 going to take my turn, Mr. Mayor. I always
18 try to let everyone else ask questions, or as
19 many as possible; then we get to avoid my
20 even having to ask too many.

21 Did you mention earlier what your
22 position is on a pied-à-terre tax?

23 MAYOR DE BLASIO: I was not asked.

24 CHAIRWOMAN KRUEGER: What is your

1 position on a pied-à-terre tax, with the
2 money going to the City of New York?

3 MAYOR DE BLASIO: My position -- I
4 want to just make a quick overview and then
5 to the specific.

6 The quick overview is I believe that
7 millionaires and billionaires are not being
8 taxed at a high enough level. And my focus
9 right now of course is the millionaire's tax
10 to support the MTA. I had previously also
11 proposed something I think would be very high
12 impact, which is a mansion tax to provide
13 affordable housing to over 25,000 senior
14 households. I think that's a pinpointed tax
15 on those who have done very well that it
16 would help in particular.

17 Look, depending on what you think the
18 priority is, a pied-à-terre tax is consistent
19 with those concepts, unquestionably. I would
20 say right now my focus in terms of impact
21 would be on those other two, but I think a
22 pied-à-terre tax has a certain clear logic to
23 it.

24 CHAIRWOMAN KRUEGER: Thank you. And

1 you referenced in your testimony you were
2 supporting a commercial vacancy task --

3 MAYOR DE BLASIO: Yes.

4 CHAIRWOMAN KRUEGER: -- to address the
5 so many empty storefronts. I know speaking
6 for my district, or most of Manhattan,
7 landlords are choosing to keep the space
8 empty rather than have a market-rate rent
9 because they can take tax loss deductions
10 that get them as much as renting out the
11 space. Which is crazy, but it's what's
12 happening.

13 So do you have a specific bill you're
14 proposing for the Legislature, or do we have
15 one already?

16 MAYOR DE BLASIO: We are working with
17 members of the Legislature. We'd like to see
18 a bill introduced shortly.

19 I agree with you that this is not only
20 a problem of the individual choices of
21 landlords -- which I honestly, as someone who
22 served as a City Council member and worked
23 closely with people at the community level,
24 it astounds me why a landlord would hold a

1 property off the market in some cases two,
2 three or more years rather than taking an
3 acceptable rent level and improving the
4 community at the same time.

5 So I think there's a problem of some
6 landlords' behavior. I might say greed
7 specifically. But there's also, as you
8 indicate, a government policy problem that
9 inadvertently encourages that negative
10 behavior.

11 I think we have to flip the script. I
12 believe there is a specific timeline that we
13 could agree to -- some might say it's one
14 year, some might say it's two years, whatever
15 the choice is -- that would activate this tax
16 as a penalty, and that would therefore right
17 the ship and encourage landlords to get their
18 properties on the market and make them
19 affordable for small businesses.

20 CHAIRWOMAN KRUEGER: Somebody else
21 brought up -- oh, I think Senator Savino,
22 who's left -- her support for the Move NY
23 plan for congestion pricing, which I also
24 think is superior than the plan that's being

1 floated around.

2 I know you don't per se get a vote.

3 Interestingly, it's not even clear the

4 Legislature gets a vote. We had the MTA here

5 for four hours, and nobody wanted to answer

6 any questions about the specifics. So I'm

7 suggesting you might want to talk to your

8 four members on the MTA Board and review why

9 we walked away from a plan where there did

10 seem to be more equity in who was going to be

11 the winners and losers, so to speak. There

12 was something for everybody. And you're

13 hearing today suburban members are very

14 concerned there isn't something for them.

15 So it's not necessarily a question as

16 much as an urging everybody to take a look at

17 and go back and revisit that plan. And you

18 actually do have some say on the MTA Board

19 through your --

20 MAYOR DE BLASIO: There is no question

21 about that. But as you say, the ultimate

22 vote is here. But we want to work with all

23 of you.

24 I will say the one thing that to me is

1 immutable truth is the original plan proposed
2 by Mayor Bloomberg was the least appropriate
3 plan, the one that missed the equity issues
4 the most. I think everything we've seen
5 since actually has been an honest attempt to
6 start addressing equity among boroughs and
7 other issues of fairness. So I would say in
8 the bigger scheme of things, the dialogue has
9 improved over the years.

10 I've also complimented, I certainly
11 have complimented the folks who did the
12 Move NY commission. I complimented the folks
13 on the Governor's commission who came up with
14 improvements over previous plans. I still
15 think there are outstanding issues, but I'm
16 ready to work with all of you to see what we
17 could do. I would only add that we must have
18 a multiple-element package to hit the ongoing
19 renewal dollar figure we need.

20 CHAIRWOMAN KRUEGER: I agree, we do
21 need a multiple-element plan. And actually I
22 would urge people to take a look at the
23 proposals of Bobby Carroll that I think came
24 out in one of the papers today which would

1 tax the delivery from internet sales --
2 delivery per box, I think was the proposal --
3 and also some kind of per-day fee on the ride
4 share. So I also want to suggest that those
5 are, I thought, at least on initial review,
6 some very interesting new proposals.

7 And finally, I was asked to
8 double-check on the insurance -- well, the
9 coverage for people without insurance that
10 you rolled out, there was a question,
11 actually, that Senator Savino didn't have a
12 chance to ask. Does this not apply to people
13 who live on Staten Island?

14 MAYOR DE BLASIO: It absolutely does.

15 There's two elements. The first is
16 for the 300,000 New Yorkers who are eligible
17 for insurance and unenrolled. This applies
18 to everyone across the five boroughs. We
19 have a public option, a MetroPlus that in the
20 past was not particularly organized for
21 maximum usefulness. Now we have made a
22 series of changes that we think are going to
23 work for people in Staten Island and all five
24 boroughs. And we're promoting it

1 differently, we're staffing it differently.
2 A 24-hour helpline, much more accessible
3 service, sliding-scale fee.

4 We believe this public option is going
5 to work for a lot of those 300,000 people who
6 currently cannot find an acceptable option on
7 the exchange or aren't going on the exchange
8 because they find it too daunting.

9 The other 300,000 folks are
10 undocumented immigrants. Now, we can get you
11 our breakout of where we think they are
12 borough by borough. But the specific fact is
13 we have a clinic on Staten Island that is
14 part of Health + Hospitals. We opened
15 recently the Vanderbilt Clinic; that is the
16 place that can provide this direct service.
17 Also we know that people go all over because
18 of their work, because of schools, whatever
19 it is, and they can access any of the 80-plus
20 facilities that Health + Hospitals has.

21 But again, that piece, it could in
22 theory be for anyone, but that piece is
23 particularly pertinent for undocumented
24 folks, that's the NYC Cares card, and we

1 think it will be well-used all over the five
2 boroughs.

3 CHAIRWOMAN KRUEGER: Thank you. I'm
4 going to cede the rest of my time.

5 CHAIRWOMAN WEINSTEIN: Thank you.
6 Assemblyman Weprin.

7 ASSEMBLYMAN WEPRIN: Thank you, Madam
8 Chair.

9 Good afternoon, Mr. Mayor.

10 MAYOR DE BLASIO: Good afternoon.

11 ASSEMBLYMAN WEPRIN: I know it won't
12 surprise you that I'm against this current
13 congestion pricing plan, as I have been with
14 previous congestion pricing plans. And I do
15 appreciate your exploring other revenue
16 sources, because I think we're all in
17 agreement that we need a permanent revenue
18 source for the MTA for their long-term
19 capital needs.

20 But to say that it's this plan or it
21 has to be congestion pricing or nothing else,
22 to me is a mistake. This has been around for
23 many, many years, as you know, more than
24 10 years going back to Mayor Bloomberg's

1 plan. I actually think this particular plan
2 that's in the budget is the worst of all
3 because it gives a blank check to the TBTA, a
4 subsidiary of the MTA, to decide how much the
5 fee should be, when it should be raised, how
6 often, the zone. So, you know, I think it's
7 a very dangerous proposal and I think it
8 shouldn't be rushed in in the interest of
9 getting something done before the budget.

10 So I do appreciate your bringing up a
11 number of new revenue sources, which I'd like
12 to see explored, such as the internet sales
13 tax, the transportation bond issue, the
14 millionaire's tax, which you've brought up
15 before.

16 I still think -- and I know a lot of
17 my colleagues from the suburbs are going to
18 disagree with me, but I still think we should
19 be looking at the nonresident income tax.
20 That's the fairest tax. People that work in
21 New York City but live outside of New York
22 City who benefit from all of the services of
23 New York City, including the MTA -- it used
24 to be called the commuter tax. I still think

1 that's the fairest tax.

2 MAYOR DE BLASIO: Assemblymember, if I
3 might, just quickly on just two points you
4 raised.

5 One, I do believe strongly this can
6 and should be resolved by the budget. It's
7 the best chance and I think maybe our last
8 best chance to come up with a plan that could
9 be felt in the near term, and the help is
10 needed right away.

11 I agree with you fundamentally that
12 the current congestion pricing proposal in
13 the Governor's budget would not be workable
14 in terms of respecting local control. And I
15 think everybody who represents any part of
16 the state should be worried whenever their
17 localities are threatened by the kind of
18 measures that would literally take away
19 control over land use or control over how we
20 manage our streets. When an outside entity
21 can do whatever it wants on our streets,
22 that's a very dangerous situation. So I
23 think structurally there's a big problem.

24 But that said, I do believe that

1 there's a real debate that can be had about
2 how to improve that proposal, but also the
3 other points -- the internet sales tax I
4 think is very promising, transportation bond
5 act, some portion of the marijuana revenue.
6 I think there is a package to be had and it
7 can be done by April 1st. I just want to
8 strongly say I think that's what would be
9 best for the people of New York City.

10 ASSEMBLYMAN WEPRIN: I don't disagree
11 there should be a number of sources. I just
12 don't like this "congestion pricing or
13 nothing."

14 The other thing with congestion
15 pricing, as you know and I know, they are two
16 separate issues. There's a revenue issue and
17 a congestion issue.

18 I like your proposals for reducing
19 congestion. Changing delivery times, I
20 support that fully. Traffic enforcement with
21 double-parked trucks causing major
22 congestion, limiting the amount of new car
23 services, app-based services that are
24 circulating all over Manhattan like Uber and

1 Lyft. And you're already starting to do
2 that.

3 So those are the issues with
4 congestion. I don't think it should be put
5 together as congestion pricing, I think it
6 should be congestion and revenue for the MTA.
7 I really think it should be two separate
8 issues.

9 And just one other issue, I have a
10 little over a minute left. As you know, I
11 chair the Corrections Committee. I've been
12 working closely with Steve Banks from your
13 administration about a plan and legislation
14 which I'm actually, I think, introducing
15 today to deal with inmates being discharged
16 from state correctional facilities that are
17 currently going into homeless shelters in
18 New York City without any kind of direction.

19 And we want to put together a plan in
20 that bill, and I look forward to working with
21 Simonia on getting that legislation through.
22 But I think we put it in today, so if you
23 could look out for it.

24 MAYOR DE BLASIO: Thank you.

1 Assemblymember, I want to first of all,
2 before I respond to that, just thank you very
3 deeply, and all your colleagues, for the work
4 you all did to help us improve our
5 correctional system and increase the safety
6 of our system with the body scanners, which
7 is meant to protect our officers and inmates
8 alike. It was a major, major step forward.
9 I want to thank you for your leadership.

10 On this question of the state's
11 responsibility, everyone here I know is
12 concerned about the problem of mass
13 incarceration. And we're all concerned about
14 reentry into society. And yet currently the
15 State of New York, and this has been true for
16 a long time, simply directs New York City
17 residents back home without any kind of real
18 support plan. There's no clear vision of
19 where to look for housing, where to look for
20 a job. It is a formula for disaster, and
21 it's proven that time and time again.

22 We at the city level have a current
23 plan. When our inmates in our jail system
24 leave after they have served their time --

1 which is obviously less than one year, if
2 they're in a city jail -- we get them a
3 90-day transitional job. Because we want to
4 do the right thing in terms of redemption,
5 but also the taxpayers greatly benefit if we
6 put a little money up-front to get someone
7 back on track and then they can reintegrate
8 into the economy and have a good life. That
9 is also in the taxpayers' interest, rather
10 than having someone's life falling apart
11 again.

12 But the state has no such methodology.
13 And this is an area where we need a lot of
14 help. So I thank you again for your
15 leadership, and your colleagues, because if
16 we can get this right, it would reduce
17 homelessness, it would reduce recidivism, it
18 would be a major step forward for our city.

19 ASSEMBLYMAN WEPRIN: I look forward to
20 working with you on that legislation.

21 MAYOR DE BLASIO: Thank you.

22 ASSEMBLYMAN WEPRIN: Thank you, Madam
23 Chair.

24 CHAIRWOMAN WEINSTEIN: Senate?

1 CHAIRWOMAN KRUEGER: Thank you.
2 Just as a reminder to legislators,
3 because we're getting notes in from Twitter,
4 turn off your mics if you are not the ones
5 talking. Because they -- for some reason the
6 system we have, live streaming picks up our
7 little discussions more than we even realize
8 here. So if you're not the one speaking,
9 turn off the mics, because you're popping up
10 in tweets.

11 (Laughter.)

12 CHAIRWOMAN KRUEGER: And next up,
13 Senator Antonacci.

14 SENATOR ANTONACCI: Thank you. Thank
15 you, Mayor.

16 I'm up from upstate New York. I share
17 constituents with Assembly Barclay. So our
18 concern is as the Governor is taking away aid
19 from our municipalities -- and I've got one
20 town where \$6,000 could mean a big difference
21 in their tax liability. Very concerned about
22 the MTA. And last week the MTA, you know,
23 just was grilled for five hours. And I guess
24 it's your testimony as well as your written

1 documents that really the state runs the MTA,
2 and in terms of accountability that's where
3 it probably begins and ends?

4 MAYOR DE BLASIO: Look, Senator, I
5 think that's been the functional reality.
6 Again, I think the Governor has called for a
7 clarification of that reality. I think that
8 would be productive, so at least everyone
9 would know where the accountability is.

10 SENATOR ANTONACCI: Okay. And then as
11 far as the New York City Housing Authority,
12 would that be squarely a city function?

13 MAYOR DE BLASIO: The housing
14 authority was chartered by the federal
15 government, and for a long period of time,
16 decades, the funding streams were federal and
17 state. As the state backed away and the
18 federal government reduced, the city has come
19 in more and more.

20 Legally, it is federally chartered.
21 And that's very important. The only reason
22 it exists is because of federal law. And
23 we're trying to make the point that the
24 federal government needs to continue the

1 obligations that the original law intended.

2 SENATOR ANTONACCI: And I guess I'll
3 give you the benefit of the doubt. You know,
4 there's obviously some overlapping
5 responsibilities here. But then when I hear
6 you want to have a bigger expansion of -- I
7 call it government-run healthcare, I'm
8 skeptical. But I'll share, you know, the
9 number-crunching, just like Senator Liu, I
10 would love to see the report on that, and I
11 would urge you to get that out sooner rather
12 than later.

13 MAYOR DE BLASIO: I appreciate that
14 question and Senator Liu's questions. It
15 is -- I know at first blush looks unusual,
16 but I want to say what really occurred to us
17 is we have been hemorrhaging money because
18 we're providing healthcare in the exact wrong
19 way -- this is true all over the country --
20 where the family doctor is the emergency
21 rooms, which is horrendous humanly but also
22 incredibly inefficient for the taxpayers when
23 someone is not -- when the problem isn't
24 addressed and it leads to hospitalization and

1 even greater cost when you could have avoided
2 a hospitalization with early care. But also
3 because we have the biggest public health
4 system in America, but it was being
5 underutilized. It was not particularly
6 efficient, to be honest with you. A lot of
7 changes have happened in the last few years
8 that have made it fiscally healthier. It's
9 also opened up the possibility that it could
10 provide a lot more care, including to insured
11 folks. And that's fully half of our plan, is
12 to get that MetroPlus health insurance plan
13 out there and in the hands of a lot more
14 people.

15 We really think it nets out favorably.

16 And the amount of additional cost is
17 meaningful, but it's smart in the scheme of
18 things.

19 And finally, you know, we're all in
20 this together. If someone goes to work and
21 the person next to them doesn't have
22 insurance, they're eligible but they don't
23 have insurance or they're undocumented, you
24 know, we're all breathing the same air, if

1 you will. And a healthier society really
2 does benefit everybody.

3 SENATOR ANTONACCI: Thank you. Thank
4 you. Also in upstate, a project like Amazon,
5 when we talk about transformational, I mean,
6 what it would do to upstate New York would be
7 unbelievable. You know, there's a lot of
8 consternation down in New York City. I know
9 that you and the Governor are on the same
10 page and the Senate Democrats are, you know,
11 certainly asking questions. Would you make a
12 commitment to all New Yorkers that if somehow
13 Amazon was about to pull the plug, to try to
14 advocate for Amazon to relocate within
15 New York State so that we don't lose that
16 company?

17 MAYOR DE BLASIO: I respect the
18 question, Senator, but I'm not going to
19 bargain against my own city. And I know
20 you'll understand that.

21 We believe that New York City gaining
22 25,000 to 40,000 new jobs and a tax revenue
23 for the city and the state at a nine-to-one
24 ratio -- whatever incentives, we're getting

1 \$9 back for every dollar in incentive --
2 that's good for the city, that's good for the
3 whole state, that's good for all areas of the
4 state ultimately.

5 SENATOR ANTONACCI: So we're on the
6 same page. We don't want to see Amazon go
7 somewhere else.

8 MAYOR DE BLASIO: Absolutely not.

9 SENATOR ANTONACCI: We want them in
10 New York State.

11 MAYOR DE BLASIO: Absolutely not. But
12 I think what we have here is the best way to
13 make this plan work. I'm sure there are ways
14 to improve upon it. But we need it to hold
15 because we need those jobs and we need that
16 revenue. I think that will benefit everyone.

17 SENATOR ANTONACCI: And then last
18 question, marijuana. Have your city budget
19 folks done an analysis of the effect of the
20 legalization of marijuana?

21 MAYOR DE BLASIO: We have not done a
22 budgetary analysis. We have done an analysis
23 and we put out a plan in December, which I'll
24 make sure our team gets to you, looking at

1 the law enforcement ramifications, health,
2 the sort of local jurisdictional/governmental
3 questions, legal procedural questions, how to
4 make sure that some of the mistakes that
5 occurred in the tobacco industry and the
6 pharmaceutical industry don't happen again
7 here.

8 We looked at all the other
9 jurisdictions that had legalized to get a
10 sense of what had worked and what had not.
11 And we wanted to offer that to the
12 Legislature as something that we hope will be
13 helpful, because we think there is a right
14 way to do it and there's, bluntly, a very
15 wrong way to do it too.

16 SENATOR ANTONACCI: All right, thank
17 you, Mayor.

18 MAYOR DE BLASIO: Thank you.

19 CHAIRWOMAN KRUEGER: Thank you.
20 Assembly.

21 CHAIRWOMAN WEINSTEIN: So I think I'm
22 the last member of the Assembly to speak
23 likewise. I -- as Senator Krueger, I wait
24 for all the members to go and see if there's

1 anything left for me.

2 MAYOR DE BLASIO: I want to commend
3 both chairs for being true egalitarians.

4 CHAIRWOMAN WEINSTEIN: Thank you. So
5 just a follow-up to one of the questions I
6 believe that Assemblyman Barclay asked about
7 the shortfall in income tax revenues that you
8 addressed during your preliminary budget
9 presentation.

10 You did reference the decline in the
11 stock market as an issue. I was just
12 wondering if there's been sort of drill-down
13 to see what the cause of this revenue
14 reduction was. As you know, the Governor has
15 said that he believes that a good portion of
16 our state reduction related to the impact of
17 SALT restrictions, either people pushing
18 income forward a year by paying in '17 or
19 hoping for a change and pushing income out.

20 So we're trying to figure out if this
21 is really a one-year blip or if it is
22 something that we think is a continuing
23 revenue shortfall.

24 MAYOR DE BLASIO: I appreciate that

1 question very much. I'll start, and
2 Director Melanie Hartzog will follow through.

3 First of all, we do think the state
4 and the city are experiencing somewhat
5 different realities. And the budget director
6 will go into that. So I think this is a case
7 where the Governor is obviously looking at
8 the impact on the whole state in terms of
9 SALT. We're looking at what's happened with
10 city revenue. I think the stock market
11 element was very much what we saw as the
12 driver here in our reduction in revenue.

13 And it was -- I would just say
14 bluntly, again, for an Office of Management
15 and Budget that's conservative by nature,
16 they were thrown for a loop, we were all
17 thrown for a loop by that December situation
18 in the stock market.

19 On the SALT situation, the OMB
20 analysis is it is a mixed bag in the city and
21 in the state because there are clearly some
22 wealthy people who net-lost in the equation.
23 There are also, we think, more wealthy people
24 who net-gained because even though they lost

1 the SALT deduction, they gained with a lower
2 tax rate on high wealth.

3 So I think it is a mixed situation.

4 The challenge for us is since we believe the
5 stock market element -- and we're obviously
6 the capital of the finance industry in this
7 country, we're particularly sensitive on this
8 point. A lot of those folks live in our
9 city. We believe that's the driver, and we
10 don't know where it's going because it's
11 dependent on what happens with trade policy,
12 it's dependent on whether there's another
13 shutdown or not, a lot of things out of our
14 control. And there's a tremendous sense of
15 uncertainty.

16 Please.

17 OMB DIRECTOR HARTZOG: I would just
18 say our challenge was looking at estimated
19 payments. And so if you asked me in October
20 how collections were coming in for estimated
21 payments, I would have told the mayor at that
22 point in time, right, if I look from October
23 to forecasting for January, we would have
24 seen hundreds of millions come in. Now, that

1 is even with a slowing economy we would have
2 seen that.

3 As December moved on, the volatility
4 in the stock market -- which was significant
5 and unprecedented, also as the mayor talked
6 about -- come January, we did not see that
7 being the case. And in fact we had to
8 actually take down revenues to lead to our
9 lower projections.

10 So that's very different, is my
11 understanding, from what the state is saying,
12 which has to do with SALT and the impact of
13 losing higher-income earners and filers. We
14 haven't seen that. We haven't experienced
15 that.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 Then I wanted to ask a couple of
18 questions relating to the Executive's plan on
19 congestion tolling basically without the
20 consent of New York City, and that would
21 allow the TBTA to be exempt from any permit,
22 license or other approval, including
23 environmental review. So let me just go
24 through the three or four questions relating

1 to that, and you can respond.

2 What's the practical impact of those
3 provisions? Will they potentially jeopardize
4 public safety? Who would be responsible for
5 accidents in the absence of permits or
6 approvals? And would this give the MTA the
7 authority to close city streets without
8 approval or consent from New York City?

9 MAYOR DE BLASIO: All of those
10 concerns are very real, Madam Chair.

11 The fact is that the structural
12 problem here is huge. Now, it's
13 surmountable, I want to be very clear -- and
14 I'll speak to that in a moment -- but it's a
15 huge problem on its face.

16 You know, recently there was an
17 initiative put forward by -- not this year,
18 in previous years -- by the Governor in terms
19 of the land use powers of the MTA. And the
20 members of the Legislature wisely said
21 there's a tremendous danger in extending the
22 MTA's abilities to make land-use decision for
23 localities. It was a policy proposal that
24 actually united big cities, small cities,

1 smaller parts of the state, bigger parts of
2 the state, suburb, city -- everyone together
3 believed that the notion of the MTA dictating
4 land use policy for their local jurisdictions
5 was absolutely inconsistent with local power
6 to decide our own destiny.

7 This is a variation on that, in my
8 view. You're absolutely right, under this
9 proposal the MTA would be in a position to
10 close streets without any recourse from the
11 city. You know, we know how logistically
12 difficult everything about New York City
13 is -- where there would be no requirement
14 that New York City agencies had any
15 involvement or any ability to change the
16 plans.

17 It's a situation that everyone should
18 be concerned about. If you're in a locality
19 outside of New York City, you should see this
20 as a very bad precedent, in my view.

21 So what I would argue is if there's an
22 interest in the Legislature in a congestion
23 pricing plan as a part of the package of
24 revenue that we would need for the MTA, then,

1 one, we should all talk about what's the fair
2 way to do it. And two, it must involve a
3 partnership with New York City, both to
4 function but also to be fair and not create a
5 host of unintended consequences.

6 CHAIRWOMAN WEINSTEIN: And in light of
7 the possibility of congestion pricing, has
8 the city been working with the MTA to improve
9 and add bus service to communities like mine
10 that don't have a subway station within their
11 bounds and certainly not accessible subway
12 stations close by?

13 MAYOR DE BLASIO: Yes. And this is, I
14 would say -- one, we're going to do this
15 regardless of which revenue package is
16 determined for the MTA. We're expanding
17 Select Bus Service, as I announced in the
18 State of the City. We have a very aggressive
19 plan to quickly, in the next year, increase
20 bus speeds by 25 percent across the board by
21 doing a lot more enforcement in bus lanes, by
22 synchronizing traffic lights to support in
23 favor of buses -- a host of things we're
24 going to be doing to try and improve the

1 speed of bus transit but also to add new
2 lines where they would be most beneficial.

3 But one of the things that I've always
4 seen as a potential positive here, we can
5 come together on a plan, all of us -- and
6 I'll just say I will be available 24/7,
7 Madam Chair, to work with the Legislature to
8 get to a plan by April 1st that will fund the
9 MTA, whatever combination it features.

10 But one of the things we could do here
11 is have an agreement that transit deserts in
12 the outer boroughs get specific benefits. I
13 remember when Mayor Bloomberg proposed his
14 plan, I was in the City Council, and I
15 pleaded with the administration to
16 specifically address the needs of, in
17 particular, Brooklyn and Queens, and to have
18 a lockbox for their needs that would answer
19 the areas that really were starved for
20 transportation. There was no willingness to
21 do that back then.

22 This administration, even though I've
23 said what my preferences would be, I've also
24 said I am always ready to work with all of

1 you on a package. If that package includes
2 dedicated funds for outer borough transit
3 deserts, that's something that could actually
4 be a step forward for all of us.

5 CHAIRWOMAN WEINSTEIN: We actually did
6 in last year's budget, as part of the
7 surcharge on for-hire vehicles, taxis, we did
8 include a \$50 million program to -- once
9 those revenues came in, to address some of
10 the concerns of boroughs outside of
11 Manhattan.

12 Two quick questions on behalf of one
13 of my colleagues. Just wonder if you could
14 expand briefly on reforming the preferential
15 lease and the impact on affordable housing.

16 MAYOR DE BLASIO: I'll say something
17 quickly, and then Simonia Brown will jump in.

18 Right now we have a situation that's
19 really a crisis for a lot of everyday
20 New Yorkers. They come to a lease agreement
21 under a preferential dynamic. From their
22 perspective, that's supposed to be a stable
23 situation -- these are a lot of hardworking
24 people that are barely making ends meet --

1 and then out of nowhere, a landlord is in a
2 position to jack up the rent very, very
3 substantially, there's no guarantees and
4 protections in the process.

5 We think there needs to be clearer
6 regulation to protect thousands and thousands
7 of New Yorkers who right now have those
8 preferential rents and need to know exactly
9 what guarantees they have going forward.

10 Would you like to add?

11 STATE LEG. AFFAIRS DIR. BROWN: Yes, I
12 would just add that yes, there definitely is
13 a loophole that is being used by landlords to
14 demand, like the man said, skyrocket rents.

15 But HPD actually uses preferential
16 rent levels in some of their preservation
17 projects, and so we are basically closely
18 analyzing the impact that any policy changes
19 would have on our ability to do that.

20 MAYOR DE BLASIO: Right. So that
21 needs to be taken into account. But I think
22 the most foundational piece of this
23 discussion is the current status quo of
24 preferential rent leads to a number of people

1 put in a situation where they either can't
2 stay in the apartment or it's an untenable
3 amount of money they're having to pay. This
4 is an area that needs tighter regulation.

5 CHAIRWOMAN WEINSTEIN: Senate?

6 CHAIRWOMAN KRUEGER: Thank you.

7 And I think, just to close, Senator
8 John Liu, second round.

9 SENATOR LIU: Thank you, Madam Chair.

10 Once again, thanks for your patience,
11 Mr. Mayor.

12 Just a couple of follow-up questions
13 on topics you have talked about already.

14 As you know, we are in the Legislature
15 deliberating what we can do to expand
16 healthcare to New Yorkers. And you seem to
17 have come up with a magic solution or a
18 seemingly magic solution for the residents of
19 New York City. So my simple question is, if
20 your plan succeeds at roughly a cost of
21 \$100 million a year, does that mean that we
22 are able to now put together a Healthcare for
23 All plan for the rest of New York State and
24 not worry about having to cover New York City

1 residents?

2 MAYOR DE BLASIO: Well, I would say --

3 and this is a new area for all of us. Our

4 plan is brand-new, and the idea of a

5 single-payer plan for New York State is

6 brand-new. But I believe in single payer. I

7 believe it would be the single best way to

8 solve the healthcare crisis. I'm not a

9 lawyer, so I don't know exactly what the

10 interplay would be.

11 I do think the conditions in most of

12 the rest of the state are different in terms

13 of the availability of public healthcare. We

14 happen to have a very highly concentrated

15 public healthcare system, and that's part of

16 our plan. But I suspect, on first blush, we

17 would need to be folded into a single-payer

18 system. I don't have the ability to give you

19 a really detailed analysis, but my assumption

20 is that we are doing this right now because

21 it's something we need to do for our people,

22 but we also hope it is a positive example as

23 the state considers single payer.

24 SENATOR LIU: I know. But my simple

1 question is, based on everything you have
2 said -- and I agree with you. I believe that
3 healthcare is a right as well. But we also
4 have to face the hard numbers. And based on
5 everything that you have said in public and
6 today, I can only surmise that your plan, if
7 it succeeds, it means that we can put
8 together a plan for the State of New York
9 that doesn't have to worry about covering the
10 residents of New York City, of which I am
11 one, because your plan will already cover
12 that.

13 Let me move on the second --

14 MAYOR DE BLASIO: I need to respond.
15 I'm sorry, Senator. I would like to say yes
16 to that, but I can't. Again --

17 SENATOR LIU: But you guaranteed
18 healthcare for all New Yorkers.

19 MAYOR DE BLASIO: Senator, we
20 guarantee it in the context where there's not
21 a better available option. If you had single
22 payer, it would be a superior option for the
23 people of the state. It would be literally
24 universal, as opposed to what we're doing,

1 which is universal by having put together
2 different pieces as best we can.

3 SENATOR LIU: All right --

4 MAYOR DE BLASIO: So no, I would not
5 feel comfortable saying we would be separate.

6 SENATOR LIU: I hear you.

7 My other follow-up question is about
8 the deal for Amazon. You have mentioned that
9 Amazon is not getting anything that any other
10 company would not already automatically get.

11 MAYOR DE BLASIO: I said, sir -- I
12 just want to clarify -- that there is one
13 piece that was a specific state decision, but
14 no specific tailor-made subsidies from the
15 city. And the vast majority of the subsidy
16 that Amazon got was standing incentive
17 programs that companies would get either for
18 new job creation or for location.

19 SENATOR LIU: So it seems like
20 Alphabet Inc., which is the parent
21 corporation of Google, they apparently are
22 creating 7,000 to 10,000 new jobs in the City
23 of New York without getting a single nickel.
24 Is that because they're just clueless?

1 MAYOR DE BLASIO: I don't want to
2 speak to different companies' approaches
3 without knowing what they're thinking, but I
4 can give you something I think is a broad
5 difference.

6 Obviously Alphabet Google was here in
7 a substantial way already, and they decided
8 to expand. And we have been very clear in
9 the city that we do not provide tailor-made
10 incentives. They were not moving to an
11 outer-borough location, which is what
12 triggered some of the other incentives. It's
13 a different situation.

14 Again, for better or for worse, Amazon
15 created a national competition. I do believe
16 that there should be a day where those type
17 of things are discouraged by federal policy.
18 But the reality on the ground -- and I know
19 from all the work we've done together, you
20 can very, very ably count the dollars and
21 cents -- the reality on the ground was they
22 created a national competition, over 200
23 cities participated and wanted to get those
24 jobs, and there were terms of engagement.

1 And the ability to take advantage of existing
2 subsidy programs was something that was true
3 all over the country.

4 So that's the context in which we were
5 working. It's very different from the
6 specific way that I think Alphabet and Google
7 went about their decision.

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 SENATOR LIU: Thank you. Thank you,
10 Madam Chair.

11 CHAIRWOMAN WEINSTEIN: Thank you. And
12 I'm sure there will be opportunities as we go
13 on to continue these kinds of discussions.

14 Thank you, Mr. Mayor. That is, for
15 government work, not bad. We're pretty close
16 to the 2 o'clock time we promised you.

17 MAYOR DE BLASIO: I appreciate -- you
18 run a tight ship. I thank you, Chair.

19 CHAIRWOMAN WEINSTEIN: Thank you.

20 MAYOR DE BLASIO: Thank you to all
21 your colleagues.

22 CHAIRWOMAN WEINSTEIN: Thank you,
23 Mr. Mayor.

24 Next we will be hearing from Byron

1 Brown, mayor, City of Buffalo. We'll take a
2 few moments as people leave.

3 (Discussion off the record.)

4 CHAIRWOMAN WEINSTEIN: So thank you.
5 When I said the mayor could leave, I
6 obviously didn't mean you, so I'm glad you
7 decided to stay with us.

8 So Mayor Brown, welcome. And we have
9 your testimony, but please, you know, begin.

10 MAYOR BROWN: Thank you very much.

11 Chair Helene Weinstein, Senate Finance
12 Ranking Member Seward, Assembly Ways and
13 Means Ranking Member Barclay, Senate Cities
14 Chair Jackson and Assembly Cities Chair
15 Braunstein, I wanted to thank you for this
16 opportunity to testify before you today at
17 the joint legislative budget hearing.

18 I am joined today by City Finance
19 Commissioner Donna Estrich. And as you
20 indicated, Chairwoman Weinstein, we have
21 submitted written testimony and so I will
22 abbreviate my comments. I know that my
23 colleagues from Albany and Syracuse are
24 already waiting to testify, so I will shorten

1 the comments that I have.

2 I also want to recognize Senate
3 Finance Chair Liz Krueger.

4 Today we will -- first I would just
5 like to thank you for the support that has
6 been extended to Buffalo over the course of
7 the last several years. By working together,
8 the members of the Western New York
9 delegation, other members of the Legislature,
10 the Governor's office and my administration
11 have really worked successfully to revitalize
12 Buffalo. The success of our revitalization
13 efforts have been bolstered by several
14 critical investments from the State of
15 New York which have been used to leverage
16 additional resources and local development
17 activities that have already been undertaken.

18 The \$65 million for commercial
19 development on Buffalo's East Side included
20 in the Governor's proposed Executive Budget
21 is another example of this type of
22 investment. These funds will complement the
23 significant capital investments the City of
24 Buffalo has already made along Jefferson

1 Avenue and in other neighborhoods in this
2 historically underserved community. Because
3 of the East Side's critical need, I would ask
4 that the Legislature support this initiative
5 and fund it at the Governor's requested
6 amount.

7 I'm also aware of the fiscal stresses
8 New York State is under as a result of the
9 national policies coming from elected leaders
10 in Washington and how these pressures are
11 making it more difficult for New York to make
12 these kinds of investments.

13 As mayor of the state's second-largest
14 city, I can assure you that we are also
15 feeling similar pressures and are being
16 forced to make very difficult decisions. In
17 light of these difficult fiscal times, and
18 with the concern that Aid to Municipalities
19 funding will again remain flat in this year's
20 budget, I am asking that the Legislature
21 consider alternative ways to support city
22 governments and provide the funds needed to
23 address the diverse set of challenges
24 confronting cities.

1 I would propose that the state
2 gradually increase the amount of Seneca
3 gaming revenue the City of Buffalo receives
4 from the state by 1 percent a year over the
5 course of the next five years. This will
6 increase the City of Buffalo's share from
7 6.25 percent to 7.5 percent of the total
8 gaming revenue by 2024. This increase will
9 help support city operations, recognizing the
10 fact that costs continue to rise.

11 In addition to finding other means of
12 supporting city services, the state can also
13 invest in projects and initiatives that will
14 make operations more efficient,
15 cost-effective, and less reliant on long-term
16 state funded support in the future.

17 My administration has allocated
18 \$2.5 million in funding in our 2019 capital
19 budget to open a comprehensive public works
20 campus. This project will allow the city to
21 consolidate the operations of divisions,
22 reduce the existing footprint of city
23 properties, and manage our vehicle fleet,
24 equipment, and operations more effectively.

1 I am requesting that the Legislature
2 include \$5.6 million in this year's State
3 Budget which will allow the city to
4 accelerate the project timeline and realize
5 the savings this project will produce sooner
6 than anticipated.

7 While there are some challenges that
8 the city can address through more equitable
9 revenue sharing or cost savings projects,
10 there are still systemic needs that only the
11 state can assist us in meeting. The
12 challenges of an aging infrastructure and old
13 water service lines pose a significant
14 challenge to the City of Buffalo's limited
15 resources.

16 The Governor's proposed Executive
17 Budget contains funding for lead abatement
18 activities, green infrastructure investment,
19 and energy efficiency projects. I am asking
20 the Legislature to fully fund these
21 initiatives at the amount requested by the
22 Governor and ensure that cities like Buffalo,
23 which according to New York State's Homes and
24 Community Renewal, has some of the oldest

1 housing stock in the nation and some of the
2 oldest infrastructure in the state, be
3 eligible to receive a share of that funding
4 that is consistent with our need.

5 I want to thank you for the time you
6 have taken today to listen to and consider my
7 thoughts on the Executive Budget proposal and
8 the needs of Buffalo residents. I am
9 confident that we can find creative solutions
10 needed to adequately address challenges that
11 urban communities are facing across the
12 state.

13 Thank you very much.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 We're going to go to Assemblyman
16 Barclay.

17 ASSEMBLYMAN BARCLAY: Thank you,
18 Chairwoman.

19 Thank you, Mayor. Good afternoon.

20 I just had one quick question on your
21 testimony. You talk about being aware of
22 New York's fiscal stresses being caused by
23 elected leaders in Washington, and you say
24 you also are feeling those fiscal stresses.

1 Could you be a little more detailed on what
2 Washington is doing to put fiscal stress on
3 the City of Buffalo?

4 MAYOR BROWN: Well, certainly the
5 change in SALT I think has created stress for
6 the State of New York. It certainly has also
7 created stress for the City of Buffalo.

8 Obviously the recent shutdown of the
9 federal government created some stress on
10 municipalities across the country. So those
11 are some of the examples I mean of the kind
12 of stress that's been created.

13 ASSEMBLYMAN BARCLAY: Not to belabor
14 the point, but have you -- I mean, the idea
15 that SALT is somehow putting financial stress
16 on the state is because presumably
17 high-taxed, high-wealth individuals are
18 leaving the state because they don't want to
19 pay our high taxes here and they're not
20 getting the deduction that they got before
21 SALT.

22 Do you have any concrete examples of
23 that happening in Buffalo where maybe that's
24 where it's affecting you?

1 MAYOR BROWN: Well, I think the
2 inability to have the same kind of
3 deductibility that was previously available
4 to high-wealth individuals certainly creates
5 challenges. We don't want to lose
6 high-wealth individuals from any part of the
7 State of New York. And I think the inability
8 to have that same type of deductibility is
9 creating challenges for our state.

10 ASSEMBLYMAN BARCLAY: All right.
11 Thank you, Mayor. Thank you, Chairwoman.

12 CHAIRWOMAN KRUEGER: Thank you.

13 Good afternoon, Mayor. It's nice to
14 see you. I had just run out when you
15 started, but I heard the testimony.

16 Our first questioner is Senator Robert
17 Jackson.

18 SENATOR JACKSON: Thank you, Mayor
19 Brown. And to your finance director, good
20 afternoon.

21 I've listened to the mayor of Yonkers,
22 the mayor of New York City, now the mayor of
23 Buffalo. And what I'm hearing overall is
24 that there's a great need for the cities,

1 some more so than others, and they're coming
2 to the State Legislature and the Governor
3 asking for more. Obviously I can understand
4 that. As you indicated, the City of Buffalo
5 is not a brand-new city. It's an old city.
6 It has a lot of issues and concerns from
7 infrastructure and what have you. And I'm
8 reading your testimony about the lead in
9 water.

10 Can you discuss with me how much you
11 need in order to deal with that? Because
12 obviously drinking water is so important for
13 the people of Buffalo. And any type of lead
14 contamination could negatively impact
15 especially children under the age of 6 or
16 7 years old.

17 MAYOR BROWN: Well, you know, I
18 mentioned the old water service lines that we
19 have in the City of Buffalo, estimated to be
20 the oldest in the State of New York. But
21 certainly Buffalo isn't alone in those
22 problems. Other municipalities across the
23 state also have older water service lines.

24 In our city, like in many other

1 municipalities across the state, we have
2 initiated programs and strategies to address
3 lead that impacts children in our community.
4 One of the ways that children can be impacted
5 by lead is through our water lines. From
6 time to time we have situations where water
7 lines rupture and break. That has caused
8 lead to be released from these lines at
9 times.

10 And so our plan is to completely
11 replace those lines to make sure that there
12 is no lead remnants left in the lines, to
13 make sure that we are being protective to the
14 health of our children and families in the
15 City of Buffalo.

16 To do that is incredibly costly,
17 Senator Jackson. I do not have the total
18 replacement cost at this point but can get
19 that information to you. I don't know if
20 I'm -- Commissioner Estrich is shaking her
21 head. So we do not have that total cost.

22 Right now we anticipate spending about
23 a million dollars a year, roughly, on
24 replacement of lines. But that is really a

1 piecemeal sort of solution. It doesn't come
2 close to getting us to where we need to be in
3 terms of replacing water lines in the City of
4 Buffalo.

5 SENATOR JACKSON: And currently right
6 now on those water lines you have a lot of
7 children, and everyone's drinking the water
8 from the system, is that correct?

9 MAYOR BROWN: That's true. And while
10 we don't overall in the city have some of the
11 lead problems in our drinking water that
12 other municipalities have, this is something
13 that we work hard to guard against. And one
14 of the areas where that exposure can happen
15 is through the breakage of our water lines.

16 SENATOR JACKSON: Mayor Brown, I
17 apologize, I just have to get to some other
18 questions because the time is limited.

19 MAYOR BROWN: Okay.

20 SENATOR JACKSON: So can you please
21 talk to me about the situation as far as
22 education in the City of Buffalo and
23 especially the type of funds that are owed to
24 Buffalo under the Foundation Aid formula, and

1 what -- what's the impact of not receiving
2 the money that you're entitled to?

3 MAYOR BROWN: Well, you know,
4 obviously providing a sound, basic education
5 to children is expensive. And we understand
6 that there is a large expenditure for
7 education in the State of New York. But our
8 school district, which has shown significant
9 progress -- we had a number of schools under
10 Regents review, we had a number of failing
11 schools. Just this year our superintendent
12 was able to report tremendous progress in
13 schools being removed from the SURR
14 designation, tremendous progress in academic
15 achievement. But there is always pressure
16 for us to increase the contribution to our
17 school district.

18 Certainly under the formula of the
19 CFE, if the Buffalo schools got the money
20 that would be available under that formula,
21 it would be in the tens of millions of
22 dollars to provide additional resources to
23 academic instruction and other supports that
24 children need, particularly the large numbers

1 of children who are living in poverty in the
2 City of Buffalo and the large number of
3 immigrant and refugee children that live in
4 the City of Buffalo.

5 SENATOR JACKSON: Thank you. I'll try
6 to come back and ask questions later. Thank
7 you, sir.

8 CHAIRWOMAN KRUEGER: So I have some
9 questions for you. Thank you, Senator --
10 Senator. Well, you were Senator Brown when I
11 first knew you. We'll try Mayor Brown.

12 So Buffalo has been I suppose the
13 poster child for New York State's economic
14 development programs, with way over a
15 billion-dollar investment at this point in
16 time, is that right?

17 MAYOR BROWN: That is true. You know,
18 the Governor pledged a billion dollars to
19 Buffalo, with the support of the Legislature.
20 We see that money moving through our
21 community in a variety of different ways.
22 And in fact since 2012 there's been more than
23 \$6.7 billion of economic development projects
24 that have broken ground in the City of

1 Buffalo.

2 CHAIRWOMAN KRUEGER: So Buffalo should
3 be seeing a big influx of new tax revenue
4 from all this economic activity. Have you
5 been tracking that for yourselves?

6 MAYOR BROWN: We have tracked that.
7 That has not necessarily produced the kind of
8 influx in tax revenue that one might suspect.
9 So even though there has been a lot of
10 economic development activity, there still
11 have been incentives that have been provided
12 to stimulate that activity. So there are
13 PILOTs for many of the projects that, you
14 know, reduce the tax payment for a 10-year
15 period of time.

16 So while we are seeing some gains in
17 tax revenue, right now they are not as
18 substantial as we would like them to be.

19 I don't know if -- Commissioner
20 Estrich, if you'd like to comment.

21 COMMISSIONER ESTRICH: And the mayor
22 has been staying under the tax cap since he's
23 taken office. We have not gone over the tax
24 cap --

1 CHAIRWOMAN KRUEGER: Well, staying
2 under a tax cap would mean not increasing the
3 rate of taxation, right? Not necessarily not
4 taxing new businesses that started up --

5 COMMISSIONER ESTRICH: Right. But
6 because we've been --

7 CHAIRWOMAN KRUEGER: -- or new people
8 that moved in and had jobs.

9 COMMISSIONER ESTRICH: Because we have
10 been keeping the levy flat, we have not seen
11 the increase in taxes.

12 CHAIRWOMAN KRUEGER: So if 50 new
13 companies move to Buffalo and hire, I don't
14 know, 5,000 new people, if they're now
15 taxpayers, you lower someone else's taxes to
16 keep it flat? How does that work?

17 COMMISSIONER ESTRICH: Well, if we
18 keep the levy flat, then the amount that
19 everybody pays is reduced. Even with your
20 value going up.

21 CHAIRWOMAN KRUEGER: So you actually
22 reduce how much property taxes get --

23 COMMISSIONER ESTRICH: The tax rate
24 would be.

1 CHAIRWOMAN KRUEGER: But just on
2 property taxes, not on business taxes or
3 sales taxes.

4 COMMISSIONER ESTRICH: It would just
5 be property taxes, commercial and
6 residential.

7 CHAIRWOMAN KRUEGER: So you've
8 actually reduced property taxes over the last
9 several years?

10 COMMISSIONER ESTRICH: Yes, we have.

11 CHAIRWOMAN KRUEGER: You have, okay.

12 MAYOR BROWN: And that's really been
13 important to the economic recovery in the
14 City of Buffalo, to make Buffalo a more
15 attractive and affordable place for
16 residential and commercial investment. In
17 this last budget that I introduced, we did
18 increase the tax rate.

19 CHAIRWOMAN KRUEGER: You did increase
20 the tax rate.

21 MAYOR BROWN: Yes.

22 CHAIRWOMAN KRUEGER: When do you
23 project that you will actually start to see
24 serious new revenue from all this \$6.5

1 billion in investment?

2 MAYOR BROWN: So we're projecting now
3 that we will not begin to really see revenue
4 gain substantially for another five years.
5 Because again, with some of the projects --
6 with many of the projects there have been
7 PILOTs that have held the line on the tax
8 increases that will be expiring. So we will
9 see some PILOTs expiring in the next couple
10 of years, some in the next five years. And
11 that's when we expect to see more tax revenue
12 commercially from some of the projects that
13 have gone online in the city.

14 CHAIRWOMAN KRUEGER: So PILOTs are
15 payments in lieu of taxes. So you are
16 receiving payments, they're just not taxes?

17 MAYOR BROWN: We are receiving some
18 payments, but substantially lower than the
19 tax amount would be.

20 CHAIRWOMAN KRUEGER: And do you see
21 increased costs to the City of Buffalo from
22 new businesses with \$6.5 billion of new
23 business activity in Buffalo? Usually cities
24 look at growth in the costs for emergency

1 response, their water and sewers, their
2 lights, perhaps their schools seeing a growth
3 in kids. Are you seeing that in your city?

4 MAYOR BROWN: Absolutely there have
5 been increases in costs. So public safety
6 cost increases, police, fire, infrastructure.
7 So new sewer lines, new sidewalks. In some
8 cases where businesses have located where
9 businesses were not previously, new streets,
10 new street lights. So yes, there have been
11 substantial costs associated with the
12 increases in business investment and business
13 development.

14 CHAIRWOMAN KRUEGER: And has it
15 bothered you that Tesla still hasn't
16 delivered on the number of jobs they
17 committed to?

18 MAYOR BROWN: We have seen job
19 creation at Tesla -- I believe that the
20 number is over 500 jobs currently. That
21 number was projected to be 3,000 new jobs.
22 The responses that we get from the company is
23 that they will meet those job projection
24 numbers, but right now it is trending behind

1 where it was expected to be.

2 CHAIRWOMAN KRUEGER: Thank you.

3 And the reason for my questions is not
4 out of lack of respect for the City of
5 Buffalo at all, but my general question about
6 what are we doing with economic development
7 investment in this state and are we really
8 getting what we should be out of what turn
9 out to be enormous investments at the state
10 level, serious costs to the localities for
11 working with our projects. And I'm just
12 never quite sure that we're actually getting
13 back what we ought to be. So I appreciate
14 your answering my questions.

15 MAYOR BROWN: I mean, what we've seen
16 in Buffalo, we had a lot of vacant
17 structures, we had a lot of abandoned land.
18 As you know, Senator, with me coming here to
19 testify over the years, we've performed over
20 7,000 demolitions of vacant structures in the
21 City of Buffalo. Now we see buildings going
22 up where those vacancies were. We see the
23 neighborhood fabric being filled in. We see
24 jobs not only in downtown Buffalo at our

1 waterfront or our medical campus, but jobs
2 being created in the neighborhoods in all
3 corners of the City of Buffalo.

4 So we do see a very positive return in
5 our city for the state's economic development
6 dollars that have been invested. And we've
7 also focused on working with the state to
8 make sure that those investments are
9 equitable, that they observe the diversity of
10 our community, and that they are inclusive of
11 all residents of the City of Buffalo.

12 CHAIRWOMAN KRUEGER: So just two more
13 related questions, thank you.

14 You've seen a growth in your
15 population over the last few years, or a
16 reduction?

17 MAYOR BROWN: I don't think we've seen
18 a population growth just yet. We have seen a
19 slowing of population loss. Unfortunately,
20 the City of Buffalo has been losing
21 population since the 1950 census period. We
22 are projecting to have potentially our first
23 population gain since 1950 in the 2020
24 census.

1 CHAIRWOMAN KRUEGER: And final
2 question, how is your unemployment rate
3 compared to the other upstate cities? I
4 mean, we know everybody's unemployment rate
5 has been going down. But do you see that
6 because of the special focus on economic
7 development investment in Buffalo, you have
8 an even lower unemployment rate than we would
9 expect to see?

10 MAYOR BROWN: I don't think we have
11 seen that. We have seen our unemployment
12 rate go down in the City of Buffalo. I would
13 not say that it has gone down dramatically
14 lower than other upstate municipalities.

15 But we do have a number of projects
16 being built out now as we speak. We have
17 literally thousands of jobs that are being
18 created as we speak. So those numbers in
19 another two to five years we believe will
20 look very different. But it takes some time
21 for all of this development activity to take
22 hold and really have an impact. It doesn't
23 happen overnight. But we see the fruits of
24 all of the investment that the Governor and

1 the State Legislature have helped us make in
2 the City of Buffalo.

3 CHAIRWOMAN KRUEGER: Thank you.

4 Your superintendent was testifying the
5 other day at the Education hearing, and he's
6 really had some extraordinary data on the
7 turnaround in the last few years in the
8 schools. So I'm sure that you're all very
9 delighted with those statistics.

10 I think I'm done. Is there an
11 Assemblymember?

12 CHAIRWOMAN WEINSTEIN: No, we are --
13 (Cross-talk.)

14 CHAIRWOMAN KRUEGER: Three minutes
15 more for Robert Jackson, who's the chair --
16 (Cross-talk.)

17 SENATOR JACKSON: Thank you.

18 So Mayor Brown, I'm just asking, is
19 Buffalo one of the eight municipalities that
20 have the red light cameras?

21 MAYOR BROWN: We don't have them yet.
22 We have legislation that has -- not red
23 light, speed zone.

24 SENATOR JACKSON: Speed zone.

1 MAYOR BROWN: Yes, so currently a
2 school speed zone bill has passed the Senate,
3 sponsored by Senator Kennedy, and a companion
4 bill has passed the Assembly, sponsored by
5 Assemblywoman Peoples-Stokes. And that bill
6 would allow us to install 20 speed cameras at
7 schools in our city that have the highest
8 traffic counts.

9 SENATOR JACKSON: Sure. Sure. Well,
10 I propose that there should be speed cameras
11 in front of every school, because the safety
12 and security of our children is number one.
13 And no one should be speeding in a school
14 zone. So I would respectfully request that
15 you ask for speed zone cameras in every
16 school, not just a small percentage.

17 MAYOR BROWN: I appreciate that,
18 Senator Jackson. I agree with your position
19 on that.

20 It was our view, though, since we were
21 requesting this permission for the first
22 time, we would do it as more of a pilot. If
23 there is the support in the Legislature to
24 get it for every school, we would certainly

1 appreciate that.

2 SENATOR JACKSON: Approximately how
3 many schools do you have in your city?

4 Approximately.

5 MAYOR BROWN: So I would say
6 approximately, with public schools including
7 charter schools, parochial schools, and
8 private schools, we have close to 90 schools
9 in the City of Buffalo, about 57 of them
10 being public school buildings.

11 SENATOR JACKSON: So with respect
12 to -- the Executive Budget proposal calls for
13 an extension of binding arbitration,
14 especially with public safety unions, for an
15 additional five years. Do you support that
16 as a mayor, as far as binding arbitration
17 benefiting the City of Buffalo in their
18 negotiations, if negotiations are breaking
19 down?

20 MAYOR BROWN: I do support binding
21 arbitration. We, though, in Buffalo have
22 been able to successfully, during my tenure
23 as mayor, which has been for quite some time
24 now -- I'm in my fourth term -- we have been

1 able to successfully negotiate contracts with
2 all of the city municipal unions. I do not
3 have management authority over the schools,
4 so I don't negotiate the contract with the
5 teachers union. But with all of the other
6 municipal unions, we have been able to
7 successfully negotiate contracts.

8 But I do support binding arbitration.

9 CHAIRWOMAN KRUEGER: Thank you.

10 SENATOR JACKSON: Thank you, and good
11 luck in managing and leading your city.

12 MAYOR BROWN: Thank you. Thank you,
13 Senator Jackson.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 I believe that's all from the Assembly
16 and Senate. Thank you for being here.

17 CHAIRWOMAN KRUEGER: Thank you very
18 much. Nice seeing you.

19 MAYOR BROWN: Thank you very much.

20 CHAIRWOMAN WEINSTEIN: Next we have
21 Honorable Kathy M. Sheehan, the mayor of the
22 City of Albany.

23 So proceed whenever you're ready.

24 MAYOR SHEEHAN: Good afternoon.

1 CHAIRWOMAN KRUEGER: Good afternoon.

2 MAYOR SHEEHAN: And I appreciate Mayor
3 Brown being brief.

4 I am going to read my entire
5 testimony. And before I start, I do want to
6 say that as I sit here, I look out at members
7 of this esteemed body who have been
8 incredibly supportive of the City of Albany.
9 But because of the urgency and the importance
10 of this issue, I think it's very important
11 for the record that I read my testimony into
12 the record.

13 CHAIRWOMAN KRUEGER: You won't make it
14 through, just for --

15 MAYOR SHEEHAN: What?

16 CHAIRWOMAN KRUEGER: I'm looking at
17 your number of pages --

18 MAYOR SHEEHAN: I'm going to do it.
19 Trust me. I go fast.

20 CHAIRWOMAN KRUEGER: Because that
21 clock's going to go -- okay, keep going.

22 MAYOR SHEEHAN: Good afternoon. Thank
23 you, Senator Krueger and Honorable Weinstein,
24 for inviting me here today to speak with you

1 about the City of Albany. I also want to
2 thank the Senate Finance Committee and
3 Assembly Ways and Means Committee and the
4 other members of the Senate and Assembly who
5 are present, including the members of the
6 Capital City delegation, who we work closely
7 with, but in particular on our financial
8 challenges.

9 When I first appeared before this
10 joint committee in 2014, I highlighted the
11 inequity imposed upon the City of Albany when
12 it comes to unrestricted aid to cities. I
13 had been in office less than four weeks, but
14 because I previously served as city
15 treasurer, I understood the impact of the
16 structural inequity.

17 Since that time, I have worked in good
18 faith with this body and the Governor's
19 office to keep a promise I made in 2014: If
20 the state permanently rectifies this blatant
21 unfairness, the city will do the rest. We
22 won't come asking for more money every year.
23 We will tighten our belt, become more
24 efficient, and manage to the 2 percent tax

1 cap and the inevitable increases in the costs
2 of running a city.

3 As you can see on Slide 2, the city's
4 budgets have increased a total of
5 0.48 percent over the past five years. That
6 equates to an annual increase of less than
7 0.1 percent since 2015. And keep in mind,
8 this has happened without any increase in the
9 Capital City funding. If we had followed
10 New York State and capped our growth by
11 2 percent annually since 2015, our budget
12 would be \$14.5 million higher today. It is
13 not.

14 This is important to note because
15 during my administration we have cut to the
16 bone, and any additional cuts will have
17 adverse effects on the level of services our
18 residents, businesses, and visitors have come
19 to expect and come to need. Cuts should not
20 relieve New York State of its responsibility
21 to the Capital City. Cuts should benefit the
22 taxpayers who already bear an unfair and
23 inequitable burden compared to other large
24 cities throughout upstate New York.

1 I have kept my promise. And yet here
2 we are again. As we have for the last several
3 years, the City of Albany seeks a permanent
4 \$12.5 million in Capital City funding to
5 bring our unrestricted aid closer to what
6 other cities receive by right.

7 Last year, the City of Albany received
8 \$12 million in Capital City funding, a
9 half-million-dollar cut from the prior
10 year -- \$3 million of which was embargoed by
11 the State Budget Office until we provided
12 balance sheets that demonstrated our
13 significant need. We were the only city in
14 the state to have its unrestricted aid cut
15 last year.

16 Last year, the Assembly budget
17 resolution cut Albany's aid by \$2.7 million,
18 based on recommendations from a state
19 management report that only served to
20 increase the unfairness in how the City of
21 Albany is treated in this state. So I want
22 to be clear. This reduction in Capital City
23 funding would have resulted in real and
24 significant cuts in vital services that our

1 residents and visitors and workers who come
2 here rely on every day.

3 As I have said before, I would love to
4 come here and talk with this body about
5 policy issues that impact local governments,
6 or to create further partnerships with
7 New York State. However, because the
8 inequity continues to exist, I am forced to
9 return here every year to request equitable
10 state funding -- something that every other
11 city in the state is guaranteed the moment
12 the Governor's budget is released.

13 We are seeking to ensure that the
14 Capital City can provide services that we
15 know are essential for the tens of thousands
16 of people who come here to work every day,
17 many of them in this building and in this
18 plaza. The cost of maintaining roads and
19 sidewalks, providing police, fire, and
20 emergency services to accommodate and protect
21 these workers and visitors falls on our
22 residents.

23 When the state permits rallies on
24 state property and they need assistance

1 closing streets and parks to accommodate
2 buses and people, our taxpayers bear that
3 burden.

4 Providing this level of service while
5 being denied our fair share in state aid is
6 unjust. No other city in New York State is
7 forced to endure this situation year after
8 year. Our residents, our police officers,
9 our firefighters, and all our hardworking
10 employees deserve better --

11 CHAIRWOMAN WEINSTEIN: I just want to
12 let you know that you've used half your time,
13 so you might want to summarize some --

14 MAYOR SHEEHAN: -- than to deal with
15 this year after year.

16 So let's just skip through these
17 slides very quickly. On Slide 4 you will see
18 the total value of tax-exempt property owned
19 by the State of New York inside the City of
20 Albany is greater than the value of all the
21 city's taxable property combined. So our
22 taxpayers own less property than the State of
23 New York, and we bear 100 percent of the tax
24 burden.

1 Slide 5 gives you a context of what
2 having 38 percent of our property owned by
3 the state would mean for other upstate
4 cities.

5 Slide 6 shows AIM. Our AIM is \$128
6 per capita. You've seen this slide before.
7 But we've broken it down in more ways this
8 year.

9 As you'll note on Slide 7, AIM per
10 capita for our daytime population paints an
11 even worse picture of the inequity. As the
12 capital of New York State, we are a city that
13 nearly doubles in population every day. This
14 is great news for many, many reasons, except
15 it's a mixed blessing for our residents
16 because most of those employees walk into
17 tax-exempt buildings. And sales tax is
18 shared countywide based on the census
19 population, not our daytime population.

20 We employ thousands of workers, but
21 it's important to note that most of these
22 workers commute into Albany from our
23 surrounding, more affluent suburbs. We host
24 tens of thousands of visitors who come here

1 to conduct business and lobby state
2 government.

3 It's also patently obvious, the
4 inequity that we have, when you look at our
5 tax levies. Our tax levies in actual
6 dollars, the combined city and school tax
7 levy in the City of Albany is higher than
8 that of the City of Buffalo. Not per capita,
9 in actual dollars. All of this is driven by
10 the inequity in Capital City funding.

11 I want to move ahead and talk about
12 our 19-A payments. We're often asked about
13 the payment that we receive for the Empire
14 State Plaza. I want to remind everyone, this
15 complex was built on 90 acres where 10,000
16 people lived, where there were buildings and
17 businesses and churches, all of which, in the
18 name of urban renewal, were wiped out --
19 taking a serious hit to our tax base.

20 But even when you combine our 19-A
21 payment and you look at the total amount of
22 state aid that other cities get, the inequity
23 still persists. Only one city receives less
24 per capita than the City of Albany.

1 So I'm not suggesting that these other
2 municipalities do not need the AIM that they
3 receive. I want to be very clear. I provide
4 this information because it demonstrates what
5 Albany is asked to do, year after year, to
6 balance its budget. And I understand the
7 challenges that the state is facing. That is
8 why this inequity needs to be fixed. We
9 shouldn't be at this table every year as part
10 of a negotiation when other cities get their
11 fair share of unrestricted aid already built
12 into the budget.

13 You know, the Capital Region has been
14 successful. We have a lot of jobs. And when
15 people think about the Capital Region, they
16 think about places like Crossgates Mall and
17 Colonie Center and Stuyvesant Plaza. None of
18 those destinations are in the City of Albany.

19 The median income for Albany County is
20 \$62,000. The poverty rate for the county is
21 11 percent. Yes, we have a lot of jobs. But
22 as you can see from Slide 11, the City of
23 Albany still has real challenges. We are
24 home to more than 1,000 vacant buildings.

1 Our median income is less than \$44,000. Our
2 poverty rate is almost 25 percent -- a rate
3 that we have worked to decline, but still
4 persists and causes significant issues in our
5 city. Our homeownership rate is almost
6 20 points lower than that of Albany County.

7 So while the region's success has --
8 some of that has permeated into the city, we
9 still face significant challenges.

10 And so in looking at the amount of
11 state aid, if you just break it down by the
12 number of people living in poverty in our
13 cities, if you look at the poverty rate and
14 population in the cities receiving AIM that
15 are comparable to the City of Albany, I want
16 to point you to a pretty stark statistic, and
17 that statistic is this. A person living in
18 poverty receives \$2,018 per capita in
19 Buffalo. In Albany, it's 25 percent of that
20 number.

21 Thank you.

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 Senate? The Assembly doesn't have
24 questions at this time.

1 CHAIRWOMAN KRUEGER: Senator Robert
2 Jackson, chair of Cities.

3 MAYOR SHEEHAN: Mayor, let me say to
4 you -- let me thank you and your city for
5 keeping us safe as legislators when we're in
6 your city. I appreciate that very much.

7 But listening to you, oh, my gosh -- I
8 feel, based on your testimony and looking at
9 the slide show that your team put together,
10 it appears as though that either we are
11 discriminating against the City of Albany or
12 you did something wrong to the Governor and
13 the Legislature where you're not getting your
14 fair share. And I'm like shocked, based on
15 your detailed analysis that you put together,
16 you and your staff, that you're being treated
17 the way you are.

18 MAYOR SHEEHAN: This is an issue that
19 has persisted for years. It predates
20 Governor Cuomo, it predates my
21 administration.

22 What we have done is worked very hard
23 to ensure that we understand what the issue
24 is -- we have opened our books to the state

1 three times. We have been as transparent as
2 we possibly can be. We have worked
3 diligently to reduce the expense of our city
4 government to ensure that we are being a good
5 steward of taxpayer dollars and to look at
6 other sources of revenue.

7 And so as I have said for five years
8 now, this is a \$12.5 million structural
9 deficit. I have never come here and asked
10 for more than \$12.5 million. Even though our
11 personnel costs have gone up, even though our
12 health insurance costs have gone up, even
13 though the costs of doing business as a city
14 have increased. We managed to those
15 increases as I promised I would do.

16 This inequity has to be fixed. We are
17 treated like no other city. And from the
18 standpoint of our residents and our
19 employees, it needs to stop. We need to
20 know, year after year, day one, that we are
21 going to be able to balance our budget and
22 that we are not going to be asked to do what
23 no other city upstate is asked to do, which
24 is to work with a formula that is unfair,

1 patently unfair, and then also to be the home
2 and host to state government and deal with
3 the burden of having so much tax-exempt
4 property.

5 SENATOR JACKSON: And I appreciate
6 your transparency and saying that you have
7 opened up your books three times -- take a
8 look-see. You know, you and I think the city
9 council, whatever the governing body is --
10 and I'm new, I'm a new state Senator from
11 New York City. And based on your testimony,
12 it seems so unfair, let me just say that.

13 Based on -- because I truly believe that
14 everything you're saying is absolutely true.

15 Based on your testimony, based on how you
16 delivered your city's situation at this point
17 in time. And \$12.5 million, you know, in the
18 scheme of New York City's budget is nothing,
19 is minuscule. But it's not nothing. It all
20 depends.

21 And so I just have a question. Can
22 you explain to me how your city's education
23 is being negatively impacted by the current
24 situation with this Fair Student Funding

1 formula under the Foundation Aid formula?

2 MAYOR SHEEHAN: So our district is

3 separate from the city. We do not have

4 mayoral control over the school district.

5 But we work very, very closely with the

6 school district. And the same inequity that

7 impacts our city budget also does impact our

8 school district budget.

9 My understanding is that the school

10 district receives about 65 percent of what it

11 should under the Foundation formula. I

12 believe that that has been able to improve

13 each year, but that there still is a gap

14 between what the formula would say the

15 district should receive and what the district

16 actually receives.

17 And, you know, the school district

18 levy is significantly higher than the city's.

19 It's about 60 percent of our residents' total

20 tax bill.

21 SENATOR JACKSON: So, Mayor, tell me,

22 tell us, based on your testimony and based on

23 the situation, what do you expect us to do as

24 legislators? And of course taking the lead

1 of your State Senator or State Senators that
2 represent the City of Albany and your State
3 Assemblymembers. I would assume that they're
4 fighting in here for you and for the
5 residents of Albany. Tell us how we can be
6 helpful as someone from New York City.

7 MAYOR SHEEHAN: We understand that the
8 AIM formula is an area that is fraught with a
9 lot of challenges. And so what we have asked
10 for every year is Capital City funding.
11 There are precedents in capital cities across
12 the country where there is a formula or a
13 budget line to aid the capital city for the
14 impact that being the home to state
15 government has on that municipality's ability
16 to raise money through property taxes.

17 And so we have suggested amending
18 Section 19-A of the Real Property Law.
19 Harriman Campus continues to be developed.
20 It was suggested to us a number of years ago
21 that 30 acres of that property would be open
22 to development and would become taxable.
23 That hasn't happened. And I understand why.
24 If I owned that property, if our municipality

1 owned that property and we had a higher and
2 better use for it, then that is in the best
3 interest of New York State taxpayers overall.

4 We believe that there could be a PILOT
5 attached directly to the Harriman Campus of
6 \$12.5 million, a carve-out of Capital City
7 funding of \$12.5 million. But what we're
8 looking for is something that would be a
9 permanent line in the budget so that we can
10 count on it year after year and not have to
11 come back here and talk about this issue
12 again.

13 SENATOR JACKSON: Well, I just thank
14 you for your advocacy on behalf of the City
15 of Albany. I mean, obviously you said you
16 had members of your cabinet or legislative
17 body, a couple of them or one of them may be
18 here. I appreciate your testimony.

19 And I say to you that I will be
20 speaking to your legislative colleagues that
21 represent Albany in the Senate and the
22 Assembly to see how we can be helpful as a
23 State Senator from Manhattan.

24 MAYOR SHEEHAN: Thank you.

1 SENATOR JACKSON: Thank you.

2 CHAIRWOMAN KRUEGER: I don't think
3 there are any Assemblymembers.

4 I also -- Bob Jackson picked up on
5 something I think I've said every year. Boy,
6 you pissed off somebody sometime, Albany, and
7 you keep having to go through this.

8 My one question for you this year.
9 Have you ever explored city-county
10 consolidation as a model for going forward?
11 Because there are places around the country
12 that have been doing that.

13 MAYOR SHEEHAN: There are. You know,
14 the consolidation model has been suggested
15 really across the state. And we work really
16 closely with the county.

17 But it is really an issue around, you
18 know, the diversity we have here in Albany
19 County. You know, we are the largest city,
20 but we also have hill towns that, you know,
21 quite candidly feel that they have very
22 different issues that would be potentially
23 lost in a city-county consolidation. We also
24 have two very different forms of government.

1 So the city has a strong mayor form of
2 government, the county has 39 county
3 legislators, the largest county legislature
4 in the state, and a strong county
5 legislature/weak county executive form of
6 government.

7 But with respect to the practicality
8 of working together, we already do purchasing
9 together, we look for opportunities when
10 we're buying different pieces of equipment,
11 sharing equipment, sharing resources. And we
12 work really hard not to duplicate anything
13 that the other is doing. So we rely on the
14 county for being the provider of mental
15 health services, of health services in
16 general, of being responsible for emergency
17 management. And we have a countywide
18 emergency management system.

19 So we work very, very closely with the
20 county. And from the standpoint of
21 consolidation, we are already working
22 together, for example, on 911 and dispatch,
23 now that everybody has moved to a common
24 platform, to work even more closely in

1 consolidating that.

2 CHAIRWOMAN KRUEGER: Thank you.

3 Oh, I'm sorry, Senator Savino did have
4 her hand up before.

5 SENATOR SAVINO: Thank you.

6 Thank you, Mayor Sheehan. Good to see
7 you.

8 I'm happy to see that you did that
9 very aggressive evaluation of how much
10 tax-exempt property there is in the City of
11 Albany. We've had this conversation in the
12 past. And I look forward to any efforts to
13 help you resolve this problem.

14 As a part-time resident of the City of
15 Albany, I've often wondered how it is that we
16 have this beautiful downtown area, all this
17 historic housing, and yet it's so
18 economically depressed and it creates such a
19 negative environment around us.

20 But I have a question for you. So
21 there is all this discussion in the City of
22 New York about bringing the largest
23 corporation in the world there, and it seems
24 that a lot of people who live there don't

1 want it. Did it ever occur to you to kind of
2 roll out the red carpet for Amazon? I mean,
3 I think the Capital City -- if Long Island
4 City rejects it, I think the Capital City
5 would be perfect for it. You have RPI across
6 the river, SUNY Albany, you have lots of
7 affordable housing. I think it would
8 transform the Capital Region -- again, if the
9 City of New York decides it doesn't want it.

10 MAYOR SHEEHAN: I think we put in the
11 winning proposal. I don't know why it didn't
12 make it to Jeff Bezos' desk.

13 (Laughter.)

14 MAYOR SHEEHAN: But, you know, we
15 really aggressively went after it from the
16 standpoint of the Capital Region. We have
17 affordability, we have ease of
18 transportation, we have outstanding
19 universities, UAlbany is a research
20 university, RPI. We have an incredible
21 quality of life. And we have the ability for
22 them to build out. We had proposed the
23 vacant parcel that was going to be used for a
24 convention center as one of the locations.

1 We worked collaboratively with Rensselaer
2 County -- I mean, you talk about
3 collaboration -- in the City of Rensselaer,
4 with property that is available there, build
5 out up to Saratoga. So we really took a
6 regional approach and worked aggressively to
7 try to attract Amazon here.

8 And I do understand, there are
9 challenges and people don't necessarily
10 understand economic development. But I can
11 point to every single economic development
12 project in the City of Albany. And while
13 they were accompanied with "tax breaks," and
14 I put that in quotes, our taxpayers were
15 better off day one because we had more
16 revenue coming into our city coffers the day
17 that that new business or apartment building
18 went online than what we were receiving
19 before.

20 And that is the case with Amazon, and
21 we would love to have those jobs here.

22 SENATOR SAVINO: Well, let's see.
23 Hopefully -- we hope it works with New York
24 City, but if it doesn't, I look forward to

1 working with you on helping solve some of the
2 problems that we have in Albany.

3 I chair a new committee in the Senate,
4 it's a new Standing Committee on Internet and
5 Technology. There's an awful lot of economic
6 opportunities going forward in the future,
7 and I think we should be developing
8 collaborative working relationships with RPI
9 and SUNY Albany to talk about the future of
10 the workforce and creating new occupations
11 for people. Because some of the things we
12 take for granted now as employment
13 opportunities are no longer going to be
14 around in a few years, and perhaps that could
15 be the center for Albany in the future.

16 MAYOR SHEEHAN: I absolutely agree.
17 But I will stress that the \$12.5 million
18 gap --

19 SENATOR SAVINO: Oh, absolutely.

20 MAYOR SHEEHAN: -- is structural.

21 But it has been suggested by others
22 that if you just get a new hotel or you just
23 attract this new business --

24 SENATOR SAVINO: No.

1 MAYOR SHEEHAN: And, you know, again,
2 that would be like saying to Rochester when
3 they open a new business that you're going to
4 reduce their AIM, and that's not the way any
5 other city is treated.

6 But to have that and to have the
7 ability to build on the incredible work that
8 is done by our research universities that has
9 resulted in growth -- I want to stress the
10 Capital Region is doing well, and we want to
11 be able to continue that momentum, and we
12 want that momentum to filter down into our
13 city. We're getting to the point where it's
14 finally reaching the inner city. Albany,
15 like Schenectady and like Troy, we need to be
16 able to ensure that we're able to make the
17 investments that will continue to attract
18 those businesses and help them to see this as
19 the next best place to grow their companies.

20 SENATOR SAVINO: Thank you.

21 CHAIRWOMAN KRUEGER: Thank you.

22 Senator Seward.

23 SENATOR SEWARD: Yes, good afternoon,
24 Mayor.

1 MAYOR SHEEHAN: Good afternoon.

2 SENATOR SEWARD: I just wanted to say
3 that you made your point very succinctly in
4 terms of the Capital City funding and the
5 formula is not advantageous to the City of
6 Albany.

7 I wanted to look at the -- in terms of
8 sales tax. You know, those 180,000-plus
9 people that are in the City of Albany every
10 day, they do go out and they buy lunch and
11 gas. I mean, there's a great deal of sales
12 tax generated because of that right here in
13 the City of Albany. But in terms of the
14 distribution of the sales tax, that would be
15 an Albany County function.

16 So my question is, have you ever made
17 the pitch to the Albany County Legislature in
18 terms of, you know, a different way of
19 distributing sales tax? Because you've got
20 to be a huge -- the city has to be a huge
21 source of sales tax revenue. And also as a
22 city, do you have the option of preempting
23 and increasing your share of the sales tax?

24 MAYOR SHEEHAN: Well, because of the

1 inequity that has existed in Albany for
2 decades, our property tax rates are
3 significantly higher than the property tax
4 rates in the immediately adjoining
5 communities. So a pizza parlor in Albany
6 pays about 60 percent more in property taxes
7 than a pizza parlor located just over the
8 city line in Bethlehem, Guilderland or
9 Colonie.

10 And so if you look overall at the
11 region, our malls are located outside the
12 city, the car dealerships are located outside
13 of the city. And so from a sales tax
14 standpoint, in looking at the value of those
15 lunches that get purchased, in comparison to
16 those other large centers that create sales
17 tax revenue, the sharing formula for the City
18 of Albany based on population actually works
19 to our benefit. And so it is divided up, the
20 county keeps a percentage of it -- a large
21 percentage of it, 60 percent -- and then
22 40 percent is distributed among the
23 municipalities based on their population.

24 So from the standpoint of the sales

1 tax revenue that is generated, what we like
2 about it is when people are patronizing
3 businesses and restaurants that are paying us
4 property taxes -- that's really where we see
5 the benefit from people being down here. So
6 when they walk around inside this complex,
7 not so much. But when they get out on the
8 street, we love it.

9 CHAIRWOMAN KRUEGER: Thank you very
10 much for your time today, Mayor. And thanks
11 for being with us always.

12 MAYOR SHEEHAN: Thank you.

13 CHAIRWOMAN KRUEGER: Thank you.

14 Our next mayor is Mayor Lovely Warren
15 from Rochester.

16 Good afternoon.

17 MAYOR WARREN: Good afternoon, Senator
18 Krueger, Chairwoman Weinstein, and members of
19 the Ways and Means and Finance Committees,
20 other members of the Senate and Assembly.
21 Thank you for the opportunity to address this
22 panel on behalf of the residents of the City
23 of Rochester.

24 The City of Rochester is in a time of

1 unprecedented growth. We are becoming a true
2 21st-century city. We're building an
3 innovation economy focused on technology,
4 software and photonics. Along with these new
5 jobs, crime is dropping and our neighborhoods
6 are safer and more vibrant. And we're
7 providing better educational opportunities so
8 every child can fulfill their dreams. We're
9 also aggressively addressing the systemic
10 inequities that have plagued our community
11 for decades.

12 However, as we do this essential work,
13 Rochester faces a \$35.7 million all-funds gap
14 that threatens our ability to build on these
15 successes and truly achieve our vision for
16 the future. Today I ask you to support
17 progressive solutions to the challenges we
18 face and allow us to make our vision for
19 Rochester's future a reality.

20 First, our state needs to modernize
21 policies regarding the gross receipts tax, or
22 GRT, on energy service companies and mobile
23 phones as well as sales taxes on online
24 purchases. The GRT has failed to keep pace,

1 and our cities are suffering as a result.

2 Rochester has seen nearly a 50 percent

3 decline in its annual GRT revenue. This is

4 nearly \$6 million that will go a long way

5 towards helping the citizens of Rochester.

6 Many energy service companies, or ESCOs, do

7 not pay the GRT tax even though the state

8 agrees that they should. Rochester needs

9 legislation to clarify that ESCOs must pay

10 the GRT -- a simple change to restore this

11 vital revenue.

12 GRT legislation must also include

13 mobile phone services. Currently it only

14 applies to landlines; clearly, a policy that

15 has been stuck in the past.

16 I also support requiring online

17 marketplace providers to collect sales and

18 use taxes on goods sold to New York

19 residents. Online shopping will only

20 continue to grow, and I am asking that the

21 state respond to this trend.

22 These proposed changes to the GRT and

23 online sales taxes are not new taxes on

24 consumers, they simply reflect where their

1 dollars are being spent in today's economy.

2 Another progressive change I support
3 to ensure New York addresses our modern
4 realities is the legalization of marijuana.
5 However, such legislation must address the
6 damage done to our cities, our poorest
7 neighborhoods, and people of color. Your
8 body has the opportunity and the obligation
9 to legalize marijuana in a way that benefits
10 those who suffered most under
11 criminalization. I am heartened by the
12 support expressed by both Speaker Heastie and
13 Leader Stewart-Cousins for such an approach.

14 Cities deserve revenue generated from
15 marijuana sales to fund programs to lift
16 residents out of poverty. To that end, I
17 would ask that the Legislature to
18 specifically provide cities with the ability
19 to tax marijuana sales and/or simply allow
20 for retail marijuana sales to be subject to
21 local sales taxes. We estimate that
22 Rochester would garner between \$1.2 million
23 and \$2.4 million in annual revenue.

24 Lastly, to truly ensure we address the

1 modern realities faced by Rochester, the
2 Legislature must eliminate the inequity in
3 AIM funding that essentially makes
4 Rochesterians second-class citizens in
5 New York State. Rochester per capita only
6 receives 84 percent of the AIM aid received
7 by Syracuse, and 67 percent of the AIM aid
8 received by Buffalo. This is simply unfair,
9 and it forces our city to do more with less
10 than our upstate neighbors.

11 Rochester is the only upstate city
12 whose maintenance of effort for our schools
13 exceeds the AIM aid that we receive. We are
14 required to pay \$119.1 million in maintenance
15 of effort funding to the Rochester City
16 School District, yet we only receive
17 \$88.2 million in AIM aid from the state each
18 year -- a nearly \$31 million gap.

19 This inequity must end if Rochester is
20 truly going to remain a leader into the
21 21st century with more jobs, safer and more
22 vibrant neighborhoods, and greater
23 educational opportunities for our children.
24 I ask that 2019 be the year when the

1 Legislature finally provides Rochester and
2 its residents with our fair share of AIM
3 funding.

4 However, I recognize that our city
5 would not be where it is today if it were not
6 for the support of our legislators as well as
7 our Governor, and I would like to thank you
8 for all that you have done to be supportive.

9 To this end, I would also like to ask for
10 your support of key capital projects vital to
11 Rochester's future.

12 With the Governor's support, we are
13 "ROC"ing the Riverway, and reconnecting our
14 city to the Genesee River, the precious
15 resource on which our city and community was
16 founded. Thanks to an initial \$50 million
17 investment from Empire State Development, and
18 the support of the Legislature, "ROC the
19 Riverway" has become a critical component of
20 our region's economic development strategy.

21 This initiative has excited the entire
22 Finger Lakes Region and is showing immediate
23 success -- and we are just getting started --.

24 So today I am asking you to support

1 another \$50 million for Phase 2 of "ROC the
2 Riverway." These funds will support critical
3 infrastructure projects that will not only
4 create jobs, but ensure that the Genesee
5 River is at the heart of our city's future.

6 Other key infrastructure projects
7 include our neighborhood police section
8 offices, recreation center upgrades, and
9 street reconstruction projects. These
10 exciting projects and our strong fiscal
11 stewardship position us to seize
12 opportunities that lie in the decades ahead.

13 So on behalf of the citizens of
14 Rochester, I ask you to continue to support
15 our city and its bright future by acting on
16 the requests that we have shared with you
17 today. Thank you, and I'm happy to take any
18 questions that you may have.

19 CHAIRWOMAN KRUEGER: Thank you.

20 CHAIRWOMAN WEINSTEIN: Assemblyman
21 Thiele.

22 ASSEMBLYMAN THIELE: Yes, with
23 reference to your testimony on AIM funding
24 and the inequity with other upstate cities,

1 what is the formula? How is your AIM funding
2 determined for cities, and how would you make
3 it more equitable?

4 MAYOR WARREN: So right now the
5 formula is not based on poverty rate, it's
6 actually based -- it was formulated many,
7 many years ago and I'm not sure what is the
8 basis for the formula.

9 However, if the AIM aid was equitable
10 for communities, then what we receive in AIM
11 aid would be attributable to what we give to
12 our city schools. If you look at the
13 discrepancies here, we have a \$32 million
14 budget gap that's \$30 million over what we
15 contribute to our city schools based on the
16 maintenance of effort. Every other upstate
17 city receives enough AIM aid to cover what
18 they are obligated to pay their city schools.
19 For us, when we look at the \$119.1 million
20 that we are obligated to pay our city
21 schools, that's 68 percent of the taxes that
22 we actually collect, and that's \$30 million
23 more than what we receive in AIM aid.

24 A more equitable formula would be to

1 have it based on poverty and based on
2 population, and that would go a long way in
3 making sure that it's equitable for all of
4 our cities.

5 ASSEMBLYMAN THIELE: I know for towns
6 and villages there hasn't been an increase in
7 AIM funding for years. Is that the same
8 situation with cities?

9 MAYOR WARREN: I'm sorry, I didn't
10 hear your question, sir.

11 ASSEMBLYMAN THIELE: I know with
12 regard to towns and villages there hasn't
13 been an increase in AIM funding for quite
14 some time. Has that been the same situation
15 with cities?

16 MAYOR WARREN: Correct. We have not
17 had an increase in AIM aid in a number of
18 years.

19 ASSEMBLYMAN THIELE: Thank you.

20 CHAIRWOMAN WEINSTEIN: Senate?

21 CHAIRWOMAN KRUEGER: Senator Bob
22 Jackson.

23 SENATOR JACKSON: Thank you, Madam
24 Cochairs.

1 So good afternoon, Mayor.

2 MAYOR WARREN: Good afternoon,
3 Senator.

4 SENATOR JACKSON: It's good to see
5 you. And I say to you that as the mayor of
6 one of the largest cities in New York State,
7 I'm so pleased to see you, as a woman, as a
8 woman of color, being the leader of
9 Rochester. So congratulations to you.

10 MAYOR WARREN: Thank you.

11 SENATOR JACKSON: Obviously this
12 brochure that you and your staff put together
13 made it pretty easy to follow.

14 But talking about education, can you
15 focus on that for a minute? And I heard your
16 explanation as far as other cities seem to
17 get enough AIM, Aid to Municipality money to
18 cover their education costs, but not
19 Rochester. Have you analyzed whether or not
20 you should, as the mayor or the city, take
21 action against the state, maybe to sue the
22 state or something like that, in order to
23 fight for that extra about \$35 million in
24 order to get, you know, your fair share of

1 that money?

2 MAYOR WARREN: So our goal has been to
3 come here and just actually talk to not only
4 our legislators but also the Governor about
5 the inequities that have transpired due to
6 the maintenance of effort.

7 Back a number of years ago, the
8 Legislature passed legislation that actually
9 said that a city cannot give their school
10 district a dollar less than they were given
11 the year before. And so at that time
12 Rochester was giving our school district
13 \$119.1 million, the highest of any other city
14 in upstate New York. And their AIM
15 covered -- all the other cities' AIM aid
16 covered the amount that they were providing
17 to their school district.

18 You know, we came here last year and
19 we asked for municipal education funding that
20 would cover that amount that we are obligated
21 to give to our schools. Rochester, along
22 with Buffalo, Syracuse and Albany, we are not
23 in charge of our schools, and so therefore
24 they have a separate elected school board.

1 And so even though our finances are tied to
2 each other based on we have to do their
3 bonding and other finances -- but at the end
4 of the day we're not in control of our
5 schools and we're not in control of the
6 amount that we are obligated to pay them. So
7 by law, we can't give them a dollar less.

8 And we can't control what they do with the
9 money that we provide to them on a yearly
10 basis either.

11 Rochester has some of the
12 lowest-performing schools in the state, and
13 we want to be helpful and we want to be a
14 partner, but in many ways our hands are tied
15 because of the way the structure is set up.

16 We're obligated to give this amount of money,
17 which is 68 percent of the taxes that we
18 collect. That means out of the 32 percent of
19 the property taxes we collect, we're
20 providing essential services -- I'm talking
21 about recreation centers, fire department,
22 police department, 911, all of those
23 different services that we're providing, as
24 well as our DES department, finance, and all

1 those other departments. We're obligated to
2 continue to do that.

3 And so we're coming here because that
4 inequity is basically what our budget gap is.
5 If we were able to have an equitable
6 distribution of AIM aid that equals the
7 amount that we're providing to our school
8 district, then we wouldn't necessarily be
9 here asking for support from the state.

10 SENATOR JACKSON: So more
11 specifically, the Aid to Municipalities, that
12 money -- and I have the list as to all of the
13 cities -- New York City, you know, gets zero.
14 You know that, right?

15 MAYOR WARREN: Correct.

16 SENATOR JACKSON: Okay. Even though
17 years ago they were getting \$300 million and
18 the commitment was that we will make sure you
19 get the money the following year, that
20 commitment never came through. Of course the
21 Governor had changed.

22 But is Aid to Municipalities the --
23 what are you receiving? You're receiving
24 about \$88 million?

1 MAYOR WARREN: Correct.

2 SENATOR JACKSON: Is that specifically
3 for education or that's where you use it at?

4 MAYOR WARREN: So it is -- Aid to
5 Municipalities is not designated funding.
6 But what we equate it to is the fact that
7 that dollar -- in other cities, that Aid to
8 Municipalities covers the amount that they
9 are obligated to give to their school
10 district. So they're essentially made whole.

11 Rochester, on the other hand, is not
12 essentially made whole because of the fact
13 that we have to give our school district
14 another \$31 million over what we receive from
15 the state.

16 SENATOR JACKSON: Sure. So if in
17 fact -- if they use all of their AIM money to
18 education, basically you're evaluating what
19 Rochester receives and how shortfalling you
20 are as far as about \$35 million, is that
21 correct? That's how you're evaluating it?

22 MAYOR WARREN: Basically, yes. Yes.

23 SENATOR JACKSON: I know that the City
24 of Schenectady, not too far from here, they

1 felt that -- they filed a federal action
2 against the State of New York because they
3 were discriminating against Schenectady as a
4 result of the amount of monies they were
5 receiving. And that's why I asked you
6 whether or not you've considered some legal
7 action. Because I'm sure that you may be
8 aware, but I make no assumption, that my
9 group, the Campaign for Fiscal Equity, filed
10 a lawsuit in May of '93. Even though it took
11 13 years, the end result was more billions of
12 dollars for our children.

13 So I'm going to ask you, under the
14 Foundation Aid formula, are you aware as the
15 mayor -- or that's separate and apart and
16 that's handled by the Board of Education --
17 how much are you missing from the Foundation
18 Aid formula of \$4 billion that's owed to the
19 children of New York State?

20 MAYOR WARREN: So Rochester, we
21 receive -- our children receive the highest
22 amount from the state, and of course our
23 local government, we -- the school district
24 budget is about \$900 million, close to a

1 billion dollars. And so we of course would
2 want additional dollars to support our
3 children, as long as they are being utilized
4 in the correct way.

5 Unfortunately, as I said earlier, the
6 mayor -- as the mayor of the City of
7 Rochester, I don't get a say in what happens
8 to the dollars that go to our school. And so
9 I believe that our formula as it pertains to
10 dollars that are going to our schools has
11 increased significantly over the years, but
12 the dollars that have come to the city, even
13 though we're third in the nation for
14 childhood poverty for a city of our size --

15 SENATOR JACKSON: Third in the nation.

16 MAYOR WARREN: Third in the nation for
17 a city of our size as it pertains to
18 poverty -- we have not received our fair
19 share as a city.

20 SENATOR JACKSON: So I've got a couple
21 of quick questions for you. It says here in
22 the fiscal year 2020 Executive Budget
23 proposal, Aid to Municipalities will receive
24 authorization to extend the authority to

1 operate red-light cameras.

2 Do you have that in your city? And
3 what's your opinion on that?

4 MAYOR WARREN: We do not have
5 red-light cameras in our city. Actually, we
6 did, and I made a decision two years ago to
7 actually discontinue red-light cameras
8 because they were adversely affecting
9 communities of color in our poorest
10 neighborhoods.

11 SENATOR JACKSON: Well, as far as
12 speeding, as you know, speeding kills. You
13 know that, right?

14 MAYOR WARREN: Mm-hmm.

15 SENATOR JACKSON: Okay. What about
16 red-light cameras in front of schools? How
17 many schools do you have in your city?

18 MAYOR WARREN: We have about 80
19 schools. When it comes down to city schools
20 as well as parochial schools and private
21 schools, we have about 80 schools. And it's
22 something that we can look at, speed cameras,
23 it's something that we can definitely look at
24 to make sure that our children are always

1 kept safe. We haven't had an issue with any
2 of our children being hurt, you know, because
3 of speeding around the schools, but it's
4 something that we can take a look at.

5 SENATOR JACKSON: What's the breakdown
6 of ethnicity or communities in your city?

7 Because you indicated --

8 MAYOR WARREN: The demographics?

9 SENATOR JACKSON: Yes, please.

10 MAYOR WARREN: It's about 41 percent
11 African-American, about 41 percent white, and
12 about 10 to 13 percent Hispanic. And the
13 rest other.

14 SENATOR JACKSON: Do you as the mayor,
15 or the city council or your local authority,
16 do you appoint the police commissioner?

17 MAYOR WARREN: Yes. We -- police
18 chief. We don't have a police commissioner.

19 SENATOR JACKSON: Police chief. And
20 because the whole issue of, you know,
21 communities of color being more subjected to,
22 you know, red-light cameras and what have
23 you, I think that that can be addressed by
24 ensuring the -- telling your police chief or

1 your commissioner what -- you know, the
2 numbers are up high and as a result of that
3 something else is going on, in my opinion.

4 But let me ask you the last question.

5 In the Executive Budget the proposal calls
6 for an extension of binding arbitration.

7 Have you ever used that as a city in dealing
8 with your municipal unions, binding
9 arbitration? And do all of your unions have
10 contracts right now?

11 MAYOR WARREN: Currently all of our
12 unions have contracts. And we are in the
13 process of negotiating with our police union
14 right now. We have been able to negotiate
15 successfully with all of our unions.

16 As I said earlier, we don't have
17 control over the school district, so our
18 teachers union or the other unions that are
19 impacted by our schools, we don't have the
20 power to negotiate with them. But we have a
21 pretty good relationship with all of our
22 other unions and have been able to negotiate
23 contracts.

24 SENATOR JACKSON: Thank you, Mayor

1 Warren. Thank you very much.

2 CHAIRWOMAN KRUEGER: Thank you very
3 much. Thank you for coming and testifying
4 today.

5 MAYOR WARREN: Thank you.

6 CHAIRWOMAN KRUEGER: Thank you.

7 And our next up is Senator -- no,
8 Mayor Ben Walsh from the City of Syracuse.

9 And we've been joined by Senator
10 Rachel May. Hello, Rachel. Bob Antonacci
11 was here earlier.

12 Is Syracuse in the house? Oh, okay.

13 Good afternoon.

14 MAYOR WALSH: Good afternoon.

15 CHAIRWOMAN KRUEGER: Hi, welcome.

16 MAYOR WALSH: Thanks. Glad to be
17 here.

18 CHAIRWOMAN KRUEGER: We have your
19 testimony, so feel free.

20 MAYOR WALSH: Thank you.

21 So again, good afternoon. Thank you
22 to Chair Krueger, Chair Weinstein, who I see
23 we missed, members of the legislative fiscal
24 committees. My local delegation here, thanks

1 for joining me. And I'm happy to discuss the
2 2019 New York State budget.

3 My name is Ben Walsh. I have just
4 begun my second year as mayor of the City of
5 Syracuse. When I met with your committees
6 last February, I told you that the situation
7 my city faced was daunting. One year later,
8 I'm proud to tell that you that the people of
9 Syracuse are taking steps to put our city on
10 a better track.

11 We committed to a shared vision that
12 Syracuse will be a growing city that embraces
13 diversity and creates opportunity for all.
14 We put constraints on city spending and
15 accessed help from the State Financial
16 Restructuring Board. These actions will help
17 us achieve fiscal sustainability. We
18 committed to invest tens of millions of city
19 dollars in infrastructure for our future.

20 And last month, we unveiled a bold new
21 strategy called the "Syracuse Surge." It is
22 a plan to accelerate economic growth and
23 neighborhood revitalization in Syracuse and
24 Central New York.

1 With the Surge, which will benefit
2 from assistance from the state, we intend to
3 jump start hundreds of millions of dollars in
4 public and private-sector investment in
5 technology, education, employment, and
6 housing.

7 I begin my remarks with these updates,
8 because I want you to know that Syracuse
9 understands its duty to lift itself up. But
10 we still need partners. Make no mistake:
11 Syracuse still faces serious challenges. In
12 our first budget, we projected an \$11 million
13 operating deficit. Like other upstate
14 cities, we suffer from entrenched poverty.
15 According to 2017 Census data, Syracuse had
16 the ninth-highest poverty rate in the
17 country. The situation has a cascading
18 negative effect on virtually all aspects of
19 our community -- significant vacant and
20 substandard housing, students struggling in
21 schools, neighborhoods suffering from crime,
22 and gun violence that increasingly is
23 affecting teenagers and children.

24 As we work to transform Syracuse in

1 the months and years ahead, we will need your
2 continued help and partnership. The first
3 area in which we anticipate close
4 collaboration with the State and assistance
5 from the Legislature is regarding the
6 Syracuse Surge. The strategy is important to
7 Syracuse, but it is also meaningful to the
8 entire state. The path Syracuse charts will
9 help other communities prepare for and
10 compete in the technology-driven world of
11 tomorrow.

12 The Surge builds on the city's own
13 \$38 million investment in our street light
14 network, executed with the assistance of the
15 New York Power Authority and the Governor's
16 office. We will convert our street lights to
17 LED technology, thereby saving \$3 million a
18 year in energy costs and maintenance, making
19 the deal a revenue-generator to improve our
20 fiscal stability. It will also make us
21 New York's flagship Smart City, demonstrating
22 how technology can improve services to
23 residents, create a competitive advantage for
24 business, and attract investment to the

1 state.

2 Our plan includes the creation of the
3 New York Center for Smart Cities in Syracuse,
4 a command center for data and information
5 generated by our own technology network. The
6 center will be a place that cities and towns
7 from across New York, and even parts of the
8 U.S. and the rest of the world, will come to
9 see how they can implement Smart City
10 capabilities. It will also attract the
11 world's leading technology companies to
12 Syracuse and New York State. This isn't just
13 a dream. Since announcing our street light
14 program, these global leaders have been
15 calling on and visiting Syracuse.

16 Because technology is changing the
17 jobs of today and tomorrow, we will also
18 create a state-of-the-art workforce
19 development and education campus in our urban
20 core. With support from New York State, the
21 campus will feature a regional STEAM school,
22 a science, technology, engineering, arts, and
23 math-focused high school.

24 It will serve students from the City

1 of Syracuse and from the surrounding town and
2 village school districts, making it the
3 first-of-its-kind school in Onondaga County.

4 The school will take social justice and
5 inclusion to another level by educating
6 rural, suburban and urban students together.

7 The STEAM school will leverage the
8 Syracuse City School District's leadership in
9 Career and Technical Education -- programs
10 not currently available in many of the
11 outlying school districts. The subjects will
12 include remotely piloted aircraft systems,
13 where we've spent a lot of resources
14 throughout the region, computer technology,
15 electrical and mechanical technology,
16 business and financial services, as well as a
17 diverse program in the arts including dance,
18 theatre, visual arts, music, media arts, and
19 writing.

20 This groundbreaking approach, which
21 already has support from our local school
22 districts and the State Education Department,
23 will require some actions by the Legislature
24 to make it a reality. Your support on the

1 special legislation required to create and
2 operate this transformative school is
3 critical to the success of the
4 Syracuse Surge.

5 The Syracuse Surge is the centerpiece
6 of our strategy to achieve our vision of
7 growth while embracing diversity and creating
8 opportunity for all. We are determined to
9 make it a reality. As we do, it will not
10 only lift up our city, it will also help
11 drive all of the state to a place of
12 leadership in the new economy.

13 As driven as we are, I am also aware
14 we cannot do it alone. And as I have already
15 indicated, we will need the support and
16 partnership of the state and the Legislature.
17 On behalf of the city and our community-based
18 team that is executing the Syracuse Surge
19 plan, I pledge to work with you to advance
20 both our city and our regional and state
21 objectives.

22 As you consider the 2019 state budget,
23 there are other priorities I wish to share
24 with you briefly. Earlier I referenced the

1 housing challenges facing people who live in
2 Syracuse. Our city is home, as you've heard
3 from other upstate cities, to one of the
4 oldest housing stocks in the nation, where
5 more than 40 percent of our Syracuse homes
6 were built before 1940.

7 In these homes, lead is a dangerous
8 threat to children and families. The major
9 source of exposure among U.S. children is
10 lead-based paint and lead-contaminated dust
11 found in deteriorating buildings built before
12 the federal government banned consumer uses
13 of lead-based paint in 1978. Children living
14 at or below the poverty line in older rental
15 housing are at greatest risk. Lead exposure
16 is prolonging and worsening conditions of
17 poverty in Syracuse.

18 I ask the Legislature to mandate a cut
19 in the acceptable lead poisoning levels by
20 half, thereby intervening earlier in the
21 exposure process and mitigating the impact of
22 lead in childhood development. This change
23 should be accompanied with additional funding
24 to support the increased caseload. This is a

1 public health issue that we should address
2 until lead levels in all our children are
3 reduced to zero.

4 Affordable housing development is
5 extremely important to the recovery of the
6 City of Syracuse. When families and children
7 have stable, quality, affordable housing,
8 they can find and keep jobs, lead healthier
9 lives, and perform better in school.

10 Currently the City of Syracuse receives about
11 \$3.4 million a year through programs like
12 New York State Home, SRDI, and Affordable
13 Housing Corporation/AHC funds. That allows
14 us to upgrade and improve about 130 units --
15 which is a good start, but it is not enough.

16 As a next step, I ask the state to
17 double this funding this year and help us
18 create cleaner, better homes for not only our
19 residents but residents throughout New York.

20 Like cities across New York and the
21 nation, Syracuse's infrastructure is ailing.
22 The number-one complaint I receive as mayor
23 is the condition of our roads. We also know
24 that what is under our roads -- municipal

1 water and sewer systems -- is in even worse
2 condition, most of it being over a century
3 old.

4 The best way to address these issues
5 is at the same time, through Dig Once
6 projects. I am asking the state to make it
7 easier for cities to invest in their own
8 infrastructure by providing a
9 dollar-for-dollar match for local investments
10 in Dig Once projects. We currently have at
11 least \$30 million in identified Dig Once
12 projects. With matching support from the
13 state, we could get more done faster.

14 Regarding our water infrastructure,
15 the City of Syracuse receives its water from
16 Skaneateles Lake, a pristine Finger Lake
17 southwest of our city. New threats from
18 harmful algae blooms and changes in the
19 environment require immediate support. I'm
20 asking the State of New York to authorize a
21 \$12 million investment for an intake
22 extension that would reach further and deeper
23 into the lake to ensure additional reliable
24 water. We need this extension because if we

1 have a water quality violation, the city has
2 the potential to lose its filtration waiver
3 and could be required to build a \$100 million
4 treatment plant.

5 As I have described today, the
6 resurgence of the City of Syracuse is well
7 underway. While we face significant
8 challenges, including operating deficits,
9 persistent poverty, difficulties with housing
10 and infrastructure, and continuing operating
11 deficits, I am certain that we are taking
12 decisive, appropriate actions to improve our
13 condition. And I am optimistic that our
14 Syracuse Surge strategy will enable us to
15 achieve our goal of being a growing city that
16 embraces diversity and creates opportunity
17 for all.

18 So again, I'd like to thank you for
19 the opportunity to speak with you today. I
20 look forward to discussing any questions or
21 comments you have.

22 CHAIRWOMAN KRUEGER: Thank you very
23 much.

24 I'll just look to my left. Is there

1 an Assemblymember who has a question first?

2 Okay, I see two competing Senators
3 from Syracuse, so I'm going to call on my
4 newest Senator, Rachel May, first. I guess
5 you're both exactly the same age. Ladies
6 first. Thank you.

7 SENATOR MAY: Hi, Ben, great to see
8 you here.

9 MAYOR WALSH: Good afternoon, Senator.
10 Great to see you.

11 I concur with what you say, there's a
12 new feel in Syracuse of optimism, I think,
13 and a sense that we can do a lot.

14 I have several questions. First of
15 all, about the STEAM school. Do you have a
16 timeline for that? And what are the funding
17 sources you're looking for, particularly from
18 the state?

19 MAYOR WALSH: Yeah, so we are -- we
20 have a working group now that includes city
21 and county staff as well as the city school
22 district, OCM BOCES, and we're meeting
23 weekly, really trying to hone in on the final
24 budget and associated time frame.

1 The budget we have not pinned down
2 exactly yet, but we're likely looking, you
3 know, in the -- upwards of \$100 million.
4 It's a significant undertaking, particularly
5 given the historic building that we're
6 proposing to put it in, the old Central High
7 School. But we think that's the right place
8 for it.

9 So that's where we are on funding.
10 And again, timing -- well, just an additional
11 point on funding. So we're also working with
12 SED and our Big 5 colleagues to determine how
13 much of the costs that we undertake will be
14 reimbursable through SED. We do anticipate a
15 gap; we don't have that specific number yet.

16 But again, we're going to be coming
17 forth with proposed legislation for the
18 legislature that will provide all that
19 information in detail. And then once we get
20 going, you know, our goal is to have it open
21 as soon as possible, ideally within the next
22 few years.

23 SENATOR MAY: Great, thank you.

24 Then it's probably predictable, but

1 I'd like to talk about I-81 and the impact on
2 the city. There's three options on the table
3 right now. Can you talk about how they would
4 impact the long-term fiscal outlook of the
5 city?

6 MAYOR WALSH: Sure. So for those not
7 as familiar, we are in the process of
8 determining the fate of approximately a
9 1.5-mile-long elevated viaduct that is part
10 of Interstate 81 that goes directly through
11 the center of the city. When it was
12 initially built -- it's important to
13 understand the historical context -- it
14 uprooted an established neighborhood made up
15 of a significant portion of our
16 African-American community, and in doing so
17 displaced and really, you know, demolished
18 the neighborhood.

19 That elevated viaduct is at the end of
20 its useful life. The State DOT has
21 undertaken a process to determine what should
22 be done with it. They are currently
23 evaluating a few different options. One
24 option that is often discussed but isn't

1 really an option is leaving it alone. We
2 have to do something. And if people want an
3 elevated viaduct, it has to be taller and
4 wider, which would mean taking more
5 properties off the tax rolls, likely
6 displacing businesses, families. And that's
7 not something that -- in a city where over
8 half of our properties are currently
9 tax-exempt, that's not an option that we
10 like.

11 What I am a passionate supporter of is
12 what's known as the community grid option,
13 which is essentially rerouting through
14 traffic on 81, which is only about 12 percent
15 of all of the traffic that goes along 81
16 through the city, around on 481, which goes
17 just to the east around the city, with some
18 improvements to the 481 infrastructure.
19 Bringing the remaining traffic -- again,
20 approximately 88 percent -- that is already
21 coming into the city, dispersing it through a
22 more robust community street network.

23 Again, from the city's perspective, we
24 see it as an opportunity to continue the

1 growth that we've seen in our urban core and
2 our downtown, University Hill neighborhoods,
3 ensuring that that growth extends into our
4 inner-ring neighborhoods, including
5 neighborhoods like the South Side and the
6 North Side that have not seen much investment
7 in recent years.

8 So again, this is where we're seeing
9 the growth. This is where we have an
10 opportunity to add additional properties to
11 the tax rolls, see additional growth. And
12 also, you know, we believe that by creating a
13 strong city we are thereby creating a strong
14 region. But we're committed to working with
15 our regional partners that have concerns
16 about how this change in traffic patterns may
17 impact them.

18 But, you know, the other option that
19 isn't currently on the table but is being
20 considered is the idea of building a tunnel.
21 And for a variety of reasons, I don't support
22 that option either.

23 But I think what's most important for
24 this body to hear is that the next step in

1 the process is the State Department of
2 Transportation releasing its draft
3 environmental impact statement. That process
4 has been delayed, and the sooner we get the
5 DEIS released, the more information we have
6 to make an informed decision.

7 SENATOR MAY: Thank you.

8 MAYOR WALSH: Went a little long on
9 that, sorry, Senator. But I know we're both
10 passionate about it.

11 SENATOR MAY: That's all right. It's
12 hard to explain.

13 CHAIRWOMAN KRUEGER: Senator
14 Antonacci.

15 SENATOR ANTONACCI: Thank you, Mayor.

16 I think you'll know that Senator May
17 and I are very excited to represent the city.
18 Obviously she has a little more of it than I
19 do, but I do represent the North Side, where
20 I grew up. Very proud to represent the
21 North Side.

22 Just I guess maybe a quick lightning
23 round. I can't believe lead paint, we're
24 still talking about it. Whatever we need to

1 do, I support your initiative to lower the
2 testing. I think we'll get earlier
3 intervention, it seems like, is what you're
4 advocating. We've got to do something with
5 that.

6 I know you know the Land Bank is a
7 jewel. I support the Land Bank, anything we
8 can do to help there.

9 Regarding mandates, if there's any
10 particular mandate that you think -- and this
11 might help some of your other colleagues
12 like, you know, the mayor of New York City or
13 the mayor of Rochester -- that we can relieve
14 you of that may save you some money, I'd like
15 to know that. And you can do that offline.

16 The 2.5 billion water infrastructure
17 that was announced by the Governor, do you
18 have any knowledge that you're getting
19 specific funds out of that infrastructure
20 fund? And what are your requests, if any,
21 out of that fund?

22 MAYOR WALSH: So it's our
23 understanding that that is competitive
24 funding. Again, in order to protect the

1 water quality in Skaneateles Lake, our
2 biggest priority is extending our water
3 intake deeper into the lake to ensure that
4 it's not as impacted, whether it be from
5 turbidity or from harmful algal blooms.

6 So that's -- there are a number of
7 other water infrastructure investments that
8 we need to make, clearly; our pipes are old.
9 So that would be at the top of our list. But
10 we have a long list, and we are going to
11 aggressively pursue those goals.

12 SENATOR ANTONACCI: Will you let us
13 know, please?

14 MAYOR WALSH: Sure.

15 SENATOR ANTONACCI: A couple more.
16 The Senator and I would like to ask you
17 together, the Dig Once projects are scheduled
18 to come up. And what impacts are they having
19 on residents? Obviously, hopefully, a little
20 more efficient when you're doing it only
21 once.

22 MAYOR WALSH: Yeah, it's challenging
23 because the funding for our infrastructure
24 comes out of different pots. But we all know

1 that when we can execute Dig Once projects,
2 it is the most efficient and effective way
3 not only to replace infrastructure, but to
4 spend taxpayer dollars. Assemblyman
5 Magnarelli, who I saw earlier, was able to
6 allocate \$10 million to the city in recent
7 years to support Dig Once projects. That's
8 going to allow us to undertake a project on
9 Beech Street on the East Side this year, and
10 Butternut Street, right through your old
11 neighborhood, hopefully next year. So we
12 would like to see more of that.

13 A perfect example is the 300 block of
14 South Salinas Street, our main street in
15 Syracuse was closed for the past week to
16 repair a water main. We're scheduled to come
17 in next year and mill and pave it, but not
18 replace any of the additional infrastructure
19 that's below. So we're looking to get out
20 ahead of it, get more proactive. And the
21 more the state can support our efforts to do
22 that, the better.

23 SENATOR ANTONACCI: Beautiful.
24 Beautiful. And your Surge project, the

1 comprehensive plan to move the city forward,
2 is there one particular component that we
3 should be centering on as state legislators
4 to help you get that implemented and on its
5 way?

6 MAYOR WALSH: Well, I think in the
7 short term there's a few priority projects.
8 We talked about STEAM. And again, we will
9 have a very clear request in terms of the
10 legislative asks associated with that
11 project.

12 We're also looking to support the
13 renovation of our educational -- our SUNY
14 Educational Opportunity Center, our SUNY EOC,
15 which is a block away from the proposed STEAM
16 school.

17 We're also looking to expand our
18 Technology Garden, which is at capacity right
19 now.

20 And what's so exciting, while Surge is
21 ultimately a citywide and regional strategy,
22 those signature investments are all within a
23 few blocks of each other and are really at
24 the convergence point between the part of our

1 city that has been growing the most, in our
2 downtown urban core, and the part of our city
3 that arguably needs the most investment, on
4 the South Side.

5 So by investing in these things
6 together, by investing in our technology
7 infrastructure but also in our education and
8 workforce development system that ensures
9 that we have employees that will support the
10 jobs of the new economy, that's really where
11 we're focused right now.

12 SENATOR ANTONACCI: I think this will
13 be my last question: Marijuana. I don't
14 necessarily want to know your opinion on
15 legalization, but if this body were to
16 legalize it, what effect would that have on
17 your city budget? I don't believe that
18 there's any plan for the city to share in any
19 of its revenue. I'm sure you'll get a piece
20 of sales tax if that's part of it. But are
21 there any things that we need to be aware of
22 as a city mayor that could affect everybody
23 that runs the city?

24 MAYOR WALSH: Yeah, we are very

1 concerned about it. Again, we do see -- look
2 at it from a social justice perspective. We
3 want to ensure, as the Governor stated, that
4 any attempts to legalize recreational use of
5 cannabis benefits the communities that have
6 been most harmed by our laws to date; namely,
7 communities of color.

8 But we do have financial concerns
9 about how any -- how this use might impact
10 city services, specifically law enforcement.
11 And as it's currently proposed, the city
12 stands to not get any of the revenues
13 associated with the legislation. So no sales
14 tax receipts. I think of all of the
15 revenues, only 2 percent would go to the
16 counties.

17 So as it's currently proposed, we see
18 it as very problematic. But we want to look
19 at best practices, we want to work with the
20 Legislature to do what's best for everyone.

21 CHAIRWOMAN KRUEGER: Senator Jim
22 Seward.

23 SENATOR SEWARD: Mayor, good
24 afternoon.

1 MAYOR WALSH: Senator.

2 SENATOR SEWARD: I just have one
3 question for you. Is Syracuse going to the
4 Final Four this year?

5 (Laughter.)

6 MAYOR WALSH: Well, I tried to
7 represent my home team here with the orange
8 tie. This team's been a little bit -- you
9 know, they've gone very high and they've gone
10 very low, but we always have faith in
11 Coach Boeheim and hopefully they'll surge at
12 the right time, pardon the use of the term.

13 (Laughter.)

14 CHAIRWOMAN KRUEGER: Thank you. Good
15 luck to your city and your team.

16 MAYOR WALSH: Thank you.

17 CHAIRWOMAN KRUEGER: Thank you very
18 much for being with us this afternoon.

19 MAYOR WALSH: Thank you all.

20 CHAIRWOMAN KRUEGER: And next up is
21 Corey Johnson, the speaker of the New York
22 City Council.

23 And I know that there are some
24 conferences going on about the budget, so I

1 apologize for the small turnout of
2 legislators. But everything is being
3 simulcast, so to speak, and all testimony for
4 everyone listening does go into the record
5 and is available to everyone.

6 So thank you for traveling up from
7 New York City today, Speaker Johnson.

8 SPEAKER JOHNSON: Thank you.

9 Good afternoon, Chair Krueger, Chair
10 Weinstein, and members of the Senate Finance
11 and the Assembly Ways and Means Committees.
12 I'm Corey Johnson, speaker of the New York
13 City Council. I'm happy to be here before
14 these esteemed bodies to discuss the
15 Governor's Executive Budget.

16 I'm thrilled to be testifying today in
17 front of the Assembly and Senate. This year
18 marks a new era for New York State, and the
19 groundbreaking work you've already done in
20 six short weeks is a testament to the bright
21 future you are building for our state. You
22 have been incredibly busy, and I'd like to
23 express my strong support for a number of
24 measures that are already enacted: GENDA and

1 the ban on conversion therapy; historic
2 voting reform, though I still hope that
3 Senator Gianaris's automatic voter
4 registration bill passes; the Reproductive
5 Health Act and the Comprehensive
6 Contraception Care Act; the José Peralta
7 DREAM Act; and the Child Victims Act.

8 I am confident that with your
9 leadership, this year's budget will build off
10 of this momentum. And already, with the
11 release of the Executive Budget, there are
12 many proposals that I fully support, such as
13 the announcement of a Green New Deal; the
14 three-year extension of mayoral control of
15 New York City schools; the elimination of the
16 internet sales tax, which advantages leveling
17 the playing field for brick-and-mortar
18 stores; and actions on personal income tax
19 rates for the middle-class and high-income
20 taxpayers.

21 I'm also particularly excited about
22 the potential for deep and systemic reform as
23 it relates to criminal justice, including the
24 elimination of cash bail, discovery reform,

1 and speedy trial reform.

2 But a recurring practice of the
3 Governor's budget proposals is an attempt to
4 seize control over New York City's
5 governance, decision-making and budgeting,
6 while at the same time forgoing the
7 responsibility for funding those very choices
8 that the state wants to impose. As a result,
9 there are a number of proposals that I agree
10 with in principle but which I cannot support
11 at this time.

12 The Governor's transportation
13 proposals are prime examples. I fully
14 support congestion pricing. However, I
15 cannot support the proposal as set forth in
16 the Executive Budget. All new revenue
17 generated through congestion pricing must be
18 dedicated to New York City's transportation
19 system and our transportation-related
20 priorities. The Governor's plan would use
21 the city's roads and bridges to generate
22 revenues which could then be used at the
23 MTA's discretion, even to pay for projects
24 outside of the city.

1 The Governor's proposal would give the
2 state authority over city streets while
3 requiring the city to foot the bill for the
4 necessary infrastructure. It would not make
5 any accommodations for outer borough
6 residents through lower toll prices.

7 Further, the Governor's budget does
8 not include any new funding for the MTA's
9 transformative Fast Forward plan and would
10 require the city to pay for half of all MTA
11 capital funding shortfalls, after congestion
12 pricing revenues are accounted for. The
13 Governor wants all the control, but not the
14 responsibility.

15 And I ask the Legislature to respect
16 the city's home rule authority and to work
17 with us to establish a congestion pricing
18 program that meets our needs.

19 Similarly, I fully support school-zone
20 speed cameras. They unquestionably save
21 lives. That is why the City Council
22 legislated a program last summer which
23 allowed for an unlimited number of speed
24 cameras. The Governor's proposal would limit

1 the city to 290 cameras -- but we have more
2 than 2,900 schools.

3 It would also divert the revenue from
4 more than half of those cameras to the
5 New York City Transit Authority. While I am
6 in favor of additional funding for mass
7 transit, I do not support the state's
8 usurping of the city's ability to make its
9 own spending decisions on where that revenue
10 should be directed.

11 I strongly agree in principle with the
12 Executive Budget proposal to legalize
13 marijuana. It's high time that New York act
14 to reduce the racially disparate impact of
15 existing marijuana laws and end the practice
16 of branding nonviolent New Yorkers as
17 criminals. However, any legalization policy
18 must explicitly benefit the communities that
19 were most harmed by the war on drugs,
20 particularly minority communities. That
21 includes fostering small business
22 development, encouraging job opportunities
23 for those prejudiced by criminal convictions,
24 expunging all marijuana possession

1 convictions, and not allowing an opt-out
2 provision for certain municipalities.

3 Under the Governor's proposal, the
4 only revenue the city would collect from
5 marijuana is a 2 percent tax on sales, with
6 the remainder of taxing authority and
7 revenues going to the state. Because of our
8 unique regulatory challenge related to our
9 population density, New York City should be
10 granted more local control over the
11 implementation of legalization. I know,
12 Senator, you've been a long proponent of
13 legalization -- Chair.

14 In addition to the Governor's
15 proposals to undermine city authority, this
16 budget hits directly at the city's finances.
17 Collectively, the budget proposals would cost
18 the city nearly \$600 million and strike
19 directly at the city's social safety net.

20 While New York City is home to many
21 within the 1 percent, we are also home to
22 many of the state's and the country's
23 neediest people and families. A staggering
24 1.52 million New Yorkers, New York City

1 residents, 29 percent of whom are children,
2 live below the poverty line in New York City.
3 That is why it is critical that the state not
4 reduce social service grants to the city and
5 continue to fully fund our education budget.

6 We understand that some of the
7 proposed funding cuts are being repurposed to
8 support funding shortfalls in other social
9 programs, and we strongly urge the state not
10 to rob Pamela to pay Pauline. Especially we
11 need the Legislature's support in this effort
12 because further cuts to our local aid are
13 being threatened when the 30-day budget
14 amendments are released reflecting a
15 \$2.3 billion drop in personal income tax
16 collections.

17 I urge you to reject the proposal for
18 an across-the-board reduction in local aid,
19 as you did last year, because such actions do
20 away with the Legislature's autonomy to make
21 value judgements.

22 I also urge you to ensure that the
23 enacted budget contains at least \$40 million
24 statewide, with at least \$20 million of that

1 for the city, to fund comprehensive census
2 outreach efforts. We must work together to
3 make sure that New Yorkers are counted so
4 that we receive our fair share of federal
5 funding.

6 On the specific cuts outlined in the
7 budget, the city is facing a loss of
8 \$125 million for the family assistance
9 portion of the Temporary Assistance for Needy
10 Families block grant. These funds would
11 instead go towards the childcare block grant.
12 And while we support additional funding for
13 that grant, it should not be done at the
14 expense of TANF.

15 The city is also facing a \$13 million
16 cut for Persons In Need of Supervision
17 preventive diversion services, and a state
18 prohibition on foster care placement for PINS
19 youth. The council opposes both proposals
20 because they threaten the safety of at-risk
21 youth and their families.

22 Moreover, the savings from the PINS
23 cut would be shifted to support Raise the Age
24 in other jurisdictions.

1 Raise the Age is a multi-agency,
2 multiyear reorganization in the city with
3 current-year spending of about \$108 million,
4 which is not supported by the state because
5 we are not subject to the 2 percent property
6 tax cap. I absolutely do not support
7 extending the 2 percent property tax cap to
8 New York City, but we are doing the Raise the
9 Age work, and we should be eligible for the
10 funding just like the rest of the state.

11 We are also seeking the restoration of
12 several social services cuts, totaling
13 \$112 million. This includes a \$62 million
14 restoration for the foster care block,
15 \$20 million for the child welfare services
16 grant, \$40 million for Close to Home. And,
17 lastly, we reject this budget's proposal to
18 reduce reimbursement for child welfare
19 services from 65 percent to 62 percent.

20 The proposed school aid funding level
21 is also inadequate. The Department of
22 Education will see a \$202 million increase in
23 Foundation Aid, but this is \$198 million
24 short of city projections. We ask that you

1 not only meet the city's budgeted need, but
2 also finally make good on the \$1.2 billion
3 owed to the city from the Campaign for Fiscal
4 Equity -- thank you, Senator Jackson.

5 Even while shortchanging the city on
6 Foundation Aid, the Governor wants to dictate
7 how that limited funding should be spent.
8 Approximately 75 percent of the proposed
9 increase in Foundation Aid would have to be
10 allocated to schools according to overly
11 simplistic and blunt measures of equity and
12 need. The DOE's Fair Student Funding is a
13 more equitable formula, and we should
14 support, not subvert that formula.

15 In regards to the higher education
16 proposals, the proposed budget leaves CUNY
17 with a TAP gap of approximately \$72 million
18 in its senior colleges, and holds the
19 community college per-student state aid at
20 \$2800. We recommend a \$250 per student
21 increase.

22 Housing is a human right, and New York
23 City is in the midst of the worst
24 homelessness crisis since the Great

1 Depression, with more than 61,000 people,
2 including more than 23,000 children, sleeping
3 in our city shelters every night. The city
4 is in an affordability crisis where
5 substantial pressure on the housing market
6 and skyrocketing rents are causing housing
7 instability and mass displacement. It is
8 absolutely crucial that the state support the
9 city's housing efforts, including funding for
10 NYCHA.

11 NYCHA is facing an overwhelming
12 \$32 billion capital repair need, yet the
13 Executive Budget does not include any
14 additional capital funds to NYCHA. Instead,
15 it merely reappropriates \$450 million
16 previously allocated but not yet disbursed to
17 NYCHA. That \$450 million should be released
18 immediately. The city has submitted plans
19 detailing how that funding will be spent, and
20 NYCHA tenants cannot wait another day to get
21 the capital improvements that they deserve.

22 Which is why, while it is not
23 currently reflected in the budget, the state
24 should adopt Assemblyman Hevesi's Home

1 Stability Support bill.

2 I have a lot more I want to talk
3 about; I just want to jump to the final page
4 of the testimony.

5 We need design-build authority on all
6 city spending and projects. I would love the
7 legislature to authorize a city parks capital
8 authority, similar to the School Construction
9 Authority, to speed up the timeline for the
10 delivery of parks capital projects.

11 The council also proposes important
12 changes relating to city tax revenues. For
13 more than 30 years, New York City has
14 practiced prudent fiscal management, yet the
15 city has remarkably little ability to manage
16 its own taxes. At a minimum, the city should
17 be given additional authority to raise and
18 lower tax rates on broad, city-focused taxes,
19 such as the personal income tax and other
20 taxes.

21 Let me conclude by saying how excited
22 I am about the possibilities. I look forward
23 to being your partner in government and
24 continuing a constructive dialogue with each

1 of you over these next months in the budget
2 process.

3 Thank you, Chair Krueger.

4 CHAIRWOMAN KRUEGER: Thank you very
5 much, Speaker. Thank you for closing on
6 time.

7 While we have many Senators who want
8 to ask you questions, we're going to start
9 with Assemblymember Ed Braunstein.

10 ASSEMBLYMAN BRAUNSTEIN: Good
11 afternoon, Mr. Speaker. Thank you for
12 joining us today.

13 One of the statements you made in your
14 testimony concerning the Governor's proposal
15 for the distribution of Foundation Aid, you
16 had concerns that approximately 75 percent of
17 the proposed increase in Foundation Aid would
18 have to be allocated to schools according to
19 overly simplistic and blunt measures of
20 equity and need. You state that DOE's Fair
21 Student Funding is a more equitable formula
22 that we should support, not subvert.

23 Would you like to expand on that just
24 a little bit?

1 SPEAKER JOHNSON: Yes. So the Fair
2 Student Funding formula looks at schools on
3 poverty measures and other needs that those
4 schools have. In the current fiscal year
5 that we're in, the City Council and the mayor
6 put in an additional \$125 million in last
7 year's Executive Budget to increase the
8 amount of money that schools are facing. So
9 all schools currently in New York City are at
10 93 percent of what they need for Fair Student
11 Funding.

12 We believe that that formula is a
13 better formula to look at. And the reason
14 why is it takes in a variety of factors. I
15 think there actually should be some potential
16 changes to FSF. We just passed legislation
17 creating a task force to look at those
18 potential changes. But we think that the
19 Fair Student Funding formula is a better
20 metric to work off of rather than this new
21 formula that's been talked about as part of
22 the state Executive Budget proposal.

23 And ultimately what we want is we want
24 all schools to get the funding they need,

1 which is why we want the Campaign for Fiscal
2 Equity, the money that the city deserves,
3 that the Court of Appeals said we deserve, to
4 be funded and not to go off in different
5 directions.

6 ASSEMBLYMAN BRAUNSTEIN: Thank you. I
7 agree.

8 In your testimony you express support
9 for Assemblymember Hevesi and Senator
10 Krueger's Home Stability Support plan. Do
11 you have any numbers on what kind of impact
12 that could have on the city's homelessness
13 numbers as we consider that proposal in this
14 budget?

15 SPEAKER JOHNSON: I don't have an
16 exact number on the number of families and
17 individuals who would potentially be diverted
18 from the shelter system currently and into
19 more stable housing.

20 But one of the big issues, when you
21 talk to the provider community,
22 community-based organizations, and people
23 that do this type of work is that the rental
24 assistance number is too low right now. The

1 voucher amount is too low. And that is why
2 it's really, really important that we come up
3 with a number that actually works. I think
4 that Assemblymember Hevesi's bill and budget
5 proposal ups that number, and what would
6 happen is a lot of the people who are
7 currently in shelter right now, both families
8 and individuals, the city and state have
9 different voucher programs. We have the LINC
10 programs in different levels. But what we
11 hear from people who are currently in
12 shelters right now is that when they go to
13 find that housing with the voucher, it's not
14 enough money to actually get the apartment
15 over their head.

16 This bill, this budget proposal would
17 actually increase that amount and we believe
18 divert a substantial number away -- it's not
19 a silver bullet, there's nothing that's a
20 silver bullet. To solve homelessness we need
21 more supportive housing, which is key for
22 people who have mental health diagnoses and a
23 dual addiction issue. So there's a variety
24 of things.

1 But I think Assemblyman Hevesi's
2 proposal is a really worthy proposal. I know
3 it's a lot of money, but I actually think in
4 the long run we'll save money because more
5 preventative measures are taken through this,
6 and we'll see less people ending up in the
7 shelter system.

8 ASSEMBLYMAN BRAUNSTEIN: You're right,
9 it is a lot of money. And I asked the mayor
10 the same question. And I just think having a
11 more concrete idea of what kind of numbers
12 we're talking about might be helpful to us as
13 we consider this as part of the budget.

14 My final question -- well, point, it's
15 more of a point, is right now the city is
16 awaiting the recommendations from the
17 Property Tax Commission.

18 SPEAKER JOHNSON: Yes.

19 ASSEMBLYMAN BRAUNSTEIN: As you know,
20 as everybody knows, in the City of New York
21 wealthy homeowners generally pay lower
22 effective property tax rates than
23 lower-income homeowners.

24 SPEAKER JOHNSON: Yes.

1 ASSEMBLYMAN BRAUNSTEIN: Any change
2 that the Property Tax Commission recommends
3 is going to require a lot of work for
4 passage, maybe a home-rule message from the
5 city --

6 SPEAKER JOHNSON: Yes.

7 ASSEMBLYMAN BRAUNSTEIN: -- some kind
8 of sign-off from the mayor, and then it's
9 going to require legislative approval up
10 here.

11 SPEAKER JOHNSON: Yes.

12 ASSEMBLYMAN BRAUNSTEIN: So I'm just
13 urging you, when the commission makes those
14 recommendations, that we're going to need
15 some leadership and investment on your part
16 and your Councilmembers' part to help us get
17 that passed.

18 In the interim, I know last year the
19 City Council proposed a \$400 tax rebate for
20 homeowners with incomes \$150,000 and below.
21 Are you planning on reintroducing that? And
22 just for the record, I'd like to express my
23 support for that. Until we can find a way to
24 fix the inequities in our property tax

1 system, we should be making some effort to
2 help homeowners who are burdened with
3 escalating property taxes.

4 SPEAKER JOHNSON: Thank you very much
5 for the question, Assemblyman Braunstein.

6 We did propose that rebate last year,
7 and unfortunately it wasn't included. The
8 mayor didn't support it. There was broad,
9 wide support in the City Council. And again
10 as you all know, it's a negotiation with the
11 Executive, and sadly it wasn't included.

12 One of the difficulties this year --
13 and I'm not ruling out having a collaborative
14 process within the body to include it
15 again -- is what happens with state funding.
16 With a \$2.3 billion budget gap that you all
17 have to close, with \$600 million already in
18 this initial proposal coming out of the city,
19 and with the city tax levy falling right now
20 from where it was, as the mayor announced
21 last week as part of his preliminary budget,
22 we're in a difficult situation.

23 Luckily in some ways, the state passes
24 the budget before we have to pass ours, so

1 we'll see what the impact is from Albany, and
2 that will dictate and determine how we move
3 forward throughout the process.

4 Just quickly, on the Property Tax
5 Commission, they have been working
6 tremendously hard. And one of the things
7 that is really hard, I believe, for them is
8 that the mandate was to try to do this -- to
9 do this in a revenue-neutral manner. And to
10 do this in a revenue-neutral manner in a
11 system that is totally broken, completely
12 broken, as you pointed out, on the inequities
13 and the distortions and the different classes
14 related to co-ops and condos and
15 single-family homes and multifamily homes and
16 geographic areas, it's really hard to do it.

17 But they are coming up with some
18 proposals. I've had some initial
19 conversations with them. I think it would be
20 important for us -- and I'm happy to ask
21 them -- to have conversations at the
22 appropriate time with members of this body.
23 Because as you said, Assemblyman, anything
24 that gets proposed from that commission needs

1 state approval, needs state participation.

2 We can't do it on our own.

3 ASSEMBLYMAN BRAUNSTEIN: And I said,
4 you know, I referenced a home-rule -- I know
5 we don't need a home-rule message, but, you
6 know, it really makes it easier for us if we
7 have buy-in from the locality, the City
8 Council and the mayor. Rather than -- you
9 know, my concern is that the commission is
10 going to come out with a proposal and it's
11 just going to get sent up here and it's going
12 to be said, "Okay, take a look at this and
13 pass it" -- it's going to require more work
14 than that.

15 SPEAKER JOHNSON: I agree with you.
16 And it's my sense, Assemblyman, that the
17 commission is going to be meeting from now
18 until the end of this -- of your legislative
19 session, and the recommendations that they
20 have will not be for this legislative
21 session, it will be to do that outreach for
22 the rest of the year, after the legislative
23 session, and then come to these two houses
24 for next year's legislative session to work

1 with you all throughout the year. That's my
2 hope.

3 Latonia McKinney, who is the director
4 of the finance division at the City Council,
5 is an ex officio member of that Property Tax
6 Commission. The members of the commission
7 are really good, they're really smart,
8 they're really dedicated, they're taking this
9 very seriously. And I agree with you on
10 needing participation from you all.

11 ASSEMBLYMAN BRAUNSTEIN: Okay. Thank
12 you.

13 SPEAKER JOHNSON: Thank you for your
14 questions.

15 SENATOR SEWARD: First up for the
16 Senate is Senator John Liu.

17 SENATOR LIU: Thank you, Mr. Chairman.

18 And thank you, Mr. Speaker, for
19 joining us today.

20 Just a quick matter about last year's
21 budget which -- last year's New York City
22 budget, which it is my understanding you were
23 instrumental in getting Fair Fares into the
24 New York City budget. And as half of this

1 fiscal year transpired and we entered the
2 calendar of the year 2019, it became apparent
3 that the de Blasio administration had
4 actually done very little to get the program
5 off and running.

6 Is it fully running now? Do people
7 know how to get their Fair Fares?

8 SPEAKER JOHNSON: Senator Liu, thank
9 you for the question. I'm really proud that
10 the City Council fought really hard for Fair
11 Fares, which as you said is going to help
12 New Yorkers who are living below the poverty
13 line qualify for half-price MetroCards. We
14 need to fix the subways so that when they get
15 on the subway -- it's important -- and any of
16 us who take the subway see people begging for
17 a swipe to get on the trains for themselves
18 and for their kids every day. It's
19 demeaning, and that's why we fought to change
20 it.

21 So the issue of implementation has
22 been a real problem and an issue. The
23 currently 30,000 New Yorkers who are
24 currently captured by the Human Resource

1 Administration through cash assistance, they
2 qualify. In April a new pool of individuals
3 will then qualify, which are people, again,
4 who enrolled through HRA and are getting food
5 stamps, SNAP benefits. So by April that pool
6 will expand to 160,000 New Yorkers who will
7 be eligible.

8 The questions that the council has
9 been asking the administration is how do you
10 get this up to full implementation so that
11 anyone who's living in poverty in New York
12 City who would qualify for this -- that's
13 what the proposal was -- would be able to get
14 their income verified, go to HRA and actually
15 get a half-price MetroCard? These are
16 New Yorkers and individuals making less than
17 \$10,800 a year -- that's very little money in
18 the City of New York -- and a family of four
19 that's making less than \$21,000 a year in
20 New York City.

21 We are pushing on implementation. I'm
22 glad that by April the pool will expand, but
23 there's still a lot more work to do. But the
24 council really led on this, and I'm proud of

1 that.

2 SENATOR LIU: Thank you for leading on

3 this.

4 Speaking of initiatives that sound
5 really, really good but the implementation
6 becomes questionable thereof, earlier today
7 and earlier in January the mayor talked about
8 having healthcare access for every New Yorker
9 in New York City. And the cost of that would
10 be \$100 million. He said at the time the
11 details will be available this coming --
12 well, sometime this year, in 2019.

13 Is the council confident that all
14 New York City residents will indeed have
15 access, guaranteed access to healthcare? And
16 will that -- do you think the details will
17 actually become available by the
18 administration sometime this year?

19 SPEAKER JOHNSON: Well, again, as you
20 all know, because we're having these
21 hearings, things have to go through a budget
22 process. And this has to go through a budget
23 process. This was announced with a price tag
24 of \$100 million. In this current preliminary

1 budget the mayor put \$25 million in, and that
2 will grow to \$100 million. I don't know if
3 that's the right number, which is why we're
4 going to have hearings and look at it.

5 But I think it's really important --
6 Senator Liu, to go to your point -- what was
7 proposed and talked about does not mean that
8 anyone can walk into a private doctor's
9 office or a non-H+H hospital and get access
10 to care. So it's not health insurance for
11 all, it's a way to beef up currently people
12 that go to Health + Hospitals, our public
13 hospital system, to get primary care instead
14 of emergency care.

15 The council has some strong thoughts
16 on this. We haven't released our proposal
17 yet, but Chair Levine, the chair of our
18 Health Committee, and Chair Rivera, the chair
19 of our Health + Hospitals Committee, and
20 myself think that we should have included
21 FQHCs, Federally Qualified Healthcare
22 Centers, because they're out there in the
23 community doing this type of work.

24 That wasn't part of the proposal. We

1 think there is a way to make it part of the
2 proposal that's in a cost-efficient manner
3 that would actually cover more people and
4 give them greater access and a bigger
5 entryway to getting into the system.

6 And so this will of course go through
7 our budget process. It was not my proposal,
8 it was the mayor's proposal, and we're going
9 to evaluate it. I think the aim and the
10 goals of it are very good. We want more
11 healthcare, we think healthcare is a
12 universal right. But it has to go through
13 our process.

14 SENATOR LIU: Thank you. I believe
15 many of us share the goals as well. We think
16 it's a worthy objective. We just also have
17 to be a little realistic about letting New
18 Yorkers understand what they're actually
19 going to get and what they're going to be
20 covered for.

21 Thank you, Mr. Speaker. Thank you,
22 Madam Chair.

23 SPEAKER JOHNSON: Thank you, Senator.

24 CHAIRWOMAN KRUEGER: Thank you.

1 Our next questioner is Assemblymember

2 Bobby Carroll.

3 ASSEMBLYMAN CARROLL: Thank you, Madam

4 Chair.

5 Good afternoon, Speaker Johnson.

6 Thank you so much for coming to Albany today.

7 My question revolves around congestion

8 pricing. First I would like to thank you for

9 your support and advocacy in favor of

10 congestion pricing.

11 And I would hope that in the weeks and

12 months ahead as we debate congestion pricing

13 in the Legislature, that yourself and the

14 City Council would support not only a

15 traditional congestion pricing fee of

16 approximately \$5.76 to cross East River

17 bridges and 60th Street, with little to no

18 exemptions, but also to look at other fees to

19 reduce congestion, emissions, and to raise

20 money for the MTA. Because we actually need

21 not a billion dollars a year, but probably

22 \$1.6 billion a year.

23 And I implore you -- my office put out

24 some suggestions today around daily licensing

1 fees of Uber and Lyft as well as nonessential
2 package delivery fees for online retail
3 merchants. And so I would hope that you
4 would keep that advocacy and realize that we
5 need to expand the funding sources, direct
6 funding sources for the MTA and not to have
7 multiple exemptions and end up not getting
8 enough money for our cash-strapped mass
9 transit system.

10 SPEAKER JOHNSON: I really want to
11 thank you, Assemblyman Carroll, because you
12 have been one of the most vociferous leading
13 proponents of congestion pricing in a really
14 thoughtful, strategic and smart manner. As
15 you just mentioned, not just talking about it
16 in a generalized way, but actually having
17 specific proposals that are important to
18 actually get the amount of revenue necessary
19 to dedicate to the MTA.

20 I believe in a full-throttle
21 congestion pricing plan with very, very,
22 very, very few exemptions. We need to raise
23 revenue. We need to have less congestion in
24 the City of New York. And we need to

1 disincentivize cars from coming into the
2 city -- actually not just into Manhattan, but
3 there's congestion in your neighborhood as
4 well.

5 So we need to invest in mass transit.
6 We need to invest in the current New York
7 City Transit, subways and buses, put some of
8 that money into transit deserts in the City
9 of New York, and we need greater equity that
10 the Move NY plan has on the outer borough
11 bridges and crossings so that you're actually
12 doing something for people out there.

13 So the Governor's plan I have real
14 issues with. It would take control of the
15 city's streets and sidewalks, it would not
16 put the revenue in a lockbox. I think you
17 and I are very aligned on this. And I
18 implore the Senate and the Assembly to pass a
19 fulsome, comprehensive and revenue-generating
20 in a substantial way congestion pricing plan
21 so that we can finally, finally fund the MTA.

22 ASSEMBLYMAN CARROLL: Couldn't have
23 said it better myself. Thank you.

24 SPEAKER JOHNSON: Thank you.

1 CHAIRWOMAN KRUEGER: Thank you.

2 Senator Brad Hoylman.

3 SPEAKER JOHNSON: My Senator.

4 CHAIRWOMAN KRUEGER: Oh. Excuse me.

5 Your Senator Brad Hoylman.

6 SENATOR HOYLMAN: Yes, indeed, I am

7 his Senator. Thank you.

8 Nice to see you. My Councilmember, my

9 Speaker. Thank you for being here.

10 Just to finish up on the congestion

11 pricing conversation, are you concerned at

12 all, Mr. Speaker, that there is a lack of

13 coordination between the state and the city

14 on the details of the congestion pricing

15 plan? And can you explain to us if there has

16 been any outreach by the Executive to you and

17 your councilmembers about what we're going to

18 be looking at when it comes budget time?

19 SPEAKER JOHNSON: Before I answer that

20 question, Brad, you have had an amazing few

21 weeks in the Senate, and I want to

22 congratulate you for your tremendous

23 leadership on a variety of issues. I'm

24 really proud that you're my Senator.

1 There hasn't been outreach. And I
2 understand that a year ago or a little more
3 than a year ago the Governor put together the
4 FixNY panel to come up with suggestions. And
5 I understand that the previous roadmap we
6 were working off of was the Move NY plan. I
7 tend to favor the Move NY plan over the FixNY
8 plan, and the reason why is I think we need
9 to create some equity in the outer boroughs,
10 on the outer bridge crossings.

11 You know, the mayor -- I know I didn't
12 see his testimony, but from what I heard, I
13 know that Assemblyman Carroll and other folks
14 here questioned the mayor on this earlier.

15 I think the city has to have a
16 proposal so that we're not reacting in a
17 defensive manner off of what was put in the
18 Executive Budget, but we have our own
19 proactive proposal on what we feel
20 comfortable with. I'm happy to actually look
21 at a proposal and maybe come up with a
22 proposal that I would work with you all on
23 that includes Assemblyman Carroll's
24 suggestions that he laid out here today,

1 which are great ones, because we need a plan
2 ourselves.

3 In 2007, Mayor Bloomberg and the
4 council had a plan. That plan was voted on,
5 a home-rule message was sent, and the
6 Legislature unfortunately didn't take it up
7 at that time. I think, similarly, on
8 something that has this much home-rule
9 implications for the City of New York, the
10 City of New York should have a plan on this
11 that you all can evaluate and work off of and
12 do it in a collaborative manner. I would
13 support that.

14 It's typically not the role of the
15 Speaker of the City Council to come up with
16 that plan, but I'm happy to actually start to
17 look at that in these weeks before the budget
18 and hopefully provide you all with things
19 that the council would feel comfortable with.

20 SENATOR HOYLMAN: Thank you. So it's
21 something you might be actually voting on or
22 sending up a message to the Legislature?

23 SPEAKER JOHNSON: Yeah, I mean I want
24 to -- again, I want to respect you all. And

1 I think you all have very valid, serious
2 concerns about transit deserts, about express
3 buses, about the outer borough crossings,
4 about a lockbox and capital -- I mean,
5 there's a variety of things.

6 But there are some things that are a
7 total no-go. This proposal would take
8 control of the city's streets and sidewalks
9 and then have the city pay for the
10 transponder infrastructure, which then we
11 wouldn't get paid back for for multiple years
12 even if you had them up and going.

13 The proposal that was put forward on
14 congestion pricing I think is totally
15 unacceptable, but there is a way forward.

16 SENATOR HOYLMAN: And more local for
17 our districts, and I guess it affects a lot
18 of us here, the L train re-visioning. What
19 are your thoughts and confidence in how the
20 new plan will work? Has the council been
21 fully briefed? Do you see New York City DOT
22 as being full partners in this revisited plan
23 for the L train repairs?

24 SPEAKER JOHNSON: If it works, great.

1 But as you and I both know, we've spent three
2 years telling our constituents -- I only have
3 the West Side, but you have the East and West
4 Side where the L train runs in Manhattan --
5 we've been telling our constituents that this
6 needed to happen. And so there becomes a
7 credibility issue when you tell people this
8 is the case and you make huge contingency
9 plans and then at the final moment things
10 change.

11 You know, I do think there needs to be
12 an independent analysis that looks at this
13 and tells us whether or not we should have
14 great confidence in it. It's always fine to
15 get a second and third opinion. But I'm not
16 an expert on this. I can't tell you if the
17 polymer changes and the stringing the cables
18 on the ceiling is the right plan. And what
19 we don't want is to come back 10 years from
20 now or 15 years from now and have to actually
21 shut the tunnel down because we realized that
22 the deterioration from the saltwater from
23 Sandy was worse than we realized.

24 So I'm not an engineer, I'm not an

1 expert, which is why I think we do need some
2 outside analysis, because we were telling our
3 constituents for so long this had to happen.
4 We need to have confidence in our
5 institutions, and I don't think this entire
6 exercise has given the public much
7 confidence.

8 SENATOR HOYLMAN: Thank you,
9 Mr. Speaker.

10 SPEAKER JOHNSON: Thank you, Senator.

11 CHAIRWOMAN KRUEGER: Thank you.

12 Just double-checking. So continuing
13 with Senate -- oh, did you have a question,
14 Senator?

15 SENATOR SEWARD: Yeah, I do.

16 CHAIRWOMAN KRUEGER: So Senator
17 Seward -- not from New York City, but always
18 interested.

19 SPEAKER JOHNSON: Senator Seward,
20 you're on the Public Authorities Control
21 Board, right?

22 SENATOR SEWARD: Yes, I am currently.

23 SPEAKER JOHNSON: I won't ask you your
24 opinion on Amazon.

1 (Laughter.)

2 SENATOR SEWARD: Okay. Well, I might
3 ask you yours. I might ask you yours.

4 (Laughter.)

5 SENATOR SEWARD: I am on until the
6 Governor acts with someone new.

7 So in any event, I will get to Amazon
8 briefly, but I first wanted to talk about the
9 Subway Action Plan. Do you see any results
10 yet in terms of improvements because of the
11 Subway Action Plan?

12 And, you know, will the city -- from
13 the City Council point of view, Mr. Speaker,
14 should the city be contributing something
15 toward the capital plan? Because I know in
16 last year's state budget there was state
17 money put in, it was -- we were looking for a
18 50/50 split with the city, the state and the
19 city. So I'd like your perspective on that.

20 SPEAKER JOHNSON: Well, I supported
21 last year the city doing half of the Subway
22 Action Plan because of the situation the city
23 was in at that time, and because
24 then-Chairman Joe Lhota said it was a

1 one-time 50/50 split, that it was going to
2 happen once, then the MTA would have to go
3 through its five-year capital planning
4 process, and the Legislature potentially
5 would come up with additional revenue
6 streams.

7 So at that time I personally supported
8 it. The mayor did not. And you all, with
9 the Governor, mandated it through the budget
10 that was adopted by the state, so we actually
11 didn't really have much of a choice.

12 I think that Andy Byford is doing a
13 tremendous job, and I have total confidence
14 in Andy Byford as president of New York City
15 Transit. I am really pleased by him and the
16 job that he's done.

17 He has told me -- and I trust him, I
18 think he's an honest broker -- that the
19 statistics that came out in December on
20 delays and on the other metrics that the MTA
21 uses on a monthly basis, that December was
22 the best month that the MTA has had in years
23 on the performance measures that they look
24 at. That's heartening in some ways. So I

1 think that the Subway Action Plan may have
2 something to do with that.

3 The larger issue, on the capital
4 funding, is right now New York City
5 residents, through both the farebox and
6 through taxes that we pay, we already fund
7 70 percent of the MTA's budget -- 70 percent.

8 So what I think is before we have a
9 conversation about a dollar amount, on what
10 that amount should be, we need to come up
11 with additional revenue sources and streams.

12 Whether that's congestion pricing, where
13 there's a lockbox for the city, whether
14 that's partially taking money out, if there
15 is marijuana legalization. Not all of that
16 money should go to transit, maybe a portion
17 of it. Having conversations about a
18 pied-à-terre tax, which I support. There are
19 a variety of other measures.

20 We need to fund that \$60 billion in
21 the Fast Forward plan. That's a lot of
22 money. You can't do it alone through a city
23 contribution; you need multiple ways to get
24 there. And I support us finding multiple

1 ways to get there. I don't think the first
2 part of the conversation should be a city
3 amount. The first part of the conversation
4 should be new revenue streams, we see where
5 that brings us, and then you have a
6 conversation with the city about what the
7 delta is.

8 SENATOR SEWARD: Following up on that,
9 you were very clear in terms of congestion
10 pricing and what's in the Governor's proposed
11 budget is not something you could support in
12 that -- in the way he has framed that. But
13 assuming for a moment if this Legislature
14 goes forward with a congestion pricing plan,
15 I know -- because I'm from the upstate region
16 where agriculture is a very big part of our
17 local economy, and I know the state
18 initiatives have been involved with bringing
19 the upstate agricultural products more into
20 the major market in the city. That's good
21 for everyone.

22 SPEAKER JOHNSON: Yes.

23 SENATOR SEWARD: I hear concerns from
24 my local farmers that would be making

1 deliveries into -- below 60th Street that,
2 you know, are they going to get hit with this
3 congestion pricing. Is this something we
4 could have some sort of a waiver for
5 agriculture delivering fresh food to the
6 city?

7 SPEAKER JOHNSON: I think it's okay to
8 have that conversation, but I also think it's
9 a slippery slope. Because where do we stop?
10 It becomes this difficult thing where you
11 start chipping away, chipping away, chipping
12 away. And I could probably make the case for
13 many exemptions that on face value would seem
14 like they were the right thing to do for that
15 individual population.

16 But again, I want us to hopefully come
17 up with something that is consensus-driven
18 and not let, as people say, the perfect be
19 the enemy of the good.

20 And again, Senator, if the State
21 Legislature believes there are certain
22 commonsense exemptions that need to be made,
23 I'm open to having that conversation. But I
24 want a full-throttle congestion pricing plan

1 to pass, because 6 million people every
2 single day are suffering on subways and buses
3 in New York City.

4 SENATOR SEWARD: Okay, my time is up.
5 I didn't get to the Amazon question, but
6 hopefully someone will.

7 CHAIRWOMAN KRUEGER: Thank you.
8 Our next questioner is Senator Robert
9 Jackson, chair of the Cities Committee.

10 SENATOR JACKSON: Corey Johnson,
11 speaker, acting public advocate.

12 Let me thank you for your advocacy on
13 behalf of the people of New York City. And
14 in fact all of the questions that I was going
15 to ask you, you have touched upon them in
16 your statement. So obviously you and the
17 director, our director of finance in the City
18 Council, you know what the issues are.

19 So I don't really have too many
20 questions for you, but I wanted to say that
21 we need our leaders, like yourself and the
22 mayor and everyone, to step up to the plate
23 and advocate for New York City. The mayor
24 was here earlier, and he basically said that

1 he's willing to look at all of the plans as
2 far as congestion pricing and MTA, basically,
3 willing to sit down and discuss that so that
4 we come up with a collective plan that
5 everyone can agree to and move forward.

6 I'm hoping that occurs. The same like
7 there was discussions about the Amazon deal
8 that was put forward. I believe the mayor
9 said that most of the programs that was as a
10 result of \$3 billion or was allowed under the
11 state already because that was in I guess the
12 rules and the regulations or the policy to
13 allow them to have whatever type of funding
14 that they were having, except for a few
15 exceptions to that.

16 So I just think that it's important
17 that we constantly communicate with each
18 other and talk instead of not being and
19 acting in isolation. And we need to be
20 transparent in what we're doing so that
21 everyone knows. And a prime example of that
22 was the mayor of Albany came here and spoke
23 to us about the needs of Albany, and in my
24 opinion she was so transparent and her

1 presentation -- everything was so clear, I
2 was wondering why we as a body, along with
3 the Governor, have not taken care of the City
4 of Albany when you talk about 12.5 not
5 billion, \$12.5 million in funding that should
6 be there on a continuous basis as the host
7 city of the government of New York State.

8 But the clarity and transparency and
9 her commitment, that's what I see in you as
10 the speaker and public advocate. And so as I
11 told you before, please continue to be
12 yourself advocating for the people of
13 New York City. And I want to thank you for
14 your leadership.

15 SPEAKER JOHNSON: I want to thank you,
16 Senator Jackson, for that. I just want to
17 say quickly I think there's a much bigger
18 discussion about whether or not these quote,
19 unquote, incentive or subsidy programs have
20 been structured correctly.

21 Again, I'm not a member of, of course,
22 your body, but I saw on Twitter that
23 Senator Akshar agrees with
24 Congresswoman Ocasio-Cortez as it relates to

1 Amazon, that the right and the left are
2 united on not wanting corporate welfare for a
3 trillion-dollar company with the richest man
4 in the United States or in the world, at
5 \$160 billion, taking \$3 billion.

6 Now again, as you said, some of that
7 was as of right. Some of it was not as of
8 right. Five hundred million dollars was not
9 as of right. Five hundred million dollars is
10 a cash grant granted to Amazon. And they're
11 located in an area where they qualify for the
12 REAP program, the ICP program, the Federal
13 Opportunity Zone program, there's a variety
14 of things.

15 There's a much bigger conversation,
16 are those programs worthwhile, do we need
17 those programs. I know Assemblymember Kim
18 has been talking about this and having issues
19 related to whether or not these programs
20 should exist in the way they exist. I think
21 that's a good conversation to have, whether
22 or not it's worthwhile.

23 Now, Google, which is in Senator
24 Hoylman's and my district, has I believe over

1 the last 10 years created almost 15,000 jobs,
2 and they're not taking billions of dollars in
3 money to do it, though they're one of the
4 wealthiest companies in the world.

5 So what is the threshold? What is the
6 standard? Where do you stop? Where do you
7 begin? What number of jobs do you have to
8 create? How profitable does your company
9 need to be? Should that money be going to
10 small businesses, to entrepreneurs, to
11 minority and women-owned business
12 enterprises? These are all sorts of
13 threshold questions that you have, I think
14 you should have, as it relates to public
15 dollars and resources.

16 On Amazon itself, you know, I believe
17 in labor neutrality, I believe in not
18 collaborating with ICE, I don't believe that
19 a trillion-dollar company needs 3 billion of
20 our dollars when subways are crumbling,
21 public housing is crumbling, and schools
22 aren't getting sufficient funding. I think
23 there's a better way to spend our money. And
24 I think that we got seduced and played. The

1 Hunger Games were set up and somehow we were
2 the last ones standing, though it seemed like
3 it was going to be that way anyway.

4 CHAIRWOMAN KRUEGER: So I would also
5 like to thank you very much for coming to
6 testify today. I think you covered pretty
7 much every issue that New York City was
8 concerned about in the state budget in your
9 testimony, so appreciate your in-depth
10 testimony and for waiting for us in order to
11 testify.

12 And I also, being -- overlapping some
13 of your district, have to say I think that
14 you're doing an extraordinary job for the
15 people of New York City, so thank you for
16 your work.

17 SPEAKER JOHNSON: That means a lot
18 coming from you, Chair Krueger.

19 And I want to apologize to
20 Senator Myrie for missing his inauguration
21 yesterday in Brooklyn. I wasn't feeling
22 well. And so I'm glad I get to say that in a
23 telecast way, on the record, to
24 Senator Myrie.

1 CHAIRWOMAN KRUEGER: Thank you. Thank
2 you for coming today.

3 SPEAKER JOHNSON: Thank you very much.

4 CHAIRWOMAN KRUEGER: And because no
5 one's left at home today in the City of
6 New York, next we have City Comptroller
7 Scott Stringer.

8 I hope somebody's minding the city
9 today with the mayor, the speaker and the
10 comptroller up here.

11 (Laughter; discussion off the record.)

12 CHAIRWOMAN KRUEGER: And we have been
13 joined by Senator Zellnor Myrie, I neglected
14 to announce that. Hello.

15 ASSEMBLYMAN BARCLAY: Also Assemblyman
16 Ed Ra just joined us.

17 CHAIRWOMAN KRUEGER: Thank you.

18 Good afternoon, Comptroller Stringer.
19 Welcome to Albany. I know you know this town
20 quite well from your youth.

21 NYC COMPTROLLER STRINGER: Well, it's
22 really nice to be back and to see you up
23 here, Madam Chair.

24 CHAIRWOMAN KRUEGER: Thank you.

1 NYC COMPTROLLER STRINGER: And I do
2 want to thank the members of -- this is the
3 entire Senate? And Assemblyman Braunstein.

4 CHAIRWOMAN KRUEGER: You know, the
5 Assembly and the Senate both I think were
6 having conferences on different budget
7 topics, so people keep moving in and out.

8 NYC COMPTROLLER STRINGER: Well, it's
9 great that you all would come, and I want to
10 thank you. I also want to thank Chair
11 Weinstein and members of the committees and
12 the Legislature for having me here today.

13 I'm joined by Deputy Comptroller for
14 Budget Preston Niblack to my right, and
15 Director of Intergovernmental Relations Dylan
16 Hewitt.

17 I'm here today to advocate for a state
18 budget that is equitable, one that addresses
19 past harms and lays a foundation for a more
20 just future. With a legislature eager to
21 accomplish a progressive agenda, we finally
22 have the chance to address the systematic
23 structural barriers that have too often
24 excluded low-income families and communities

1 of color from New York's wealth and
2 opportunity.

3 We've seen incredible progress so far
4 this year with passage of the Reproductive
5 Health Act, GENDA, the DREAM Act, and
6 election reform. Congratulations to all of
7 you for a job well done. But now we must
8 keep up the momentum and consider further
9 steps to dismantle outdated exclusionary
10 policies and promote those aimed at
11 empowering historically disenfranchised
12 New Yorkers.

13 First and foremost, New York City is
14 experiencing an unprecedented crisis of
15 affordable housing that is most severely
16 impacting our lowest-income residents. My
17 office recently found that the city's current
18 housing plan aims to build only 31,000 units
19 for the 400,000 city households in the
20 greatest need, or less than 10 percent of
21 what's required.

22 Standing alongside partners and
23 advocates, we released a proposal to shift
24 the remaining units of the city's plan to

1 those at the lowest end of the income
2 spectrum. To pay for those subsidies, we
3 proposed a plan to eliminate the city's
4 mortgage recording tax and create a more
5 graduated real property transfer tax. This
6 progressive reform would raise funds to
7 address our housing crisis while
8 simultaneously reducing the cost of
9 purchasing a home for middle-class families.

10 I want to thank Senator Liz Krueger
11 for her partnership in making this vision a
12 reality for New Yorkers. And I want to also
13 support Senator Hoylman's pied-à-terre tax,
14 which would combat the city's affordability
15 crisis and fund real necessary solutions.

16 Thank you, both of you.

17 But let me just be clear. This plan
18 is one piece of the larger puzzle to increase
19 affordability for working New Yorkers. We
20 must prioritize rent regulations to protect
21 low-income tenants across the five boroughs.
22 The state must eliminate vacancy decontrol
23 and the eviction bonus and make preferential
24 rents last the duration of tenancy for

1 renters in New York City to ensure this
2 crisis does not worsen in the years to come.

3 I was pleased to see some important
4 housing proposals in the Executive Budget. I
5 want to thank Governor Cuomo for including
6 our proposal to limit security deposits to
7 one month's rent in his state budget. Thank
8 you. Thank you, Senator Hoylman. New York
9 renters sunk approximately \$507 million into
10 security deposits in 2016 alone. This
11 prohibitive cost can prevent struggling
12 New Yorkers from moving to a more adequate
13 apartment or force them to dig into needed
14 savings.

15 I was also glad to see that the
16 Governor has pledged to support our
17 initiative to make rent payments count
18 towards a renter's credit score. A low
19 credit score, or not having one at all,
20 forces consumers who are often low-income and
21 people of color to pay for more for credit
22 cards, for car loans and even utilities like
23 gas and electric bills. On-time mortgage
24 payments provide a step up for homeowners.

1 On-time rental payments should do the same.

2 So far my office has launched three
3 pilot programs with Enterprise Community
4 Partners, providing the opportunity for
5 New Yorkers in 2600 homes to opt in. And
6 folks, we're just getting started.

7 We also cannot forget about the
8 400,000 residents of NYCHA. These families,
9 77 percent of whom are headed by women,
10 96 percent of them women of color, have
11 endured inhumane conditions for far too long.
12 Now that the city has reached an agreement
13 with the federal government which includes
14 zero dollars in new funding, it is critical
15 that the state release the \$450 million
16 appropriated to NYCHA that has not yet been
17 spent. These funds will pick up the pace on
18 desperately needed repairs and upgrades, and
19 they cannot continue to live in budgetary
20 purgatory.

21 Shifting gears to another top priority
22 for the city and state, we must fund the
23 MTA's capital plan. As we all know,
24 devastating delays are impacting millions of

1 New Yorkers every day. But I want to make
2 something clear. This transportation crisis
3 is disproportionately affecting the
4 low-income New Yorkers who are most in need
5 of a functioning full-service system.

6 Subway service decreases 80 percent
7 overnight when many service-sector workers
8 are going to and from their jobs. Our buses
9 are the slowest in the nation, and many
10 routes are misaligned with the city's
11 changing commuting patterns. We're leaving
12 riders -- 77 percent people of color -- late
13 to work and appointments or stranded
14 altogether. It's the poorest people in our
15 city that are suffering the mass transit
16 crisis.

17 And as it stands, 1.4 million
18 New Yorkers live in transit deserts in
19 eastern Queens and the northern Bronx alone,
20 all beyond the subway's reach. Eighty-two
21 percent of those residents in these areas are
22 people of color, and 41 percent are
23 foreign-born. So once again we have a Tale
24 of Two Cities, one part of the city just not

1 doing well by our transportation system.

2 We must see transit for what it is:

3 An issue not just of access and opportunity,

4 but of equity and justice.

5 We can start by allowing these New

6 Yorkers to access Metro-North and the LIRR,

7 which maintain 18 stations in neighborhoods

8 without a subway stop and 41 stations

9 throughout the city. And in-city fares

10 should be no more than the cost of a

11 MetroCard swipe. These in-city fares, the

12 same cost as it would be for the Metro-North

13 as well.

14 I've called for this before, and we

15 must increase this accessibility throughout

16 our system. We must reestablish our

17 commitment to expanding elevator service in

18 our subway stations. The MTA's Fast Forward

19 plan would make 50 more subway stations

20 accessible in the next five years, and all

21 stations accessible by 2034. We must fully

22 fund that plan to ensure the safety of all

23 public transit riders.

24 The other issue I want to address is

1 we must see congestion pricing happen this
2 year. We need to take advantage of the only
3 revenue option that will also curb traffic in
4 Manhattan's commercial core to avoid further
5 deterioration of our transit system.

6 But before we ask residents to choose
7 between driving and paying a charge or
8 spending hours commuting on multiple buses,
9 we need a system that works for everyone.

10 However, the Triborough Bridge and Tunnel
11 Authority should not be granted complete
12 control over our city streets and allowed to
13 avoid standard permits and review. We can
14 get this done without forcing the city to
15 seek control over its infrastructure.

16 I've also proposed a \$3.5 billion
17 transportation bond act that I still believe
18 the state should consider. Let the people
19 vote for whether they want increased
20 transportation funding. Let's have a
21 statewide vote so we can benefit the suburbs
22 and upstate as well.

23 I also urge you to act on life-saving
24 speed cameras in school zones. Since 2014,

1 speed cameras in the city have issued
2 4.6 million tickets, and 80 percent of
3 recipients never received a second ticket.
4 As the parent of two young sons, I know the
5 risks of navigating the busy streets of our
6 city. As legislators, we must do everything
7 in our power to ensure our streets are safe
8 for our kids.

9 The proposal in the Executive Budget
10 would limit the number of zones to 290, but
11 there is no justification to create a cap. I
12 urge you to pass an expansion of school speed
13 zone and bus cameras and maintain the city's
14 control over our revenue stream.

15 Next I want to turn to a potential
16 adult use cannabis program. I am a strong
17 supporter of legalization. Not only is
18 cannabis an untapped revenue source for the
19 city and the state, but the prosecution of
20 marijuana-related offenses has proven costly,
21 ineffective and cruel, leaving deep, deep and
22 devastating impacts on so many of our
23 neighborhoods.

24 This year we have an opportunity to

1 turn the page on decades of failed policies
2 and build up the very communities that
3 criminalization tore down. I support the
4 Governor's general framework, but we cannot
5 permit counties and municipalities to opt
6 out.

7 Also, as localities adjust to the
8 legal sale and consumption of cannabis for
9 adults, local governments should be able to
10 collect new revenue to fund community needs.
11 In New York City I have proposed that these
12 new revenues be invested in the neighborhoods
13 most harmed by criminalization, as well as in
14 a robust cannabis equity program to direct
15 capital and technical assistance to
16 entrepreneurs whose families were victimized
17 people of color and others who were part of
18 this criminal justice system.

19 The state's existing sales tax
20 exemption for drugs and medicine would
21 maintain an exemption for medical marijuana,
22 but the state should not provide a broader
23 exemption.

24 I also want to see the opportunity to

1 end cash bail. For too long we've maintained
2 a justice system in which bail is an
3 inconvenience for the wealthy and a sentence
4 for the poor. It has to change now.

5 And as I wrap up, I want all of you to
6 know that last year my office found that
7 nearly 33,000 people entered our jail system
8 over the course of one year simply because
9 they couldn't post bail. Even for those who
10 were able to eventually pay bail, roughly
11 70 percent spent some time in jail first.

12 Last year New York City implemented
13 the first stage of Raise the Age, but we have
14 been effectively shut out of the funding, and
15 we need your help.

16 This session let's also build on the
17 passage of the DREAM Act and allow
18 undocumented adults to obtain driver's
19 licenses. My office found that in addition
20 to raising significant revenue for the state,
21 this change could benefit up to 525,000
22 adults in New York City alone.

23 This is a win/win, a chance to pass a
24 law that would directly and immediately open

1 up new doors for those who have been left
2 behind. Let's get this done.

3 We also want to fight to protect our
4 immigrant communities from unwarranted
5 deportation. And I support legislation that
6 would require ICE to obtain a warrant issued
7 by a federal judge in order to detain a
8 person in or in the vicinity of a courthouse.

9 I urge you to support the Governor's
10 proposal to reduce the maximum sentence for
11 misdemeanors from one year to 364 days to
12 avoid deportation for immigrants who have
13 been convicted of a charge punishable by a
14 sentence of at least one year. The
15 difference of one day can change a person's
16 entire life.

17 Equally important, ahead of the 2020
18 Census, I strongly urge the state to
19 appropriate adequate funding for a fair and
20 accurate count.

21 I'm going to stop here and I'm going
22 to give you the full testimony, in the
23 interests of time. But I want to thank you
24 for giving me this opportunity. I feel more

1 confident than ever in this Legislature's
2 ability to advance a fair and equitable
3 budget, and I hope we can all work together
4 to see that through.

5 Thank you all very much, and I'll be
6 happy to take any questions you might have.

7 CHAIRWOMAN KRUEGER: Thank you very
8 much.

9 Let's see. Oh, many hands are up. I
10 saw Senator John Liu's hand up first.

11 SENATOR LIU: Madam Chair, thank you.

12 Good afternoon, 44.

13 NYC COMPTROLLER STRINGER: How are
14 you, 43?

15 SENATOR LIU: All right.

16 (Laughter.)

17 SENATOR LIU: I just wanted to thank
18 you for testifying today and appreciate the
19 abbreviated version live, but we certainly
20 have it for the record. So --

21 NYC COMPTROLLER STRINGER: I was
22 starting to see people's faces get a
23 little -- so I get it.

24 SENATOR LIU: Well, anyway, getting to

1 the question I had, you recently did a study
2 about how the MTA reported its problems, its
3 repair work, et cetera, and you found that it
4 was a little bit short of reality.
5 Meanwhile, the MTA says -- right now they're
6 telling us they want to raise a billion
7 dollars a year. Some people in this room say
8 it should be more than a billion dollars a
9 year. But whatever it is, they're saying
10 they're going to raise that amount. They're
11 not telling us what they're going to do with
12 the money or how they're actually getting to
13 that amount, they're just saying trust us.

14 Should we take the MTA's request to
15 heart to just trust them and think that they
16 will come up with a plan to fix the subways
17 once and for all?

18 NYC COMPTROLLER STRINGER: Well, I
19 know in your role as transportation chair in
20 the City Council back in the day you raised a
21 lot of these issues. Unfortunately, we
22 continue to audit the MTA to seek truth and
23 honesty and transparency as to why we have
24 subway delays.

1 And I want to be clear, there are a
2 lot of major problems at the MTA, and we've
3 also seen a lot of progress. But we need to
4 ensure that when you talk about delays,
5 they're actually being catalogued properly.

6 We found in this investigation, for
7 example, that there were 500,000 delays that
8 couldn't be accounted for. And rather than
9 simply own up to the fact that they didn't
10 know where the delays were coming, they then
11 spread out the statistics in different
12 categories. So they were not telling the
13 truth, and they were covering it up in a way
14 that made them look more competent but
15 actually showed straphangers that the system
16 was not being honest.

17 If we're going to ask people to pay
18 more and do more, we need to have the kind of
19 transparency that they're not known for, and
20 we have to change that.

21 Now, Andy Byford has made definite
22 progress in these areas, but even now they
23 are not properly reporting the delays that we
24 have today. They're not even including their

1 major work in their catalogue or category of
2 delays. That has to change if we're going to
3 align public trust with the day-to-day
4 workings of the MTA.

5 SENATOR LIU: Thank you very much,
6 Mr. Comptroller. You explained it very well.

7 NYC COMPTROLLER STRINGER: Thank you.

8 SENATOR LIU: Thank you, Madam Chair.

9 CHAIRWOMAN KRUEGER: Thank you,
10 ex-Mr. Comptroller.

11 Assemblymember Bobby Carroll.

12 ASSEMBLYMAN CARROLL: Thank you, Madam
13 Chair.

14 Good afternoon, Comptroller Stringer,
15 and thank you for coming to Albany today.

16 First I want to applaud you for
17 supporting congestion pricing as the plan
18 that we need today to make sure that not only
19 do we fund the MTA but that we make sure we
20 curb congestion, make our roads safer and
21 make our air more breathable.

22 But I'd like to ask you a little bit
23 more about congestion pricing. Earlier today
24 I announced some proposals to and additions

1 to congestion pricing, which would include a
2 daily licensing fee of Uber and Lyft, would
3 eliminate the garage tax waiver for Manhattan
4 residents and put a \$3 surcharge on all
5 packages delivered from online retailers
6 except for essential medical items.

7 I would like to know your thoughts, as
8 the city comptroller, as to how much revenue
9 do you think we should be trying to raise for
10 the MTA, and what are your opinions about
11 additional revenue raisers and carve-outs?

12 NYC COMPTROLLER STRINGER: So let me
13 say, first of all, I thought that your
14 proposal was very forward-thinking and smart,
15 because you recognize what many experts are
16 saying, which is as much as congestion
17 pricing can go a long way to restoring our
18 subway system, it's certainly not enough.
19 We're looking at in excess of \$40 billion to
20 fix the system under the Fast Forward plan.
21 Others have estimated that it's higher.

22 So I agree we need investment. And
23 that's why we've also talked about a commuter
24 tax, a bond act, putting everything on the

1 table. And I think your proposals should be
2 studied, because we have to get to a number
3 to fix this. And we can't pretend that even
4 if we take a series of actions, congestion
5 pricing or some other limited work, that
6 that's going to get us to where we have to
7 be.

8 So I'm going to work with you, we're
9 going to study your proposal. And certainly
10 I think you're on the right track.

11 ASSEMBLYMAN CARROLL: Thank you,
12 Comptroller Stringer.

13 NYC COMPTROLLER STRINGER: You're
14 welcome.

15 CHAIRWOMAN KRUEGER: Thank you.

16 Everybody is getting their questions
17 down to a nice organized way.

18 Next, Senator Jim Gaughran, who is the
19 chair of Local Government.

20 SENATOR GAUGHRAN: Thank you, Madam
21 Chair.

22 Comptroller Stringer, I'm going to
23 defer my time to my colleagues from the city,
24 but I just had a quick question.

1 Your proposed real property transfer
2 tax, specifically what is that? What are the
3 rates and the specifics of that?

4 NYC COMPTROLLER STRINGER: So right
5 now, believe it or not, 90 percent of all
6 real estate transactions over \$5 million were
7 paid in all cash. And people who pay all
8 cash pay one tax, which is the real property
9 tax, and it's 4 percent.

10 There's another group of individuals
11 who take out mortgages. And when they take
12 out a mortgage in the city, we pay a mortgage
13 recording tax. So basically middle-class
14 people or people who take out a mortgage pay
15 two taxes, and some of the wealthiest people
16 who want to buy apartments at 5, 10, 15,
17 \$25 million, pay the RPTT of 4 percent.

18 What I want to do, working with
19 Senator Krueger, is we want to accelerate
20 that tax, meaning the more your apartment
21 costs, you accelerate that tax, you cap it at
22 8 percent. I believe that would give
23 New York City an annual revenue of
24 \$400 million that could be used for a housing

1 plan that would meet the demand of the
2 508,000 people who are many of them working,
3 but we just don't have an apartment that
4 reflects their AMI.

5 And that is a larger plan that we've
6 put together. I'd love to send it to you --

7 SENATOR GAUGHRAN: Sure.

8 NYC COMPTROLLER STRINGER: -- because
9 it's certainly something that we should
10 discuss and debate.

11 I will tell you that one of the
12 questions I get from people first off is,
13 Wait a minute, if you raise the tax, well, we
14 may not get all these folks buying these very
15 expensive apartments. And when you compare
16 New York to other big cities around the
17 world, we're competing for this money, for
18 people who want to buy \$50 million
19 apartments. There's actually competition for
20 this.

21 If you go to Singapore, the VIG, or
22 what they charge with their RPTT, is
23 25 percent, London is 15 percent, other
24 cities are 10 to 15 percent. And so even if

1 we were to raise the city portion of this --
2 not the state portion, so it wouldn't impact
3 MTA funding. This is just the city
4 portion -- from 4 to 8 percent, we would
5 realize in excess of \$400 million.

6 That would allow us to start focusing
7 in New York City to build the housing that we
8 desperately need. Right now we have a strong
9 housing program put forth by the mayor, but
10 between -- and city members know this --
11 between the rezonings and the housing plan,
12 we're creating a gentrification process here
13 that is forcing people out of our
14 neighborhoods.

15 Government, New York City government,
16 has always built affordable low-income
17 housing going back to LaGuardia. We have to
18 realize a new plan to reflect the needs that
19 we have today.

20 SENATOR GAUGHRAN: Thank you very
21 much.

22 CHAIRWOMAN KRUEGER: Just to -- not to
23 amend, but addend, just for members who are
24 not from the city, this proposal would be

1 specific to city taxation on people who live
2 in the city, so it wouldn't affect your
3 community per se. Thank you.

4 Next up, Senator Brad Hoylman, I
5 believe -- oh, I'm sorry. I told Senator
6 Seward next, excuse me. Then after that is
7 Senator Hoylman.

8 SENATOR SEWARD: Well, good afternoon,
9 Mr. Comptroller.

10 NYC COMPTROLLER STRINGER: Afternoon,
11 Senator.

12 SENATOR SEWARD: I wanted to ask you
13 to comment on the Amazon deal. Is it good
14 for New York City and good for New York
15 State? I mean, what's your perspective on
16 this?

17 NYC COMPTROLLER STRINGER: So look,
18 anytime that you can create high-tech jobs
19 that pay \$150,000 a year, obviously
20 attracting those jobs can be very critical to
21 New York City and critical to our kids. And
22 I don't minimize that. We need to continue
23 to reinvigorate this economy not just for
24 those high-end jobs but also entry-level jobs

1 as well.

2 The problem with the Amazon deal is it
3 was a deal made in the dead of night. And it
4 was a deal made in secret between the mayor,
5 the governor, and Amazon. And in New York
6 City we have a very robust review process
7 that looks at these deals -- we call it the
8 uniform land use review process -- where
9 there's a number of layers of scrutiny,
10 especially when we're proposing to give away
11 \$3 billion in tax incentives.

12 So as comptroller, my first response
13 to this was why didn't we have a transparent
14 process, why are we giving away \$3 billion --
15 certainly 1.3 billion in our city with the
16 REAP and ICAP program -- and where is the
17 accountability and review?

18 And that is why I have great concerns
19 with this plan and can't support the plan as
20 presently constituted. We owe it to
21 taxpayers to account for every dollar. We
22 owe it to the community that Amazon is being
23 located in to make sure that Amazon locates
24 in a neighborhood that can handle that

1 increased congestion. None of that was
2 thought about, none of that was reviewed, and
3 that is why you're seeing tremendous
4 opposition.

5 We want to have an economy with
6 good-paying jobs, and we want an economy for
7 everybody. But we also have to play by the
8 rules. And the rules say that we should have
9 an open, transparent process.

10 SENATOR SEWARD: Okay. Well, thank
11 you for your perspective on that.

12 I wanted to shift gears to the mayor's
13 proposed city budget that he released last
14 Friday, I believe. It's \$3 billion more than
15 last year. A significant portion, I believe,
16 of 1 billion is in to cover labor contract
17 increases. And in fact the city's workforce
18 is at an all-time high in terms of the number
19 of employees. And at the same time, the
20 mayor's budget indicates that the city will
21 receive \$935 million less in personal income
22 tax receipts. And that's in line with some
23 of the factors here in Albany as well.

24 From your perspective as comptroller,

1 could you -- would you share with us why the
2 city's budget continues to grow at more than
3 the rate of inflation and that the budget
4 this year is \$3 billion higher? That's a
5 3.4 percent increase from last year.

6 NYC COMPTROLLER STRINGER: Look, we
7 have a lot of needs that have to be met in
8 our city. As we mentioned, we have an
9 affordability crisis, a homeless crisis. And
10 so clearly the mayor is attempting to put
11 resources that we have to meet some of those
12 challenges.

13 I have said to the mayor, and I will
14 tell you this right now, that I do think we
15 have somewhat of a storm coming. I don't
16 know if it's a rainy day or a blizzard, but
17 clearly reports coming out of Albany with the
18 \$2.3 billion in lost revenue from the PIT
19 here, by the State Comptroller and the
20 Governor, we should be concerned about our
21 own savings plan. And I've said that the
22 mayor should immediately PEG agencies, look
23 for efficiencies. He has adopted my
24 suggestion this year; I've been asking him to

1 do this for a couple of years. But we have
2 to also look for every way to save dollars.

3 The budget is growing at a rate of
4 growth that, while somewhat high, is in line
5 with the revenue that we're taking in. I
6 wouldn't say that we're in a cause for alarm,
7 but I am concerned that the spending has to
8 align with the realities of uncertainty in
9 Washington, uncertainty with the Trump
10 administration. The international markets do
11 impact New York City.

12 So I do have concerns. And the one
13 way to address needs is also by increasing
14 our savings plan so whatever comes our way,
15 we're ready to deal with it.

16 SENATOR SEWARD: Thank you.

17 CHAIRWOMAN KRUEGER: Thank you.

18 Next, Senator Brad Hoylman.

19 SENATOR HOYLMAN: Thank you,

20 Madam Chair.

21 Nice to see you, Comptroller Stringer.

22 I wanted to ask you about your --
23 well, thank you for all your work in the
24 housing area, and particularly your study

1 that shows how much we've lost in affordable
2 housing over the last two decades. I think
3 the statistic is -- is it about --
4 actually -- it's how much?

5 NYC COMPTROLLER STRINGER: 432,000
6 apartments that used to rent for a thousand
7 dollars or less, just in the last 12,
8 14 years.

9 SENATOR HOYLMAN: Wow. So in terms of
10 NYCHA, what is -- what's your sense of how
11 the federal monitor is going to work out?
12 And what do you make of the arrangement that
13 was recently reached with the mayor's office
14 on that issue?

15 NYC COMPTROLLER STRINGER: I've done
16 more audits than I can count, more
17 investigations than I have fingers for, in
18 the last five years as comptroller of NYCHA,
19 and it always ends up the same. We don't
20 have the resources. We need to do the
21 repairs and the work that those buildings
22 desperately need. And there's not a
23 management structure in place that can
24 fundamentally transform NYCHA.

1 This impacts 400,000 people. We've
2 had kids with lead. We've had apartments
3 with more ice on the window on the inside of
4 the apartment as opposed to the outside of
5 the apartment. And we have relegated NYCHA
6 tenants as not second-class citizens, but
7 perhaps third- and fourth-class citizens.

8 Out of sight, out of mind. And the only time
9 that we visit NYCHA is when there's a
10 front-page story in one of the newspapers.

11 The recent iteration of this multiyear
12 nightmare is that the federal government
13 comes to meet with the mayor to sign another
14 oversight agreement and does not leave one
15 dollar behind, not even a courtesy card.

16 Nada. Nothing. We have a multi-billion-
17 dollar crisis in NYCHA, and no financial plan
18 to go with the monitor. I would have
19 respected them if they said, Look, here's the
20 down payment of the money that we've never
21 given you -- that the federal government owes
22 us -- but we want to have somebody watching
23 the money. Okay, I get that. If it's your
24 money, you want to have a say in how it's

1 allocated.

2 But they just put someone in place
3 who's now in the way. And I know -- and, you
4 know, I have a lot of respect for the
5 regional HUD director, a friend of my wife's,
6 they went to school together. But, you know,
7 this is not about staying in an apartment for
8 a month. We don't need you to stay in an
9 apartment to figure out what's going on
10 because it's been well-documented. Go look
11 at Audit No. 10 I did, or 9, or Audit No. 8.

12 And if you get tired with my investigations,
13 go to No. 43 and then he'll show you what he
14 did. And it's well-documented. The question
15 now is, what are we going do about it?

16 Now, Albany hasn't been a guardian
17 angel either. And Albany needs to do more.
18 Because NYCHA is as big as the City of
19 Boston, and we do not treat our people like
20 they should be treated. And it's an absolute
21 national and international disgrace. And I
22 know there's a lot of budget items you have
23 to consider, and the State Senate has done an
24 amazing job in the first few months. But I

1 just ask you to work with us to come up with
2 as many funding streams as we can until we
3 change the direction of the federal
4 government.

5 SENATOR HOYLMAN: How do we get that
6 \$450 million that the state owes NYCHA in the
7 right hands?

8 NYC COMPTROLLER STRINGER: We really
9 need it. And I don't want to be overly
10 dramatic, but this really is life or death.
11 Something bad is going to happen here. And
12 you'll be hearing more from me on another
13 investigation we're doing which is just going
14 to show once again how dangerous the
15 situation is at NYCHA.

16 You know, we did a survey of locks at
17 NYCHA and NYCHA doors. We found an amazing
18 amount, 50 percent of the doors are broken.
19 You go inside, the boilers are broken. You
20 issue them a subpoena, they don't even want
21 to give us the information because I think
22 they're so embarrassed by their own
23 incompetence.

24 We must fundamentally change this.

1 And I think the mayor has got to radically
2 come up with a management plan that speaks to
3 the crisis. And slow walking this is only
4 going to make it worse going forward. He
5 needs to be bold, he needs to bring people
6 from the public and private sector in, the
7 brain power that we have in the city should
8 be meeting around the clock every day,
9 organizing the business community, the
10 advocate community to help people. Because
11 this is where people are suffering.

12 And I find it amazing that we can't do
13 more here, audit after audit, investigation
14 after investigation. And maybe the new State
15 Senate can really bring it for the people who
16 have no voice.

17 CHAIRWOMAN KRUEGER: Thank you.

18 Senator Zellnor Myrie.

19 SENATOR MYRIE: Thank you,

20 Madam Chair.

21 And thank you, Mr. Comptroller. Good
22 to see you again.

23 NYC COMPTROLLER STRINGER: Very good
24 to see you here.

1 SENATOR MYRIE: I just have one
2 question. I appreciate the work that you're
3 doing around the rent as it pertains to
4 building towards credit with Enterprise. And
5 I just wanted to know if you could speak a
6 little bit more about the pilot programs that
7 you've done, any successes, any failures, and
8 anything that the legislative body could do
9 to assist in this.

10 NYC COMPTROLLER STRINGER: So this is
11 a program that I think can help so many
12 people long-term. And you know that in your
13 own district. There are people who take out
14 mortgages and they do great. You know, they
15 take out a mortgage, they're paying the
16 mortgage every month on time, their credit is
17 golden. Right? They're doing great. And
18 good for them, because that's the American
19 dream. Right? You take out a mortgage, you
20 pay on time, you increase your credit score.
21 That means you have lower car payments and a
22 better financial future for your family.

23 There's another group of people in
24 New York City and New York State. Well, they

1 pay the rent on time too, right? In fact,
2 people who live in NYCHA and other of our
3 buildings, there's a lot of folks who pay the
4 rent even before they buy food. And they pay
5 on time, and they've been paying it for 25,
6 30 years. And you know what? They get no
7 credit for their rent. So the biggest
8 purchase, the biggest thing they pay for is
9 rent, and it's not credited on any reporting.

10 We want to change that. So we have a
11 rent and credit report, we're doing pilot
12 programs with thousands of tenants around the
13 city. And for people who want to opt into
14 the program, because it's not -- you can
15 enroll, because we don't want to hurt someone
16 who may have difficult financial times -- you
17 could see a credit score go up 10, 15, 30,
18 40, 50 points. That could mean a big
19 difference to your financial future, because
20 credit is critical in our society.

21 So I would urge you to take a look at
22 the legislation that we're introducing to
23 codify these programs. This is called, to
24 me, the greatest wealth creation program or

1 one of the great wealth creation programs.
2 It's something that I think would make a
3 great difference for people, both seniors and
4 older people taking care of children, but
5 also younger people. You know, we have a lot
6 of young people who are moving to our city.
7 They have no credit. And if they had a
8 program where they could pay into a fund or a
9 program where they could get credit for
10 paying their rent on time, they become
11 creditworthy.

12 We've also worked with credit
13 agencies, so this is not a lone-wolf
14 operation. I've sat with the credit bureaus
15 and the banks in the city to craft these
16 programs. And we'd love to work with you in
17 your role to see if we can expand this
18 program to all five boroughs.

19 SENATOR MYRIE: Thank you.

20 NYC COMPTROLLER STRINGER: Thank you.

21 CHAIRWOMAN KRUEGER: Thank you.

22 Senator Robert Jackson.

23 SENATOR JACKSON: Comptroller Scott

24 Stringer, let me thank you for coming in.

1 And listen, I think it's great to see you as
2 the city comptroller coming in and giving
3 testimony on all of the issues that impact
4 New York City. Seeing the speaker -- the
5 acting public advocate -- and the mayor, I'm
6 just so happy to see all of you are engaged
7 and communicating to everyone that's
8 listening, and the news media, about what the
9 issues and concerns are in New York City, but
10 also in our economy in New York State and the
11 government.

12 So I wanted to ask you a question
13 about -- they're talking about mayoral
14 control, the extension of that for three
15 years. I and others, we want to change the
16 terminology and the direction. It's not
17 about control. When one person is in
18 control, it's more like a dictatorship. And
19 you and I know one example where one of our
20 former mayors said they did a public search
21 for the chancellor, and they did not. And
22 then three months after hiring the
23 individual, the individual was fired. That,
24 in my opinion, is mayoral control.

1 We're looking for mayoral governance,
2 mayoral accountability, but not mayoral
3 control. And wanting to make sure that the
4 mayor, whoever the mayor is, is accountable
5 not only to the general population but to the
6 City Council, to the State Legislature. In
7 essence, you're going to govern with an
8 accountability aspect to it.

9 So my question is, are you willing to
10 accept the position of mayoral accountability
11 or mayoral governance in shaping the -- if in
12 fact mayoral accountability or mayoral
13 governance is extended?

14 NYC COMPTROLLER STRINGER: So I
15 believe it's critically important that all
16 people involved in education, from parents to
17 teachers to principals to the people who do
18 the most important work of all, have a say
19 and a stake in the system, no question.

20 But I don't want to go backwards. I
21 don't want to go back to the days of school
22 board elections when no one voted. I don't
23 want to go back to the days of patronage and
24 a time when it was not -- it was really not,

1 for some folks, about educating children.

2 I think we need a mayor in charge.

3 And that's what mayoral control is all about.

4 And I would urge a three-year renewal.

5 Because -- and I say this as not just someone

6 who audits DOE relentlessly and could spend

7 two hours just talking about the dysfunction

8 of the DOE. I also say this as a parent,

9 that we need a certain control to meet the

10 needs of these kids. If we get lost in the

11 politics and there's no accountability, then

12 I think we're in trouble, Senator. I think

13 we need that.

14 Now, by the way, mayoral control

15 doesn't mean mayoral dictatorship. And it

16 doesn't mean that the mayor should not be

17 held accountable. We have elections that

18 hold the mayor accountable. We have City

19 Council hearings, and perhaps there should be

20 more of them, that would hold the mayor

21 accountable.

22 I'm auditing the missing computers,

23 the dysfunction of the DOE, but that's my

24 job. So my job is to hold that

1 administration accountable, and we have. But
2 I would certainly in the short term, for all
3 of you, I would urge a three-year extension.
4 There's a lot of good things happening at the
5 DOE, and we have to fix the things that
6 aren't working well. But at least there's a
7 line of accountability starting with the
8 mayor and the chancellor.

9 SENATOR JACKSON: I'm sorry, I have to
10 move on and I have additional questions.

11 NYC COMPTROLLER STRINGER: Sure.

12 SENATOR JACKSON: So let me ask you,
13 tell me what would the positive impact be if
14 in fact we extended driver's licenses to any
15 and all undocumented residents? Have you
16 ever analyzed that in New York City and/or
17 New York State? What's your opinion?

18 NYC COMPTROLLER STRINGER: Well, first
19 of all, we issued a report two years ago that
20 found that 150,000 immigrants would be
21 eligible in New York City for a driver's
22 license, we'd have 56,000 new car purchases,
23 we'd have higher sales taxes for auto and gas
24 sales, and we would have new vehicle

1 registration and license fees.

2 And more importantly, or as important,

3 offering licenses to undocumented adults

4 would improve public safety, it would

5 increase financial stability for families,

6 and it would also expand job opportunities.

7 Undocumented immigrants would no longer be

8 having to live in shadows, in fear of being

9 arrested for driving without a license

10 because they have to get to work.

11 I will give you some data on granting

12 licenses. We would see \$34 million in

13 recurring revenue for New York City and

14 New York State and the MTA, and we would have

15 a \$15 million one-time revenue.

16 So it's good for families, it's good

17 to expand job opportunity, and it's good for

18 revenue. We make money when we give out

19 driver's licenses with fees. So I'm

20 supporting it.

21 SENATOR JACKSON: Thank you.

22 CHAIRWOMAN KRUEGER: Thank you.

23 I think it's just me, I'm just

24 double-checking. Okay. So again, thank you

1 very much for your testimony.

2 The reference you made in your
3 testimony -- it goes back to also the mayor's
4 testimony -- is so revenue, tax revenue seems
5 to be going down, and different people have
6 argued this for different reasons. Some
7 people have said, see, taxes are too high,
8 everybody is fleeing New York. Other people
9 have pointed out that it may not be a
10 reduction in the money people are making
11 particularly in New York City, but
12 disproportionately because of the Trump tax
13 changes, people in the financial industry
14 taking their earnings as capital gains as
15 opposed to wages. Because if you take
16 bonuses that are in stock, if you shift the
17 way and when you get paid, you're still
18 getting the money but it doesn't show up as
19 personal income tax revenue to the city. And
20 in fact I think the cause of the reduction in
21 revenue is a very important story for us in
22 planning and thinking through where we are.

23 Do you have an ability in the
24 comptroller's office to sort of dig into that

1 question for us?

2 NYC COMPTROLLER STRINGER: Not yet.

3 But these are very good questions, Senator,

4 that we have to look at in terms of -- we

5 have not seen evidence of tax flight, which

6 is what you're really asking.

7 We are cautious, though, about where

8 we're at today. You know, when we -- we felt

9 that last year was going to be sort of a

10 different time because the elimination of the

11 state and local tax deductibility, it

12 actually spurred more revenue in the short

13 term. We're trying to figure out now, as we

14 really dig into the Trump tax cut, is this

15 one of the factors that is providing us with

16 less of the PIT?

17 But these are the questions that we're

18 fleshing out with the budget right now and

19 our own budget presentation. And we will

20 work with you to make sure that you have the

21 full information you need before you adopt

22 your budget and we adopt ours.

23 CHAIRWOMAN KRUEGER: And I appreciate

24 it, because it also ties into Zellnor Myrie's

1 questions before about money for affordable
2 housing.

3 So I read an article, I think it was
4 Bloomberg News, showing that the banks -- so
5 when you talk about the banks, you're talking
6 about New York City -- received \$21 million
7 in tax reductions under the Trump plan but
8 are lending less money than ever.

9 So it begs the question for me, oh,
10 we're reducing everyone's taxes, but that
11 money is not actually moving into our economy
12 as one would hope it would. And I don't know
13 that you as the city comptroller or me as a
14 state legislator can fix that if that's
15 actually a serious problem, but I suspect
16 that is a serious problem.

17 NYC COMPTROLLER STRINGER: I think
18 you're a hundred percent right. Look, a lot
19 of these tax cuts are going to buybacks and
20 dividends and they're not spurring the
21 economy like they predicted.

22 And this for us was no surprise. We
23 didn't support this tax cut. Very harmful to
24 New York City. We do have people on the high

1 end who are obviously worried about
2 deductibility. But we've also done some
3 studies that show that the people who really
4 get hurt with state and local deductibility
5 are actually middle-class people, working
6 people who are struggling.

7 The story is always at the top end,
8 but the real story to unpack is what's
9 happening in the middle, the backbone of the
10 city, the people who if they can't pay the
11 rent because there's no affordability or they
12 can't realize the money that they need, they
13 will be forced to leave.

14 And, you know, a lot of people talk
15 about, well, the wealthy are going to leave.
16 I've always been suspect with that argument.
17 If you have a billion dollars, why would you
18 leave the greatest city on earth and sentence
19 yourself to somewhere else?

20 CHAIRWOMAN KRUEGER: Just be careful
21 where you say they're going, right?

22 NYC COMPTROLLER STRINGER: I'm being
23 so careful. So careful.

24 Because the truth is, people love our

1 city and people want to stay here. But I do
2 worry about the people whom are on the
3 border, the people who are struggling
4 financially, when they just have to leave.
5 And I don't want to see them leave.

6 CHAIRWOMAN KRUEGER: Thank you.

7 So I don't get to let you go, because
8 Bob Antonacci made it back in the room and I
9 know he did have a question for you.

10 Senator Antonacci.

11 SENATOR ANTONACCI: Thank you very
12 much. I had to do a telephone interview back
13 home, so I'm glad I got to say hello.

14 Bob Antonacci from Onondaga County.
15 I'm part of the comptroller brigade. I was
16 the county comptroller before this gig. So
17 thank you for your service. I know how tough
18 these jobs are. We don't get a lot of love,
19 but they're --

20 NYC COMPTROLLER STRINGER: How long
21 were you comptroller?

22 SENATOR ANTONACCI: I was 11 years
23 with Onondaga County.

24 NYC COMPTROLLER STRINGER: You have

1 real gray hair.

2 (Laughter.)

3 SENATOR ANTONACCI: Yeah. Yeah.

4 Yeah. Yeah. Just like -- yeah, almost as

5 gray as yours.

6 (Laughter.)

7 NYC COMPTROLLER STRINGER: It's a

8 tough job.

9 SENATOR ANTONACCI: They called me

10 Wild Thing. I swung outside of my strike

11 zone a lot. But --

12 (Laughter.)

13 SENATOR ANTONACCI: -- I'm glad to see

14 some of the issues you're getting involved

15 in --

16 NYC COMPTROLLER STRINGER: Are you

17 friends with John Liu? Okay.

18 (Laughter.)

19 SENATOR ANTONACCI: My question -- my

20 question is this. You know, as you may or

21 may not know, I ran against Tom DiNapoli,

22 who's a wonderful man and a great public

23 servant, but I ran against him in 2014. And

24 I love the idea of the campaign finance

1 reform. They're probably going to revoke my
2 Republican, you know, club card, but I
3 believe it could combat fraud.

4 Yet some of my colleagues maybe, you
5 know, don't believe the New York City system
6 is as effective at fighting fraud.

7 Can you just give me a quick overview
8 on what's good about the New York City
9 system, and what would you recommend as this
10 comes down the chain? Because I think this
11 is going to be legislation we may see this
12 year.

13 NYC COMPTROLLER STRINGER: The
14 New York City campaign finance system is the
15 best in the country. I would not be here as
16 comptroller without that system. You may
17 remember I ran against Eliot Spitzer, who had
18 the ability to spend \$12 million in six
19 weeks. And someone of modest means never
20 could have been competitive but for that
21 system. And I think that's good for
22 democracy.

23 And I would urge you to adopt a system
24 similar to New York City that would end

1 pay-to-play, that would create a level
2 playing field. And for incumbents in office
3 who sometimes, well, maybe I don't want to
4 fund my opponent, I would argue that good
5 incumbents will usually win, but there will
6 be some accountability.

7 We have got to end big money in these
8 campaigns. And I would say that Democrats
9 and Republicans I think are at equal fault
10 for the amount of special interest money. As
11 a former Assemblymember here, you know, get
12 rid of the Senate PAC and the Assembly PAC
13 and, you know, do what we're doing now in
14 New York City running for our '21 elections.
15 You know, go get \$250 at a time and not have
16 to only worry about the 1 percent.

17 In terms of fraud, I would tell you
18 that there were changes I would make to the
19 city campaign finance system, but that's an
20 ongoing discussion. And no system is
21 perfect, and they make mistakes. But at the
22 end of the day, a lot of people who would be
23 running for office simply can't because they
24 don't come from the right communities, they

1 don't come from the right zip codes. I see
2 many people here who got elected and they did
3 it and the only reason they would not have
4 gotten elected is because they had to deal
5 with the money as insurgents.

6 SENATOR ANTONACCI: Well, I mean, I'm
7 certainly a fan. I'm looking forward to
8 seeing the legislation. And if you have any
9 other tips or whatnot on how we can make sure
10 it's a better system -- I think in 2014 we
11 just got a late start, but that's my opinion.

12 NYC COMPTROLLER STRINGER: No, I'm
13 really glad -- I think it's great. And by
14 the way, this has to be bipartisan. You
15 know, we want to have a democracy -- you
16 know, I'm a dyed-in-the-wool Democrat, I'm
17 obviously very happy with the Democratic
18 Senate, but I recognize that we also need
19 people of all different backgrounds to be
20 elected and be competitive. That's our
21 democracy.

22 SENATOR ANTONACCI: Sure.

23 NYC COMPTROLLER STRINGER: And if you
24 feel that you can get there by doing it \$10

1 or \$20 at a time, it's the greatest -- you
2 know, for us right now in New York City, you
3 know, it's the greatest thing in the world to
4 call people for \$20 knowing that's --

5 SENATOR ANTONACCI: And multiply it,
6 yeah.

7 NYC COMPTROLLER STRINGER: And now
8 you're talking about thousands of people, not
9 25 people. It's a big sea change. And I
10 urge it for the State Assembly and the Senate
11 and statewide offices.

12 SENATOR ANTONACCI: Thank you. Thank
13 you. Real quick, I might be able to sneak
14 one or two more in.

15 Income tax is down both at the city
16 level and the state level. You have a quick
17 theory on that?

18 NYC COMPTROLLER STRINGER: Well, we've
19 talked about it. I mean, you know, we're
20 going to study why. The State Comptroller
21 gave us a warning. We're looking at it in
22 the city as well. But I do think that both
23 in the city and the state we do have to put
24 more money away for a rainy day.

1 I've urged our mayor to do an
2 efficiency program, he's committed to a
3 \$750 million reduction, so I applaud him for
4 doing that. But this is a time where we
5 should be very -- we should be cautionary.

6 We also -- in New York City we have to
7 also recognize that the money we're spending
8 also has to have results to it. And I think
9 oversight, which I will continue to do, will
10 make sure that the money we're spending is
11 actually going to programs that work, not
12 money that's just going out for the sake of
13 going out.

14 SENATOR ANTONACCI: I would also
15 commend your conflicts board. I did a little
16 research on local boards of ethics. I
17 thought the conflicts board was well run and
18 was a good governance structure.

19 NYC COMPTROLLER STRINGER: The what?

20 SENATOR ANTONACCI: Your conflicts
21 board, or board of ethics. Yeah. So I
22 just -- I wanted to commend you on that.

23 I guess the MTA and the New York City
24 Housing Authority aren't exactly up there,

1 but that's coming from some of my other
2 colleagues. But I thought that conflict
3 board was well done.

4 I'll leave you with that, I got six
5 seconds left. If Amazon decides to leave
6 New York City, though, I'd like to have your
7 commitment to help bring it upstate, because
8 we need to keep those jobs in New York State.
9 So thank you, Comptroller.

10 NYC COMPTROLLER STRINGER: Anything we
11 can do to build a powerful upstate-downstate
12 coalition. But we'll probably have more
13 conversations about that going forward.

14 CHAIRWOMAN KRUEGER: Thank you.
15 Scott, I want to thank you for coming up here
16 to testify today. Sometimes sitting up here
17 in Albany you hear discussions about New York
18 City government that makes me think they
19 think we don't have a New York City
20 government at home and we can't make
21 decisions that are for 8.5 million people.
22 But I think clearly that the testimony that
23 you, the speaker, and the mayor offered today
24 should help to represent to my colleagues who

1 might not have ever found the City of
2 New York, that we're actually a town that has
3 our act together pretty well.

4 NYC COMPTROLLER STRINGER: Although I
5 wonder, with all of us up here today, do they
6 really need us back there?

7 CHAIRWOMAN KRUEGER: I know, I did
8 mention that. I hope the city is fine down
9 there. We don't have phones.

10 NYC COMPTROLLER STRINGER: I hear
11 we're doing good today.

12 CHAIRWOMAN KRUEGER: I think so.
13 Thank you very much for coming.

14 NYC COMPTROLLER STRINGER: Thank you,
15 everybody. Thanks for listening.

16 CHAIRWOMAN KRUEGER: All right, our
17 next testifiers -- okay, so we have now
18 gotten to the point in the hearing where we
19 have moved from invited elected officials to
20 people who have asked to testify. What that
21 means is they will have five minutes to
22 submit their testimony, and then questioners
23 will only have five minutes to ask them
24 questions unless they are the appropriate

1 chair of a committee -- excuse me, chairs of
2 committees get five minutes to question.
3 Everyone else gets three minutes to question.

4 And I am calling up Stephen Acquario,
5 executive director, New York State
6 Association of Counties, to be followed, for
7 people who are watching, by the Association
8 of Towns of the State of New York.

9 MR. ACQUARIO: Thank you, Senator
10 Krueger.

11 CHAIRWOMAN KRUEGER: Thank you.

12 MR. ACQUARIO: Nice to see you.

13 CHAIRWOMAN KRUEGER: Nice to see you.

14 MR. ACQUARIO: I'm joined by Daniel
15 McCoy, the Albany county executive and
16 president of the New York State County
17 Executives Association, to my left. And on
18 my right is David Lucas, the director of
19 intergovernmental relations and finance for
20 the association.

21 We have submitted testimony for your
22 review. But before I get into the remarks, I
23 want to give Dan a minute to make a
24 statement.

1 ALBANY COUNTY EXEC. McCOY: I'm going
2 to be quick because I know there's a long
3 list of distinguished people that want to
4 speak. But it's very important, and I thank
5 you for your time. I really appreciate it.

6 As president of NYSCEA and as a county
7 executive, some of the things we've been
8 fighting here on the forefront are the opiate
9 crisis, addressing social justice issues, and
10 one of the main things we've been looking at
11 is the sales tax revenue, internet sales tax
12 revenue. And it really puts us at a
13 disadvantage for our bricks-and-mortar stores
14 here in Albany County, as I go and talk to
15 them. They're paying taxes, they're giving
16 kids their first opportunity to get a job,
17 they're beautifying their buildings, and yet
18 we're taking some company in Ohio and saying,
19 oh, guess what, we're not going to tax you
20 because -- we're just not going to tax you.

21 So that revenue really can help out
22 with a lot of different areas, you know.
23 Social justice, with the opiate stuff, like I
24 said, and other things. So -- I'm trying to

1 be quick here for you.

2 The other thing is please keep in the
3 \$200 for funding for jail-based substance
4 abuse disorders, as we talk about that,
5 especially for mental health and everything
6 else. Because we look at our prison here,
7 we've got a 1,025-bed facility. And as we've
8 been introducing new programs and trying to
9 keep people out of the jail, a lot of it's
10 mental health.

11 So if you can continue funding for
12 mental health, that would be appreciated, and
13 look at that. Because a lot of our inmates
14 are there because they have mental health
15 issues that lead to them being incarcerated.

16 Raise the Age, very important.
17 Hopefully you continue to fund that. And one
18 of the initiatives we've been doing here in
19 Albany County is that we're starting a new
20 initiative this year to try to keep kids away
21 from the justice system in the beginning. We
22 find when we looked at -- I believe it was
23 King County, Washington, that basically did
24 the same program, they found out if they keep

1 kids out of the justice system at an early
2 age, they stay out of it as adults. So it's
3 another great program that we can utilize
4 here.

5 One of the other things, too -- and
6 I'm sorry to jump around. I know my time is
7 short and I don't want to take all of
8 Steve's -- is our land bank. When the
9 Attorney General started this land bank, he
10 gave us funding. And I can tell you, it has
11 helped blight in our most undesirable
12 neighborhoods, to keep people there.

13 That money for our land bank got us
14 the footing that we need to continue in
15 Albany County. I invested \$2.5 million on
16 top of what the Attorney General gave us, to
17 continue combating this blight and to
18 continue to rehab buildings that are falling
19 apart, that are an eyesore for communities.
20 And by redeveloping that, it's bringing more
21 people into the City of Albany and it's
22 stabilizing neighborhoods.

23 So I know there's no funding source
24 right now, but I hope you look at it. It's

1 not just affecting us here in Albany County
2 but across the State of New York.

3 Also the census -- and I want to turn
4 it back over to Stephen in a second -- the
5 census is very important to you. As you
6 realize more than I do, New York State has
7 the worst record for a count in census every
8 time we do our census report. And it boils
9 down to money. If you could put money in the
10 budget for that -- and I will sit here and
11 tell you, though, it's tough. I'm willing to
12 put some money and skin in the game to make
13 this happen, because if we count everyone
14 that lives here in New York State, it's going
15 to bring more federal dollars in. That's
16 going to help our social services programs,
17 our justice programs. That really is a
18 benefit to people that I represent.

19 So I'm going to turn it over to Steve.

20 CHAIRWOMAN KRUEGER: So since we
21 really only have a minute and a half left for
22 the Counties Association, put the clock back
23 at 5.

24 MR. ACQUARIO: Thank you, Senator

1 Krueger.

2 ALBANY COUNTY EXEC. McCOY: Thank you,
3 Senator, I appreciate that.

4 MR. ACQUARIO: And thank you, County
5 Executive McCoy.

6 ALBANY COUNTY EXEC. McCOY: I would
7 have spoke a little slower.

8 (Laughter.)

9 MR. ACQUARIO: It's very important --
10 thank you for the time. It's very important
11 to be here with you to bring the viewpoint of
12 the regional government, the counties. The
13 county is a regional government. We have
14 town, city, village, county forms of local
15 government in this state, in addition to the
16 special districts. We represent the general
17 government, all purpose, general purpose
18 governments, the county governments.

19 On page 6 -- I'll get right into it --
20 we're here to ask you to support a couple of
21 particular revenue sources, the internet
22 fairness and conformity, the marketplace
23 proposal that has been advanced by the
24 Governor over the past few years. We

1 strongly encourage you to pass this.

2 As of today, 36 states have now passed

3 laws and regulations to require remote

4 sellers to collect sales taxes that are due.

5 This is not a new tax. These taxes are

6 already owed under current New York State

7 law.

8 Sales tax remains the primary source

9 for counties, cities, towns and villages

10 across the state that can help reduce

11 pressure on property taxes.

12 At the bottom of page 6, eliminate the

13 energy service company sales tax exemption.

14 This was a proposal advanced by the Governor

15 last year. This is a very important

16 exemption here that should be eliminated, and

17 sales tax should cover this. The Governor's

18 proposal concludes that the incentive is no

19 longer necessary as this ESCO industry has

20 now matured over the past two decades.

21 On page 7, we encourage you to restore

22 the targeted funding cuts to New York City.

23 The state should never be targeting one

24 department of social services over another.

1 A cut to one ultimately becomes a cut to them
2 all. And there is no public policy reason
3 for doing this.

4 At the bottom of 7, we strongly
5 encourage you to restore AIM funding to towns
6 and villages throughout the state. Again,
7 there's no policy reason or rationale for the
8 elimination of this important local
9 government funding.

10 On page 9, the SUNY chancellor recently
11 proposed a new methodology that would create
12 a state Maintenance of Effort for the funding
13 of community colleges. This new formula
14 would prevent cuts in base aid and create a
15 state funding floor for each campus. In
16 addition, the chancellor is calling for an
17 increase in state funding for full-time
18 equivalent students by \$125. Even at this
19 proposed rate, the state FTE support would
20 still lag behind the inflation adjusted since
21 2008.

22 On the bottom of page 9, the Bottle
23 Bill expansion. Instead of adding
24 nonalcoholic beverage containers to the

1 Bottle Bill, we urge the state to add a
2 deposit to all glass beverage containers, not
3 plastic, including wine and liquor bottles,
4 glass hard cider bottles, and non-alcoholic
5 glass beverage containers in order to
6 increase glass recycling, reduce municipal
7 recycling costs, and reduce glass
8 contamination in the curbside recycling
9 system.

10 On the bottom of page 10, the
11 important election reform that was rather
12 historic by the State of New York. Counties
13 support many of the election reforms and
14 believe they can help improve voter
15 engagement and turnout. However, it's
16 necessary for the state to provide some
17 direct resources to help cover the
18 implementation of what you have done and what
19 you have achieved. Counties request the
20 Legislature provide funding for the capital
21 expenses of e-poll books.

22 On the bottom of page 11, we encourage
23 the State Legislature to enact a proposal to
24 reduce interest on judgment rates. It's

1 vastly higher than the current federal
2 interest rates while a judgment is on appeal.
3 The federal rate is around 2.5 percent, and
4 the New York State rate right now is
5 9 percent.

6 On page 16, counties are deeply
7 concerned about the effects of vaping and
8 e-cigarettes. We've all worked hard to
9 eliminate teenage smoking. We're very
10 concerned about the epidemic levels of teen
11 vaping and urge the state to do more to make
12 e-cigarettes harder for teens to access. The
13 state's campaign to end teen vaping should
14 include strong laws, equally strong
15 enforcement, and widespread education.

16 And I want to conclude on page 20,
17 with the countywide shared services
18 initiative. Since the counties are required
19 to spend resources, time and funding to
20 coordinate shared service panels, including
21 hiring additional staff members or
22 contracting with research agencies or
23 consultant firms, we recommend the state
24 allow counties reimbursement for expenses,

1 reports, or seed money. This money is
2 currently set aside in a \$225 million
3 appropriation that the Governor has in the
4 budget right now.

5 We're here as your regional partners.
6 We continue to want to work with the State
7 Legislature in your effort to effectuate the
8 state budget. We have a \$2.3 billion budget
9 deficit. We pledge our full support with the
10 Legislature and the Governor to achieve
11 efficiencies in government and savings.

12 Thank you, Madam Chair.

13 CHAIRWOMAN KRUEGER: Thank you very
14 much. See, aren't you glad we put it back to
15 be five? (Inaudible.)

16 MR. ACQUARIO: Thank you, Senator.

17 CHAIRWOMAN KRUEGER: I always find
18 your testimony actually invaluable -- oh,
19 hello, back on mic. I always find your
20 testimony invaluable when we're reviewing
21 what we need to do in the budget, even if we
22 can't get everywhere, because you're so
23 inclusive of issues we hear through every
24 budget hearing from people in the towns,

1 counties, and cities around the entire state.

2 So it's very valuable to have the regional
3 perspective.

4 But the first questioner I believe was
5 Assemblymember Schmitt.

6 ASSEMBLYMAN SCHMITT: Thank you, Madam
7 Chair.

8 How's everybody doing today?

9 (Responses from the panel.)

10 ASSEMBLYMAN SCHMITT: A few quick
11 questions for Medicaid, the state takeover of
12 Medicaid. I know that I represent parts of
13 Orange and Rockland counties, where
14 collectively that would equate to about \$140
15 million a year in savings. Would you like to
16 expand real quick on, you know, how a state
17 takeover would assist the counties relieve a
18 significant burden?

19 MR. ACQUARIO: Well, the state has
20 made major efforts over the years, beginning
21 in 1995 when it capped at a 3 percent growth
22 and Governor Cuomo putting a hard cap in of
23 zero percent growth. It's a tremendous
24 savings. Either we're going to pay for it at

1 the county property tax level, or the state's
2 going to pay for it.

3 And when the state took over the cost
4 of Medicaid, the growth of that program, the
5 savings that they generated through the
6 Medicaid Redesign Team was billions of
7 dollars of savings. I think it was over
8 5 billion, Dave, if I'm not mistaken.

9 So it's the largest of the mandates
10 for the counties. It was never supposed to
11 be this way, since it was created in 1966.
12 And it's continued a worthy effort to
13 consider of a takeover, even if it's a
14 multiyear five or 10 year, incremental steps
15 towards that alleviating the property tax
16 base.

17 ASSEMBLYMAN SCHMITT: On shared
18 services, pivoting to that issue, I've been
19 involved in a previous role that I had before
20 the Assembly, at a town level, in shared
21 services in Orange County. And one of the
22 areas where we kind of saw a hiccup with what
23 the state allows is how much shared services
24 is already occurring between towns, between

1 municipalities, between municipalities and
2 the county, that really weren't able to
3 qualify under the program.

4 Are you seeing this in other counties
5 in other parts of the state? And is it
6 something that you would like to see
7 reconfigured in the shared services program?

8 MR. ACQUARIO: Dan, would you like to
9 start? And I'll contribute to that.

10 ALBANY COUNTY EXEC. McCOY: Yeah, it's
11 actually -- it's been a roadblock. Because,
12 you know, we got a major project going on
13 with Saratoga County right now between our
14 sewer districts. And that didn't qualify.
15 And it's a \$50 million project that not only
16 benefits Albany County but Saratoga. The
17 first of its kind in the State of New York,
18 and yet we didn't meet for any state funding.
19 I'm like, this is the biggest shared services
20 that we can talk about.

21 The other issue has been we've been
22 doing shared services for a long time, and
23 anything that has been done in the past
24 didn't qualify. If it was anything new --

1 some of the counties that actually rolled up
2 their sleeves in towns, cities and villages
3 that have been doing this have been penalized
4 because there's no place else to go.

5 ASSEMBLYMAN SCHMITT: Thank you for
6 pointing that out. I just wanted to make
7 sure that's highlighted because I've seen it
8 locally. I've heard it over and over again.
9 And I think it's critical that our local
10 governments and our county governments that
11 are doing a great job on some of these items
12 already should be recognized for that and
13 should be able to be included at the benefit
14 of taxpayers.

15 ALBANY COUNTY EXEC. McCOY:

16 Absolutely.

17 MR. ACQUARIO: Thank you, Assemblyman.

18 CHAIRWOMAN WEINSTEIN: Thank you.

19 Senate?

20 CHAIRWOMAN KRUEGER: Thank you.

21 Senator Jim Gaughran, the chair of Local

22 Government.

23 SENATOR GAUGHRAN: Thank you, Madam

24 Chair.

1 And good afternoon. You referenced
2 reduce the cost of existing mandates and
3 avoid implementation of new ones. I get the
4 avoiding the new ones. I'm a big proponent
5 of that. But one of the things that would
6 help me as a new State Senator is more
7 examples of, you know, specifics of what we
8 can do in that area. Because, you know, I'm
9 meeting with lots of people and they're all
10 saying, We've got to get rid of the mandates,
11 we've got to get rid of the mandates.

12 But what are some of the specific
13 mandates that from a practical standpoint we
14 might be able to tackle?

15 MR. ACQUARIO: Well, that's a -- first
16 of all, congratulations to chair the Senate
17 Local Government Committee. And
18 congratulations on your election.

19 In the beginning of the testimony we
20 put a chart there, and it was important to
21 help educate the new members that are coming
22 into the Senate of why we talk the way we
23 talk from the county perspective. If you
24 look at that chart with just nine mandates or

1 statutes that the state created, it consumes
2 almost 90 percent -- almost all of the
3 property tax alone is just consumed by those
4 nine programs. There's 25 others.

5 So that means the sales tax that we
6 rely on, the local sales tax, and the need
7 for the internet tax which should be
8 collected, helps pay for everything else.

9 All infrastructure, roads, bridges, culverts,
10 water, sewer, veterans, adult programs. All
11 nonmandated services. Public safety, 911
12 dispatch. That's why that sales tax revenue
13 is so important to the counties to administer
14 all these programs.

15 But with respect to page 9, I would
16 encourage you, encourage you to look at just
17 one small, small mandate and make a
18 difference, and that's the FIT chargeback.
19 There's no rational explanation as to -- we
20 get it on a two-year degree. Okay, the
21 counties, we chargeback, we pay for a
22 two-year degree. But the FIT is a six-year
23 master's degree. There's no rational
24 explanation for that. Either do it for all

1 the community colleges or do it for none.
2 And there's no rational reason why the FIT
3 stands out alone. That is one program, one
4 mandate, one specific ask that would benefit
5 Long Island, all around New York City, and
6 all the counties all around the state. It's
7 a very specific mandate to pick up. So we'd
8 encourage you to look at that.

9 If we can ask you do no more harm. If
10 you come up with new ideas -- if you want to
11 reform early voting, if you want to reform
12 the democratic process, for crying out loud,
13 pay for it. What are you doing to our
14 communities? We can't afford what these
15 ideas are coming out of the capital. We
16 can't afford it in our communities. Everyone
17 complains about property taxes, but the fact
18 is we're stuck at some of the highest rates
19 in the United States in your county on
20 Long Island. We need your help. Your ideas
21 are great ideas, they just need to be funded.

22 And so we ask to do no harm as you
23 continue to enact new proposals.

24 SENATOR GAUGHRAN: Well, I agree.

1 And, you know, we moved forward with the
2 early voting and election reforms because we
3 had to move quickly if we want it to be
4 effective this year. I think we've all said
5 we want to make sure that we are addressing
6 the financial costs of that in this budget.
7 And I know later we will be hearing from some
8 of the elected officials.

9 But one of the things that would be
10 helpful to us is that we're giving costs for
11 this year that are going to be needed,
12 including a lot of capital costs for
13 electronic poll books, et cetera. We also
14 need to quantify the savings that we're going
15 to have next year, because the counties and
16 the city will no longer be implementing an
17 extra primary.

18 MR. ACQUARIO: Yes.

19 SENATOR GAUGHRAN: So you agree we
20 need to get that information.

21 MR. ACQUARIO: I applaud what you did.
22 We have no problem with what you did. You
23 did the right thing. The state has not
24 invested in elections in over a decade. So

1 congratulations on taking the bold steps.
2 And we encourage you to appropriate funding
3 for it. And we look forward to working with
4 you on the costs.

5 SENATOR GAUGHRAN: Okay. And finally,
6 just on red-light cameras, I know there's a
7 five-year expansion. I'm not as familiar
8 with the rest of the state, I'm familiar with
9 Nassau and Suffolk County. And part of the
10 issue is some of this was experimentation and
11 studies and reviews, and some of the
12 locations have created more of a problem with
13 accidents than we had before at those
14 intersections.

15 Do you really think we need to expand
16 this for five years instead of maybe a
17 shorter period so we can get more of a handle
18 particularly on some of these locations?

19 MR. ACQUARIO: Well, I know it's
20 important to the ones that have it, to
21 Nassau, Suffolk -- and Westchester, I
22 believe, is looking for it. Speed kills, as
23 Senator Jackson has been saying. I think
24 it's been very valuable particularly around

1 the schools, in school zones.

2 So yes, I do concur with the proposal
3 to extend it for five years. It's not
4 widespread across the state, it is limited to
5 those jurisdictions that presently have it
6 and those that want it, like the City of
7 Buffalo testified this morning. But I do
8 think it's an effective way of traffic
9 control.

10 SENATOR GAUGHRAN: What about the --
11 well, I guess my time is up. So thank you.

12 MR. ACQUARIO: I will revisit that
13 with you, Senator.

14 CHAIRWOMAN KRUEGER: Thank you.

15 CHAIRWOMAN WEINSTEIN: Assemblyman
16 Thiele.

17 ASSEMBLYMAN THIELE: Thank you.

18 Good afternoon, gentlemen. And just
19 as an aside, Senator Gaughran and I used to
20 be county legislators in Suffolk County, we
21 used to sit right next to each other.

22 MR. ACQUARIO: So you know our pain.

23 ASSEMBLYMAN THIELE: I feel your pain,
24 yeah.

1 MR. ACQUARIO: You remember our pain.

2 ASSEMBLYMAN THIELE: I remember your
3 pain. It was a while ago, but not that long
4 ago.

5 And I fully agree with you on the FIT
6 chargeback. That is something that goes back
7 a long, long time.

8 I wanted to talk a little bit more
9 about the election reform and the cost of
10 that. I've seen one number thrown around,
11 about \$22 million would be necessary for the
12 state to fund the increased costs. Do you
13 have an opinion yet on whether -- is that
14 number good, bad, in the ballpark?

15 MR. ACQUARIO: I think it's in the
16 ballpark. We estimate between 3 and
17 5 million in the current year and \$30 million
18 for electronic poll books.

19 ASSEMBLYMAN THIELE: How important --
20 you know, I've heard a lot about electronic
21 poll books. How important in the operation
22 of early voting do you see the electronic
23 poll books?

24 MR. ACQUARIO: If you don't invest,

1 we're not going to do it the right way. It
2 will fail, because the counties will have no
3 resources to properly do it.

4 Look, if you look at the island of
5 Manhattan, it's 23 square miles. We've got a
6 county in upstate New York of 22,300 square
7 miles.

8 To do it, you need to put the
9 resources in, and you really need the
10 electronic poll books. That will go a long
11 way on implementing it the right way, what
12 you want it to achieve.

13 ASSEMBLYMAN THIELE: By the way, if
14 we're going to count the cost of savings from
15 a single primary -- somehow, you know, on the
16 negative side for you -- we should be also
17 counting all of the years we couldn't get our
18 act together here to have a single primary
19 and all the excessive costs that local
20 government and counties had to deal with when
21 holding two primaries.

22 MR. ACQUARIO: Yes. It was seven
23 years.

24 ASSEMBLYMAN THIELE: Seven. Not that

1 you were counting.

2 MR. ACQUARIO: Not that we were
3 counting.

4 But we encourage the use of a task
5 force to help monitor this issue and really
6 get a handle on the costs, a state task
7 force. State-local.

8 ASSEMBLYMAN THIELE: You didn't
9 mention a lot about making the property tax
10 cap permanent, and obviously that is one of
11 the Governor's proposals. If you wish to see
12 modifications to the property tax cap from a
13 county perspective -- and I think we've
14 identified things that, you know, aren't
15 substantive changes but, in some cases with
16 local government, just glitches that I think
17 were unintended consequences. What do you
18 see? What do you think we should be looking
19 at?

20 MR. ACQUARIO: Well, I applaud the
21 emphasis by the state -- we, Dan and myself,
22 the counties of New York, we applaud the
23 emphasis by the State Legislature, by our
24 Governor, on property taxes. They're too

1 high. How are people going to stay here?
2 Our population is leaving us. Who's going to
3 be left behind to pay for these services?
4 It's our older adults.

5 We have to find ways to keep people
6 here. The property tax cap sends the right
7 message. But I don't think it's -- the
8 capital is the exemption that we would ask
9 for. We are deferring capital, and that will
10 come back to haunt us. It will come back to
11 haunt this state. If the capital is not
12 exempt, the local governments are not going
13 to build things that we need to build.

14 ASSEMBLYMAN THIELE: Well, you
15 mentioned capital, so let me just finish up
16 with a question about CHIPS. What would be
17 your recommendation to the Legislature with
18 regard to CHIPS funding?

19 MR. ACQUARIO: Well, the CHIPS funding
20 needs to on a scheduled increase. We need to
21 have a scheduled set increase that goes
22 forward every single year and do a five-year
23 capital program with CHIPS. It should go up
24 a certain amount of money, and Marchiselli as

1 well, to match the federal funding. It
2 should be on a scheduled increase where the
3 localities don't have to come back and ask
4 you every single year to raise it \$50
5 million. And the Extreme Winter monies as
6 well, very important to restore that to last
7 year's level.

8 ASSEMBLYMAN THIELE: Thank you very
9 much. Look forward to working with you in
10 the future.

11 MR. ACQUARIO: Thank you, Assemblyman.

12 CHAIRWOMAN WEINSTEIN: Senate.

13 CHAIRWOMAN KRUEGER: Thank you.

14 Senator Jim Seward.

15 SENATOR SEWARD: Thank you, Madam
16 Chair.

17 And gentlemen, good afternoon -- or
18 evening.

19 I wanted to ask about the recreational
20 marijuana. I mean, I am opposed to the
21 legislation that would legalize the
22 recreational marijuana. But should it
23 happen, I have concerns about the Executive's
24 proposal in terms of the distribution of the

1 tax receipts from the transactions. I note
2 that he would only give 2 percent of the
3 revenues to the counties. He exempts them
4 from, you know, the direct state and local
5 sales taxes, which would -- if they were not
6 exempt, would at least provide you with
7 4 percent.

8 So shouldn't we be providing counties
9 with at least 4 percent so that you can
10 benefit from these transactions if in fact
11 recreational marijuana becomes legal?

12 MR. ACQUARIO: Well, I wanted to talk
13 about that. That's a very important -- thank
14 you for asking that question. It's a very
15 important public policy. It's very complex,
16 it's very comprehensive. It's a
17 transformative thing at the local level.
18 This is a state policy, this is not a local
19 government policy. It's your policy. And
20 should you agree to legalize adult marijuana,
21 it also comes with the CBD side, the
22 medicinal side of marijuana, a hemp plant and
23 also the industrial hemp side of it.

24 We're very interested in industrial

1 hemp. We're very interested in growing that
2 business. It's very important to the
3 Southern Tier portions of New York State.
4 And the CBD medicinal side of it, very
5 important medicinally to people.

6 The adult use is a piece of it, it's a
7 piece of this comprehensive program. We
8 think the Governor's recommendation of
9 2 percent is woefully inadequate. It should
10 be 4 percent. We have recommended 4
11 percent -- local 4 percent; it's just a
12 traditional retail sale similar to alcohol.

13 Dan, do you want to add anything about
14 marijuana and the taxation?

15 ALBANY COUNTY EXEC. McCOY: You know,
16 I'm watching the debate between your body of
17 government and the Governor and waiting to
18 see what your opinion is before I make my own
19 opinion on this issue.

20 But I will say this. I visit my jail
21 and I see people there that shouldn't be
22 there. And this is something that if it is
23 passed will stop low-level people being
24 charged and going to prison because they

1 don't have the means to pay for an attorney
2 and they don't have the means to pay for
3 bail.

4 You know, if you pass this bail reform
5 on top of everything, I can assure you I'm
6 going to lose about a hundred prisoners --
7 which is good. They shouldn't be up there.
8 By the time they get sentenced, guess what?
9 They already did their sentence because the
10 judge goes, I was going to give you 10 days,
11 but you've been 40 days at the county jail.

12 You know, it's a tough issue, you
13 know, and I know it's one that everyone
14 struggles with. And myself as a parent with
15 three kids, I do too. But it's something
16 that, done right, will benefit everybody.

17 SENATOR SEWARD: Well, I would agree
18 if it does happen, we don't want to shut the
19 counties out from the level of taxation.

20 MR. ACQUARIO: Correct. We have quite
21 a bit of responsibility in public health,
22 public safety, traffic safety, traffic
23 control, traffic safety committees, educating
24 the public, our schools. There's a strong

1 connection to the counties.

2 SENATOR SEWARD: Thank you.

3 MR. ACQUARIO: Thank you.

4 ALBANY COUNTY EXEC. McCOY: Thank you,
5 Senator.

6 CHAIRWOMAN KRUEGER: Thank you.

7 Assembly?

8 CHAIRWOMAN WEINSTEIN: Assemblyman
9 Barclay.

10 ASSEMBLYMAN BARCLAY: Thank you,
11 Chairwoman.

12 Good evening, I guess. I just want to
13 follow up with my colleague's question about
14 legalizing marijuana.

15 Have you polled your members, do you
16 have an idea of how many -- obviously Albany
17 County you're waiting to see -- but possibly
18 could support -- do you have an idea of where
19 your counties stand on this?

20 And, you know, the Governor's proposal
21 allows counties to opt out. Do you have a
22 sense of who's thinking about opting out if
23 it does become law?

24 MR. ACQUARIO: We have put a report

1 together and we have advised the counties not
2 to have a public opinion at this time until
3 the final product is developed. It's
4 evolving, it's a changing document, there's a
5 lot of moving pieces.

6 The answer to your question is no,
7 nobody has a formal governmental body opinion
8 at this time.

9 ASSEMBLYMAN BARCLAY: Okay, thanks.

10 I just want to quickly ask about -- I
11 think I saw it in your testimony, but I don't
12 know if you hit on the Raise the Age funding.
13 Last year we did 100 million; I think the
14 Governor's proposing 200 million this year.
15 Is that sufficient funding for this mandate?

16 MR. ACQUARIO: I'll say -- and I'll
17 ask Dan to comment -- the state is doing a
18 good job. They are partnering with us. They
19 are listening to us. And they are so far
20 appropriating the resources that are
21 necessary to effectuate that mandate.

22 Which was, again, a wonderful public
23 policy, it was the right public policy. The
24 Governor and the Legislature did put funding

1 behind it. So far, so good.

2 Dan?

3 ALBANY COUNTY EXEC. McCOY: The only
4 issue I have is the juvenile detention center
5 that represents four counties here in the
6 Capital District, and we have to change a lot
7 of the requirements to meet this. So I have
8 to decide do I bond another \$5 million to
9 meet this requirement, and they'll piecemeal
10 me over the course of the next couple of
11 years, and that's an issue.

12 Because I've talked to other county
13 executives across the state that have the
14 same issue; they're like, Well, we can't
15 afford right now to go in and spend all this
16 money on a whim that we may get reimbursed.
17 And that's one thing I'd ask you to look at,
18 Assemblymember.

19 ASSEMBLYMAN BARCLAY: Forward planning
20 of what it's going to cost you to implement
21 the mandate coming down from the state, do I
22 understand that's what you're saying?

23 ALBANY COUNTY EXEC. McCOY: Correct.
24 To meet their requirements for our juvenile

1 detention center, it's going to cost me
2 \$5 million to redo it.

3 MR. ACQUARIO: Assemblyman, there's
4 two things I wanted to add to that. One is
5 the timeliness of the reimbursement remains
6 an issue and an area of concern.

7 And secondly, is it the right public
8 policy of the state to tell a local
9 government, a county, because you've reached
10 your property tax cap, you do not get Raise
11 the Age reimbursement? Well, that's the law.

12 And that should be uncoupled. That should
13 not be connected. Juvenile justice reform
14 should not be tied to a state property tax
15 cap. So I would recommend the state revisit
16 that.

17 ASSEMBLYMAN BARCLAY: Thank you.
18 Thank you for raising that too.

19 Thank you, Madam Chairwoman.

20 CHAIRWOMAN KRUEGER: Senator Robert
21 Jackson.

22 SENATOR JACKSON: Thank you.

23 Good afternoon.

24 MR. ACQUARIO: Good afternoon.

1 SENATOR JACKSON: I'm sorry, I missed
2 the introduction. Can you just say your
3 names again, please, if you don't mind?

4 MR. ACQUARIO: Thank you, Senator.
5 I'm Stephen Acquario. This is David Lucas
6 and Daniel McCoy, the Albany County
7 executive.

8 SENATOR JACKSON: Thank you.
9 So I wanted to know what the county's
10 position is on the -- allowing undocumented
11 residents of our state to get driver's
12 licenses. And listening to Scott Stringer,
13 the city comptroller of the City of New York,
14 he talked about how much income will be
15 brought in for that.

16 And, you know, we've all heard of, for
17 example, where someone gets hit by a car or
18 they get into an accident and then there's a
19 hit and run -- and some people make the
20 assumption, which may be true in some cases
21 or maybe quite a number of cases, where that
22 individual who hit someone and took off may
23 be undocumented and as a result of that,
24 they're afraid.

1 So does the New York State Association
2 of Counties have a position on that? As far
3 as driver's licenses for undocumented
4 residents.

5 MR. ACQUARIO: Let me have Daniel
6 McCoy.

7 ALBANY COUNTY EXEC. McCOY: The issue
8 I have with it is from a standpoint that I
9 run a probation department. Twenty percent
10 of my people on probation don't have a
11 driver's license. They can't get a driver's
12 license because they don't have Social
13 Security cards, they have no documentation
14 from growing up. And how do you get them off
15 probation to change your life around?

16 And one of the things we just did, we
17 did the first of the kind in the State of
18 New York with DMV. We're offering the
19 five-hour course for our probationaries to
20 help them get that documentation. But I'm
21 struggling, struggling to get them Social
22 Security cards and the IDs they need to get a
23 driver's license.

24 So as you're talking about this

1 debate, please look at the people that live
2 here already that might have grown up and for
3 whatever reasons their parents never kept
4 track of anything, they moved around the
5 system. So that, to me, is a struggle. And
6 I think that's something that needs to be
7 addressed as you start to address everything
8 else.

9 SENATOR JACKSON: I agree with you. I
10 know one individual that's homeless that
11 lives on the streets in my community in
12 Manhattan. He has no ID, and he's trying to
13 get his ID in order to be entitled to certain
14 benefits that he has.

15 But I did find out that his mother and
16 father are buried in a veterans cemetery on
17 Long Island, so I'm going to work on that and
18 try to help him get the necessary
19 identification for himself.

20 And he is not someone from another
21 country, he was born and raised in New York
22 City.

23 ALBANY COUNTY EXEC. McCOY: I commend
24 you on that, Senator, because I've done the

1 same thing. I had to walk people through and
2 it still didn't help them. I thought maybe
3 as county executive I can speed up the
4 process, and guess what, I got the red tape
5 like everyone else does.

6 SENATOR JACKSON: The veterans bill
7 that -- to help veterans with foreclosure and
8 other things like that, is that an increase
9 in the amount of money or is that the same
10 amount of money that was in the budget? That
11 you've mentioned it in your report, towards
12 the back.

13 MR. ACQUARIO: I don't know the answer
14 to that, Senator. I'm sorry, I don't know
15 the answer to that.

16 SENATOR JACKSON: Okay. Fine. But
17 it's \$50,000 for five locations, I guess --
18 it doesn't say the locations, but I make the
19 assumption that it's somewhere around --

20 MR. ACQUARIO: It says "continues
21 funding." So I think it's the same amount.

22 SENATOR JACKSON: Do you know what the
23 five locations are?

24 MR. ACQUARIO: I do not.

1 ALBANY COUNTY EXEC. McCOY: I know
2 we're not one of them, Senator.

3 SENATOR JACKSON: Do you have one of
4 them in --

5 ALBANY COUNTY EXEC. McCOY: We have
6 over 20,000 veterans in Albany County alone.
7 And as of -- you know, we've been at war for
8 17 years. And I think New York State alone
9 has the highest rate of veterans coming here
10 to live, to live and make their lives after
11 serving this country. And everything that we
12 can do for them would be greatly appreciated.

13 And I say that as being a veteran
14 myself and still being in the National Guard
15 30 years later, that it is something that we
16 need to address, these veterans.

17 And there's a lot of resources they
18 have too, with their GI bill and other
19 resources they're entitled to. We did a
20 veterans identifying in our DSS office that
21 really mainstreams their benefits, because
22 they get different benefits than anyone else.
23 And a lot of the veterans don't even realize
24 they're entitled to this stuff.

1 SENATOR JACKSON: Thank you.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 We're going to go to Assemblyman

4 Jacobson.

5 ASSEMBLYMAN JACOBSON: Thank you.

6 Thank you, Madam Chair.

7 I would say that if you took a vote of
8 both houses of the Legislature there would be
9 a unanimous vote to re-fund, to put in our
10 funding again for AIM, Extreme Weather, and
11 early voting. So that would be a unanimous
12 vote. I don't think it's any question there.

13 I think you have to emphasize that on
14 the AIM funding, while in the towns it's only
15 approximately, most places, 0.35 percent,
16 it's a lot when it comes to the cap. And
17 we're having extreme weather, which is going
18 to mean more potholes, more water main
19 breaks.

20 Now with the early voting, I think
21 it's essential that we get it.

22 Let me just mention about the tax cap.
23 I think the tax cap, it's a psychological
24 weapon. It works. Because in most of the

1 towns there's five on the board, so when they
2 pass the budget they could easily pass to
3 exceed the tax cap. Psychologically, it
4 works.

5 Now, I think you have to change how
6 you measure it. I think things like
7 unforeseen litigation costs would be
8 something not to be included. And I like the
9 idea with the capital costs. But I think
10 that psychologically it works, because I know
11 a lot of areas where they would just continue
12 to fund -- fund, fund, fund, as if there's --
13 the money would be there.

14 Now, on the early voting, what is your
15 estimate of a cost per election district?

16 ALBANY COUNTY EXEC. McCOY: I'd have
17 to break it down. But it's -- we're hoping
18 that they move to one primary. That's going
19 to save us money. But we won't know until
20 2020.

21 The early voting is -- you know, we
22 were talking to our two election
23 commissioners, how do we do it, how do we
24 implement it? Do we just open up at the

1 Board of Elections, or does it -- you know, I
2 mean there's a lot of unanswered questions
3 that we don't have.

4 ASSEMBLYMAN JACOBSON: My commissioner
5 says it's \$3,000 a district. All right? And
6 I represent parts of Orange, Dutchess and
7 Ulster. So in Orange County, there's 335
8 districts, about a million dollars.

9 You are also going to now -- hopefully
10 the state board officials will give a little
11 more specificity in a little while. But you
12 will be saving money at the board when you
13 have electronic poll books, because you will
14 not have to manually input the voting history
15 after the election. Because they hire,
16 there's overtime. So you are going to save
17 money there.

18 And if you don't have electronic poll
19 books, it's going to be very hard because
20 you're going to have people going to say,
21 Well, how do we know people aren't
22 double-voting? And you don't want to treat
23 the early voting like you do absentee voting
24 and wait a week.

1 So I think we -- I think there's
2 unanimity on both sides of the aisle and in
3 both houses to fund it. But I think you've
4 got to do it, I think you will save money in
5 the future. And my time is up.

6 CHAIRWOMAN WEINSTEIN: Thank you.

7 That's the end of questions from the
8 members. Thank you for being here.

9 MR. ACQUARIO: Thank you.

10 ALBANY COUNTY EXEC. McCOY: Thank you
11 for your time.

12 CHAIRWOMAN WEINSTEIN: Next, the
13 Association of Towns of the State of
14 New York: Gerry Geist, executive director;
15 Valerie Cartright, councilwoman, Town of
16 Brookhaven in Suffolk County; and Dorothy
17 Goosby, councilwoman, Town of Hempstead in
18 Nassau County.

19 So just a reminder, you have
20 10 minutes amongst the three of you, so just
21 make sure you leave time for the final
22 speaker.

23 MR. GEIST: Thank you. Good
24 afternoon, Chairwomen Krueger and Weinstein,

1 and members of the Legislature.

2 The Governor's proposal to strip AIM
3 funding from 91 percent of towns will have a
4 devastating impact on the lives and
5 well-being of the 9 million residents who
6 call towns home. There are many reasons the
7 Legislature should take umbrage at this
8 unprovoked attack on local government.

9 First, we hear how much the Governor
10 wants to reduce property taxes, yet his
11 proposal to strip AIM funding actually
12 supports the opposite. In order to make up
13 for the loss of AIM, property taxes will
14 increase.

15 The Governor has repeatedly proclaimed
16 that the elimination of SALT is an attack on
17 all New Yorkers. The Governor's budget
18 proposal would only exacerbate the damage by
19 turning towns in a lower class of government
20 and creating a caste system between local
21 governments that receive AIM and those who do
22 not.

23 The Empire State has always stood as a
24 paragon of fairness. The towns and villages

1 who have lost AIM had no notice, no
2 forewarning of the elimination of AIM. Towns
3 adopted their budgets months ago, including
4 AIM assistance they've counted on since '73.
5 Being blindsided and having to scramble in
6 the middle of a tax year leaves many having
7 to consider layoffs and reduction of
8 essential services for those that rely on
9 government to meet their needs.

10 Where is the fairness? Where is the
11 good public policy behind this deviation of
12 the state legislative initiatives? At the
13 end of the State of the State, the Governor
14 proclaimed: You know why New York is great?
15 Because New York rejects divide and conquer
16 and we believe in unify and grow.

17 The Governor's quote is belied by his
18 own actions to divide towns and create a
19 second tier of government. 2019 represents a
20 new beginning for the State Legislature. We
21 implore you to join with us in one collective
22 voice and to restore and increase AIM so that
23 New York can truly be the Empire State.

24 My colleagues from the Towns of

1 Hempstead and Brookhaven will delineate how
2 this elimination of AIM will cripple their
3 communities. Now, Councilwoman Valerie
4 Cartright, Town of Brookhaven.

5 COUNCILWOMAN CARTRIGHT: Thank you.

6 Good evening, members of the
7 Legislature. My name is Valerie Cartright.
8 I'm a councilwoman in the Town of Brookhaven,
9 in Suffolk County. Thank you for the
10 opportunity to appear before you today. I
11 know it's been a very long day, so I'm going
12 to try to get straight to the point.

13 It's critical that this Legislature
14 restore and increase AIM funding for local
15 governments. As you may know, Brookhaven is
16 the second-largest populated town in New York
17 State, with approximately 500,000 residents.
18 Based on the Governor's proposed Executive
19 Budget, we would lose \$1.8 million annually.

20 For Brookhaven there are obvious and
21 immediate negative consequences to
22 eliminating AIM, including cuts and
23 stagnation in the workforce and delayed and
24 reduced services for the public. Our ability

1 to continue to stay within the tax cap will
2 be jeopardized. None of these
3 consequences are acceptable for Brookhaven or
4 any town in the State of New York.

5 The mere possibility of losing AIM
6 funding has already had a significant impact
7 on Brookhaven's workforce. The town
8 immediately put a moratorium on filling
9 vacancies and has postponed promotions. If
10 Brookhaven loses AIM and cannot cover this
11 gap, in addition for the steps that I have
12 already mentioned, we will have to consider
13 the possibility of staffing cuts and layoffs.

14 It should be noted that these efforts
15 that we've undertaken to mitigate the loss of
16 AIM for this year is only for this year. The
17 long-term ramifications are even more
18 serious. Lack of funding and a reduced and
19 overworked labor force will invariably lead
20 to a decline in the type and level of
21 services Brookhaven residents receive from
22 the town. We have already asked various
23 departments within the town to review their
24 budget to see where cuts are possible.

1 The ramifications of the proposed
2 funding cut will create additional backlogs
3 in certain departments. For example, the
4 wait time to schedule an inspection through
5 our building and law departments will be
6 increased, as will the processing time for
7 paperwork submissions. This will have a
8 negative impact on residents and on economic
9 development within the town and will lead to
10 increased resident frustrations.

11 Further, the impact will not be
12 limited to municipal services. Down the road
13 the town may have to delay necessary
14 infrastructure improvements or cut programs.

15 The proposal to eliminate AIM was
16 presented without warning, and towns were
17 completely unprepared for this budget cut.
18 Because Brookhaven received close to
19 \$2 million in AIM funding annually for the
20 past 12 years, it is our practice to develop
21 and adopt our budget to include this funding.

22 As we were preparing our budget last
23 October and November, with no reason to
24 believe that this funding would be

1 eliminated, we allocated our anticipated Aim
2 money to many public-facing departments, such
3 as planning, building, fire prevention,
4 public safety and the registrar's office. We
5 are now left in a position where we may have
6 to make up a \$1.8 million shortfall for this
7 year.

8 The Town of Brookhaven works very hard
9 on balanced budgeting and responsible fiscal
10 management, understanding that this directly
11 benefits the taxpayers of Brookhaven. Each
12 year we develop our budget to stay within the
13 tax cap. It is therefore extremely troubling
14 to think that we may at some point in the
15 future have to consider the option of raising
16 property taxes to make up for the loss in AIM
17 revenue. This would run completely counter
18 to the state's goals and Brookhaven's
19 commitment to keeping taxes low for our
20 residents.

21 To add some perspective, \$1.8 million
22 is 1 percent of Brookhaven's 2 percent tax
23 cap. If we lost AIM and could not make it up
24 elsewhere, we would be hard-pressed to stay

1 within the tax cap. The implications of this
2 decision would be significant and
3 far-reaching. If we cannot make up this lost
4 revenue, this would raise town
5 outside-of-village taxes by 23 percent. We
6 are already hurting from changes from the
7 federal tax changes that limit our ability to
8 deduct real property taxes.

9 Let me be very clear. The Town of
10 Brookhaven does not want to raise taxes, that
11 is not our goal, and it definitely will be a
12 very last resort. We are aggressively
13 looking into other sources to bring in
14 additional money, but we cannot rely on
15 unrealized revenue projections.

16 The Executive Budget has no other
17 source of money for towns, and there is no
18 guarantee that any of the money collected by
19 the county from internet sales tax would
20 trickle down to the towns. The Governor's
21 budget places towns between a rock and a hard
22 place: Either cut town employment and
23 resident services or raise property taxes.

24 We would ask New York to please not

1 contribute to our existing problems by
2 eliminating AIM. But on behalf of
3 Brookhaven's 500,000 residents, we
4 respectfully request that the state take
5 action and continue, continue to show support
6 for local government.

7 Thank you for this time.

8 COUNCILWOMAN GOOSBY: Good evening.

9 My name is Dorothy Goosby. I am serving in
10 my 19th year as councilwoman in the Town of
11 Hempstead in Nassau County. As some of you
12 may not know, the Town of Hempstead is the
13 largest town in the United States of America.
14 We have a population of approximately
15 800,000 people living in the town.

16 I am extremely concerned about the
17 Governor's proposal to eliminate AIM from
18 towns and villages. The message is "don't
19 worry, towns won't miss the money" -- but I'm
20 here to tell you today we will. The Town of
21 Hempstead will lose \$3.8 million this year
22 and every year forward, more than any other
23 town or village of New York. Of that,
24 \$3.5 million goes to the general funds. If

1 we lose that money, Hempstead will have to
2 raise property taxes by 12.2 percent, much
3 more than the 2 percent cap that you have.

4 Taking AIM is the exact opposite of
5 what should be sensitive to keep property tax
6 low. Because of what is going on in
7 Washington, as my colleague has said, we have
8 a problem with the property taxes as it is.
9 And now the Governor wants to propose
10 something that exactly, actually increases
11 property taxes.

12 I am very worried about taking AIM
13 away from Hempstead's ability to care for its
14 people. We already have cut discretionary
15 spending by 10 percent in 2017 and 2018, and
16 by 5 percent this year. Losing AIM will
17 force us to cut even more of services to our
18 residents which they rely on.

19 We have a special program that is
20 really, really close to my heart and should
21 be to yours. We have a program called
22 ANCHOR. In that program we provide services
23 for residents who are incapable of taking
24 care of themselves, special needs adults and

1 children. And we have 1200 of those. If we
2 allow this to happen to us, we will lose most
3 of the funding. We will not be able to fund,
4 as we do now, the residents we do take care
5 of. We provide special programs for them
6 which gives them a better life in this town.
7 I'm trying to rush this so I can get finished
8 on time.

9 COUNCILWOMAN CARTWRIGHT: You have a
10 minute left.

11 COUNCILWOMAN GOOSBY: Not even a
12 minute.

13 (Laughter.)

14 COUNCILWOMAN GOOSBY: This is why I'm
15 here asking the Legislature to work with us.
16 Help us keep property taxes down. Help us
17 provide for New Yorkers. Restoring and
18 increasing AIM will make financial sense, and
19 it tells us the state is really, really
20 interested in partnering with local
21 government in making a better New York.

22 Thank you. I could not do it all
23 because I do not have enough time to do it.
24 So I hope you understand that I had to rush.

1 But it's very important that we keep this
2 money, because we must take care of people
3 who cannot help themselves. And we do a
4 great job of that.

5 CHAIRWOMAN WEINSTEIN: Thank you. And
6 I know there's some questions.

7 Assemblyman Thiele.

8 ASSEMBLYMAN THIELE: Thank you.

9 First of all, welcome to the
10 Association of Towns and to two towns from
11 Long Island. It's always good to see folks
12 from Long Island here, and it's a pleasure
13 and an honor to represent part of the Town of
14 Brookhaven in my district, the 1st Assembly
15 District.

16 I take some heart today from a quote
17 from the Governor saying that he is going to
18 take a second look at AIM funding. I would
19 urge him to look quickly. The 30-day
20 amendments are on Valentine's Day, February
21 14th. Don't send flowers, send the AIM money
22 back to the towns and the villages.

23 So I think we've heard loud and clear.
24 Senator Gaughran and I have been working

1 together also with our towns and villages and
2 are committed to the restoration of those
3 funds. So I think -- hopefully the Governor
4 will reverse course. But I do believe that
5 we have strong support in the Legislature
6 also for that.

7 So I won't waste more time on that,
8 other than to hope that the Governor, with
9 his 30-day amendments, recognizes the need to
10 restore AIM funding.

11 So you didn't mention the property tax
12 cap, and obviously making it permanent is in
13 the budget. So my only question really would
14 be to ask you as we go forward whether it's
15 in the budget, which of course right now it
16 is, or if it's later in the session, what
17 recommendations you may have with regard to
18 the property tax cap.

19 MR. GEIST: Thank you, Assemblyman,
20 and thank you for all your support. It's
21 much appreciated.

22 With regard to the Governor
23 reconsidering AIM, it's important that he
24 reconsiders AIM for all towns and villages,

1 not just for a select few, because it's that
2 important for every community across the
3 State of New York. And we want to be parts
4 of the entire Empire State.

5 With regards to the property tax cap,
6 I welcome the question. Living under the
7 construct of the property tax cap, we think
8 there are times for reform. So some of the
9 suggestions we would have is that the
10 2 percent or the rate of inflation, whatever
11 is lower, seems unrealistic. Most of the
12 years we've lived under the tax cap we never
13 got to 2 percent, only this year. So I think
14 that has to be looked at.

15 There's a difference between schools
16 and municipal governments that they can carve
17 out the infrastructure costs and we can't.
18 That should be considered. Pilot projects
19 should also be carved out.

20 And under shared services, we can't
21 forget the fact that if one community shares
22 or transfers services to another entity, the
23 savings that their community will have works
24 as a disincentive for them because it reduces

1 their tax cap by that savings that's been
2 transferred. That's really an unintended
3 consequence. We feel that should be
4 addressed.

5 But the biggest thing we're looking
6 for is we were promised unfunded mandate
7 relief. We didn't get it. And that we need
8 help in trying to administer the state's
9 programs on a daily basis.

10 ASSEMBLYMAN THIELE: Thank you very
11 much.

12 CHAIRWOMAN WEINSTEIN: Senate.

13 CHAIRWOMAN KRUEGER: Thank you.

14 Senator James Gaughran.

15 SENATOR GAUGHRAN: How many towns are
16 there in New York State?

17 MR. GEIST: As of January 1st, 933.

18 SENATOR GAUGHRAN: So you've got like
19 almost 5,000 town board members, if I did the
20 math -- or maybe a little more.

21 MR. GEIST: So some towns have three
22 members and most have five.

23 SENATOR GAUGHRAN: I just want to tell
24 you, you picked two of the best to represent

1 you. These are two outstanding Long Island
2 councilwomen that I've worked with over the
3 years. So congratulations on that.

4 But if I could just drill down a
5 little bit more on what each town, both
6 Hempstead and Brookhaven, would do. Because
7 what I heard -- and by the way, Assemblyman
8 Thiele and I have been working, organizing
9 our mayors and our town officials to ask the
10 Governor to restore the funding. Hopefully
11 he will. And of course if not, we're going
12 to make sure that it's put back, because we
13 agree with your arguments.

14 But I heard two things from you. I
15 heard maybe a 12 percent tax increase, a
16 23 percent tax increase, or cuts. Which is
17 it? Is it just a straight tax increase you'd
18 be stuck doing, or will you do a combination
19 of both? Either of you.

20 MR. GEIST: Go ahead, Dorothy.

21 COUNCILWOMAN GOOSBY: Oh, we don't
22 want to raise taxes. Because first of all,
23 Long Island, most people there pay a very
24 high tax anyway. And now, especially with

1 what just happened in Washington, we have a
2 tax increase, because you can't afford to
3 take more than the amount of money that's
4 allowed by the federal government. You know,
5 you know that. So we hope not to.

6 But my problem is, as my councilwoman
7 said, we are already trying to find a way to
8 get out of this. Some of our residents need
9 more help than normal, and we're asking all
10 of our commissioners to look at our budget
11 and see if they can cut more. We have
12 already cut as far as we can, and we have to
13 provide the services for the residents. How
14 do we do it without money?

15 MR. GEIST: Senator, I just want to
16 comment before I turn it over to councilwoman
17 Cartright.

18 First of all, we're proud at the
19 Association of Towns to have these colleagues
20 as part of our executive team. Ms. Cartright
21 is on our executive board, as is Past
22 President Ms. Goosby. So we recognize how
23 accomplished they are and how much they can
24 bring to all New Yorkers, and so we're very

1 proud of their contributions to the state.

2 What we're hearing from our membership
3 is this. If this money is not restored,
4 tough decisions have to be made. And when I
5 was in town government in Westchester County,
6 we would have to basically find ways, if some
7 disaster struck, how we're going to deal with
8 it.

9 And I would just say the Governor's
10 point about, well, they can just use their
11 reserve funds. Well, reserve funds were
12 never meant for operating expenses. That was
13 not the idea behind it.

14 But I'll turn it over to Councilwoman
15 Cartright.

16 COUNCILWOMAN CARTRIGHT: Thank you.

17 Senator, when I mentioned 23 percent,
18 that would be without us being able to fill
19 the gap in any other way. As I indicated
20 previously, we are working aggressively to
21 find other ways to fill this gap if in fact
22 the AIM funding is not restored.

23 As Mr. Geist mentioned, we would have
24 to make tough decisions if it's not restored.

1 And the last resort is raising taxes. We are
2 not at all interested in raising taxes within
3 the Town of Brookhaven.

4 COUNCILWOMAN GOOSBY: And I may add
5 one other thing. In my district we were the
6 hardest hit by Superstorm Sandy. And because
7 of that, many of our residents are still not
8 in their homes. So we are doing everything
9 we can to try to help them. But how can we
10 help them if we don't have the money to do
11 it? That's really a big problem for us.

12 SENATOR GAUGHRAN: Has there been any
13 discussion among the towns about the impact
14 of these cuts on bond ratings?

15 MR. GEIST: Excuse me, Senator?
16 Impact on --

17 SENATOR GAUGHRAN: On bond ratings.

18 MR. GEIST: There's been much
19 discussion among towns as to the impact of
20 all these -- what -- and we're still
21 analyzing it as we go forward in this whole
22 budget process. We would rather be here,
23 Senator, talking about things in -- changes
24 of the laws that we will like to see in the

1 budgetary process. We would love to be here
2 to talk about how we can be a partner with
3 the State Legislature and the Governor to
4 advance the lives of every one of our
5 residents. But instead, we felt it was so
6 important that we had to ditch our regular
7 message and just deal with this.

8 SENATOR GAUGHRAN: It just seems to me
9 that you may have some deficits as a result
10 of these cuts if they stand, and that would
11 impact bond ratings, potentially.

12 COUNCILWOMAN CARTRIGHT: That sounds
13 reasonable.

14 MR. GEIST: Yeah, that's very
15 reasonable.

16 COUNCILWOMAN GOOSBY: A hundred
17 percent correct.

18 SENATOR GAUGHRAN: Thank you very
19 much. Thank you, Madam Chair.

20 CHAIRWOMAN KRUEGER: Thank you.
21 Assembly.

22 CHAIRWOMAN WEINSTEIN: Assemblyman Ra.

23 ASSEMBLYMAN RA: Thank you, Madam
24 Chair.

1 I just want to, number one, thank all
2 of you for being here and in particular thank
3 Councilwoman Goosby, who is a long-time
4 friend and somebody I learned firsthand what
5 it means to serve in government and serve
6 your constituents from when I started my
7 career working in the Town of Hempstead. So
8 thank you, especially Councilwoman, for being
9 here to advocate for the town that means very
10 much to both of us and certainly the town
11 that I live in and am a taxpayer in and have
12 the privilege of representing a portion of as
13 well.

14 From the association standpoint, I
15 just had a question. And I don't know if
16 anybody's run these numbers, but there's
17 something -- as much as many of us were
18 blindsided by this proposal, there's also
19 something very disingenuous about it in terms
20 of these numbers stayed flat for all these
21 years, so obviously the percentage of the
22 overall expenses of a town that that made up
23 gets smaller and smaller. And then you say,
24 oh, that makes up such a minuscule amount,

1 we're going to cut it altogether.

2 Do you guys have the numbers anywhere
3 of, you know, what percentage this may have
4 made up back in 2012-2013 when these numbers
5 have been flat since?

6 MR. GEIST: Well, AIM hasn't been
7 raised, it's been flat for the last eight
8 years. And it's been a program since
9 Governor Rockefeller proposed it in 1973.
10 We've been arguing each year here that AIM
11 should be increased because of all the good
12 work that we use with that money. It's
13 unrestricted. We use it for senior programs,
14 for recreation, for highway, for public
15 safety. And so we're great stewards of
16 fiscal responsibility, integrity, and we
17 always are very responsible with our budgets.

18 And I think the record is clear, we
19 do -- we're the government closest to the
20 people and we perform essential services on a
21 daily basis. And towns have done a great job
22 in this state.

23 ASSEMBLYMAN RA: And like the
24 councilwoman mentioned, things like Camp

1 ANCHOR, which is -- I'm so glad you mentioned
2 that, because it's just a tremendous program.
3 And it's an example of our towns being able
4 to go and meet the needs of their local
5 residents, like you said, in a way that's
6 most close to the people.

7 So I know there is a lot of support in
8 the Legislature to restore these funding
9 cuts, but I think it's equally as important
10 to have you guys here really giving us the
11 details of what it's going to mean for those
12 localities if these cuts were to remain in
13 the final budget.

14 Thank you.

15 COUNCILWOMAN GOOSBY: Thank you.

16 COUNCILWOMAN CARTRIGHT: Thank you.

17 CHAIRWOMAN KRUEGER: Senator Seward.

18 SENATOR SEWARD: Thank you.

19 It's good to see all of you here this
20 evening. I was pleased that you spent your
21 time on the AIM funding issue. Because let's
22 face it, if these cuts were to remain, it
23 would result in higher taxes and reduced
24 services to literally millions of

1 New Yorkers.

2 And, you know, we have some budget
3 problems here in terms of a looming deficit.
4 However, in my estimation, balancing the
5 budget on the backs of hardworking,
6 hard-pressed local taxpayers and local
7 officials is not balancing the budget at all.
8 I mean, it's a sham, in my estimation, and a
9 shell game.

10 So I would concur that there's a lot
11 of support in the Legislature to make this
12 restoration, and hopefully the Governor will
13 come to the same conclusion before this
14 process has expired.

15 I take it that the Executive did not
16 consult with the Association of Towns prior
17 to announcing this cut. Am I correct in
18 saying that?

19 MR. GEIST: Senator, you're quite
20 correct. Not only did our members not know
21 about this until after the State of the
22 State -- it wasn't even mentioned by the
23 Governor in the State of the State, it was
24 only in the budget document that followed.

1 He never consulted with us.

2 And one of the things on the
3 Association of Towns we've always said to the
4 Legislature and we've always said to the
5 executive branch, we have a lot of resources,
6 we have a lot of talented personnel who can
7 help craft policies for the State of New
8 York, and we work collectively in a
9 collaborative manner. And that's what we
10 wish. And we're disappointed that in this
11 particular instance that the Governor didn't
12 choose that path.

13 SENATOR SEWARD: It would have been
14 very beneficial to all concerned if they had
15 reached out and had conversations.

16 According to the Executive, the local
17 municipalities that would be impacted and
18 affected by the implementation of this
19 proposal have collectively an estimated
20 \$1.6 billion in reserves. So my question is
21 how accurate is that number, in your
22 estimation? And do municipalities have
23 enough in reserves to withstand the
24 elimination of this AIM funding or addressing

1 the storm clouds that may be over all of us
2 in terms of the budgeting?

3 MR. GEIST: That's a great question,
4 Senator.

5 First of all, I will say this, and you
6 will hear from the two councilpeople about
7 their particular cases because of Hurricane
8 Sandy and the impacts of what happened. The
9 reserve fund was always supposed to be there
10 for emergencies or disasters that befall a
11 community. And the Comptroller's office has
12 always indicated that.

13 And so we're not back to the levels in
14 our reserve fund since 2008 when the Great
15 Recession hit. So we've been building it
16 back. And it's kind of ironic, you know,
17 that this Comptroller's office and good
18 fiscal policy is to put money aside in a
19 reserve fund in case some tragedy comes upon
20 our communities. And we've seen it. Upstate
21 we had Hurricane Irene and Lee, and downstate
22 we had Sandy.

23 And I don't really know how much the
24 monies are in the reserve funds, but keep in

1 mind that the reserve funds were not supposed
2 to be ever used for operating expenses.
3 That's not good fiscal policy. And in fact
4 some people have said that the state should
5 increase its rainy day fund more than the
6 Governor has proposed, because that's what it
7 should be used for.

8 But you want to talk about Hurricane
9 Sandy?

10 COUNCILWOMAN GOOSBY: Well, Hurricane
11 Sandy -- we had a meeting this past Tuesday
12 night, and I think we had about 150 residents
13 there who are very upset about the fact that
14 much has not been done for them.

15 We've done as much as we can do. We
16 had to cut staff. As I told you, in 2017 we
17 cut 10 percent. In 2018, 10 percent. And
18 this year, 5 percent. So that's 25 percent
19 that we've had to cut, trying to get back to
20 put the money into the rainy day fund.

21 It's sad when I sit there and I have
22 to listen to people who come and say "I'm
23 still not in my home." And it's sad when I
24 have to hear -- and this is coming from the

1 heart. And it bothers me when I hear people
2 who are really suffering like this, you know.
3 And then to have this happen, which is going
4 to make it even worse if it comes true.

5 And if you ever come to the Town of
6 Hempstead -- I would like you to come and
7 visit our ANCHOR program. You know, if you
8 care about people who have not had an
9 opportunity to have a real life, but we've
10 helped them fundamentally, you would
11 understand how important it is to take care
12 of them. We have 1200 adults and children
13 that we do. We give them a life. They
14 didn't have a life before.

15 I am the type of person that I know
16 all the people, I'm down there with them.
17 And everybody comes to my office. I'm
18 supposed to be part-time, but I think I work
19 40 hours a week sometimes, and more, you
20 know, because the need is so great.

21 So I just -- it would not do us any
22 good, it's going to really hurt us if we do
23 not get this money back. There's no way I
24 think we can get it, because we depend on

1 some of the sales tax from the county. How
2 is the county going to get the sales tax to
3 help us with it? I just don't understand it.

4 COUNCILWOMAN CARTRIGHT: Senator, yes,
5 and I echo the sentiments of Mr. Geist as to
6 the purpose of reserve funds. However, each
7 town has its unique characteristics and
8 concerns as it relates to budgeting and
9 reserve funds.

10 For example, in the Town of Brookhaven
11 we have a landfill that will be closing in
12 2024. And we're planning, we're doing what
13 we can to generate additional revenue to be
14 able to cover those tens of millions in
15 revenue that we're receiving now that we
16 won't be receiving at that point.

17 So utilizing our reserve funds to fill
18 in this gap in the AIM funding that we have
19 relied upon for years and had no reason to
20 believe would be discontinued, is not
21 necessarily an analysis or a choice that we'd
22 like to make.

23 CHAIRWOMAN KRUEGER: Thank you.

24 SENATOR SEWARD: Thank you.

1 CHAIRWOMAN WEINSTEIN: We have
2 Assemblyman Schmitt.

3 ASSEMBLYMAN SCHMITT: Thank you, Madam
4 Chair.

5 I want to first thank the Association
6 of Towns for all the good work they do across
7 the state. Prior to coming to the Assembly,
8 I worked in town government, and the
9 organization really did a fabulous job.

10 Obviously the AIM cuts is something
11 that we cannot allow to not be fully
12 restored. I think we've gone over that over
13 and over again. The importance -- I know in
14 my district that covers Orange and Rockland
15 counties, we would lose 3.3 million between
16 the two counties. And my town, the biggest
17 town alone, of New Windsor, it would be the
18 equivalent -- we'll lose a full-time police
19 officer. And we had over 20 municipal
20 leaders come to a recent event asking for
21 full restoration.

22 So I applaud your continued efforts.
23 I stand with you as the ranker of Local
24 Governments. And I think we're going to keep

1 pushing, unified in a bipartisan way, to
2 ensure that happens.

3 The question I wanted to bring up,
4 because I don't think a lot of people know
5 about it -- I'm glad I saw it here in your
6 handout -- is about abandoned cemeteries
7 across the State of New York and the extreme
8 burden that they place on our local
9 governments. Again, I'm sure most if not
10 many people have ever heard of this. But the
11 pot of funding that's available for towns is
12 not sufficient, and many just simply can't
13 handle the responsibility once a cemetery is
14 abandoned.

15 Can you just go into what you're
16 looking for, what you need and, you know, how
17 big of a problem is it?

18 MR. GEIST: Well, thank you so much
19 for that question, because that is one of our
20 key points. As some of you might remember,
21 legislation last year to amend the cemetery
22 amendment process and provide towns with
23 additional authority for state funding was
24 approved last year by the Legislature but was

1 vetoed by the Governor. He said it should be
2 included as part of the budget. That was in
3 his veto message.

4 So accordingly, we encouraged the
5 State Legislature to include that bill that
6 passed last year in their one-house bills,
7 because we feel that this is an important
8 issue. Nobody thinks about the costs, what
9 happens when cemeteries and mausoleums are
10 abandoned in a community. Under state law,
11 the towns have to pick up that burden.

12 And one other thing, and I know in
13 your area especially, you know how bad the
14 road conditions are. We desperately need
15 CHIPS increases. And that hasn't been
16 increased in forever, and we really need help
17 because people can't get to work,
18 schoolchildren can't get to school on time
19 because the road conditions are really
20 deplorable.

21 ASSEMBLYMAN SCHMITT: Absolutely. And
22 I know I have and many of my colleagues have
23 signed on to requesting an increase of
24 \$150 million additional in CHIPS. Anything

1 that we can get will be very welcome. But I
2 appreciate you're bringing up the abandoned
3 cemeteries. We had Woodlawn Cemetery in the
4 Town of New Windsor. We infused a lot of
5 money into it in the Town of New Windsor,
6 totally turned it around. But a lot of
7 municipalities do not have the ability to be
8 able to do that.

9 And we did rely heavily on cemetery
10 funding through the Department of State, and
11 we'd like to see that continue for many towns
12 across the entire state. So thank you.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 Senate?

15 CHAIRWOMAN KRUEGER: Thank you. I
16 want to thank you for your testimony. I
17 think I'm perhaps part of the crowd; I think
18 reducing AIM is one of the most ridiculous
19 proposals in the budget. And I for years
20 have argued we should be increasing funding
21 for AIM and we should stop these Hunger Game
22 competitions we continue to play, where
23 nobody actually is a winner, but that's why
24 we have to keep cutting other things in the

1 budget because we have all these grand new
2 ideas.

3 You know, sometimes you just need to
4 invest in your local governments so they can
5 get their jobs done.

6 MR. GEIST: Thank you so much,
7 Senator.

8 CHAIRWOMAN KRUEGER: Thank you.

9 Taking it back to the Assembly.

10 CHAIRWOMAN WEINSTEIN: Thank you. We
11 were joined some while ago with Assemblyman
12 McDonald, and now we go to him for a
13 question.

14 ASSEMBLYMAN McDONALD: So Gerry,
15 thanks to you and the councilmembers for
16 being here, for your testimony.

17 And obviously we're all supportive of
18 not only the restoration of AIM -- which
19 hasn't increased in over 10 years, whereas
20 we've seen significant increases in other
21 municipal entities.

22 But what I also want to shed light on
23 is -- I appreciate the fact that you're not
24 here opposing the tax cap but suggesting how

1 it can work better for the communities. And
2 I think that's something that sometimes gets
3 lost, particularly in regards to -- you know,
4 there's the normal ones that people talk
5 about, but the whole part about the PILOTs.

6 And not having that included in the
7 growth formula is critical, because the
8 reality is the PILOTs usually are done in a
9 way to actually spur growth. And we should
10 be including that in the formula, because
11 otherwise it comes back to hurt the local
12 government.

13 And the removal of the shared services
14 barrier, which I've spent a significant
15 amount of time on with the counties,
16 primarily, is -- the reality is whenever
17 you're going to get hitched with somebody, it
18 costs money. You need to spend some money to
19 save some money. And it's been very
20 difficult for local governments to really
21 push that local matter. Right? You guys are
22 close to the people. They don't want their
23 taxes raised, they don't want to lose their
24 services.

1 But you guys have been really the
2 leaders of trying to encourage shared
3 services. And we shouldn't penalize you, we
4 should look to find a way to share in the
5 savings, maybe, or at least make sure the
6 taxpayers truly enjoy the savings.

7 MR. GEIST: Thank you for your
8 comments, Assemblyman.

9 ASSEMBLYMAN McDONALD: I have one
10 question, and this is from a city
11 perspective. And it goes back to the
12 counties' previous testimony.

13 You know, we are very much supportive
14 of the early voting. You know, as they say,
15 we're going to experiment this November. I
16 don't believe that the local governments
17 should be picking up that experimental cost.
18 And in my former life as a mayor for 13
19 years, we the city always shared in that
20 expense with the County of Albany.

21 I'm curious, do you have a sense of
22 how it works with the other townships? Do
23 you guys incur any of that cost that's being
24 shared?

1 MR. GEIST: You know, ever since the
2 HAVA changes were enacted, counties pretty
3 much run the elections. But we're concerned
4 this year particularly if there's going to be
5 any costs associated with the change in
6 policy.

7 Our position is we want to work
8 collectively with the counties and the state
9 to make sure this program works effectively.

10 ASSEMBLYMAN McDONALD: So the
11 potential for chargebacks always exists, is
12 my concern. Because that would be just
13 adding salt to the wound.

14 MR. GEIST: Yeah. So -- exactly
15 right.

16 I just want to comment on the shared
17 services. One of the things that we've
18 always spoken about is the removal of
19 barriers under state law that prohibit or
20 discourage disincentives for communities to
21 do more. And we should really, instead of
22 compelling towns to share services, we should
23 find ways to help them. Because we've been
24 doing it for generations.

1 And I just want to share a very quick
2 story, because the time is late. When I was
3 a town councilman -- some of you may have
4 heard this -- we had a group of people come
5 in, they wanted to do advanced life support.

6 And it was going to cost a lot of money to do
7 it. But we thought it was a good public
8 policy to do advanced life support. But we
9 found we could do it a lot cheaper if we did
10 it with six other towns. And we did.

11 But that example of a shared service
12 actually cost the taxpayers money, and we had
13 to create a district.

14 So I think we have to have a broader
15 context of what shared services really ought
16 to be. And we feel we can bring -- and I
17 know you've been very instrumental in
18 helping to -- but we need to get other people
19 involved in understanding that shared
20 services just doesn't mean transfer of
21 functions. It's much more than that. And
22 we've been doing it for generations.

23 ASSEMBLYMAN McDONALD: Thank you.

24 Thank you, Madam Chair.

1 CHAIRWOMAN WEINSTEIN: Thank you. I
2 believe that's the end of questions from the
3 panel. Thank you very much.

4 MR. GEIST: Thank you so much for this
5 opportunity.

6 COUNCILWOMAN CARTRIGHT: Thank you.

7 COUNCILWOMAN GOOSBY: Thank you very
8 much for listening.

9 CHAIRWOMAN KRUEGER: Thank you.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 So now we begin the public portion of
12 the hearing. Just as a reminder, the
13 witnesses will have five minutes to make
14 their presentations. We have your -- and
15 County Exec Laura Curran can come down as we
16 just finish with the announcements. And the
17 members will have three minutes to ask
18 questions.

19 And again, to the extent that we have
20 your -- we have all your testimonies, so
21 however you can summarize would be great.
22 Five minutes goes quickly.

23 NASSAU COUNTY EXECUTIVE CURRAN: I
24 think the key word is summarize.

1 CHAIRWOMAN WEINSTEIN: Summarize, yes.

2 NASSAU COUNTY EXECUTIVE CURRAN: Good
3 evening. Thank you so much, Chair Weinstein,
4 for allowing me to speak.

5 It's nice to see two of Nassau's local
6 legislators here, Senator Gaughran and
7 Assemblyman Ra. He and I recently joined
8 together to ask Gary Bettman, the
9 commissioner of the NHL, to have the
10 Islanders play at the Coliseum if they make
11 it, which is looking very good. So thank you
12 for that.

13 So as the chair has pointed out, my
14 written testimony is available for you to
15 review. I know you've had a long day. So I
16 just want to provide you with a couple of
17 highlights. In fact I have one priority that
18 I'm going to talk about.

19 I'm sure many of you are familiar with
20 Long Island's Nassau County. We are the
21 county just east of New York City with a
22 population of more than 1.3 million people,
23 we are home to three towns, two cities, 64
24 villages, 60-some-odd unincorporated hamlets,

1 56 school districts, with many vibrant main
2 street communities with restaurants, shops,
3 playing fields and recreational parks.

4 Like most counties across the state,
5 we are heavily dependent on economic growth
6 and the strength of our housing market.
7 Nassau County has seen strong and steady home
8 sale increases since the 2008 recession. The
9 median home sales price in Nassau County
10 increased from \$477,000 in 2016 to \$520,000
11 in 2018. That's almost a 9 percent increase
12 over two years. The unemployment rate in our
13 county is 3.4 percent, the lowest in almost
14 20 years.

15 As you may know, Nassau County is
16 subject to the oversight of the Nassau County
17 Interim Finance Authority, a/k/a NIFA,
18 created in 2000 because of a looming
19 financial debt crisis that began in the late
20 1990s. In 2011, NIFA imposed a control
21 period due to the increased budget deficits
22 of my predecessor. Eight years of this
23 control period is enough. It is time to
24 restore the county's fiscal independence and

1 emerge from this control period.

2 We are under enormous financial
3 pressure in large part from our decades-long
4 broken property assessment system.
5 Assessments in Nassau County had been frozen
6 for the eight years of the previous
7 administration, so frozen at
8 near-recession-era levels. Property values
9 were not updated, in other words, for almost
10 a decade. We have examples of million-dollar
11 houses that were assessed at half that, at
12 \$500,000. Property taxes were not based on
13 up-to-date fair market values. We had a case
14 where pretty much half of our properties --
15 of 400,000 properties in the county -- were
16 undervalued, and the other half were
17 overvalued. Which basically meant that half
18 of our property owners were subsidizing the
19 other half.

20 The media has reported that there was
21 a shift of \$2.2 billion in residential
22 Class 1 property owners who did not grieve
23 their assessments, all done through mass
24 settlements during the grievance process.

1 So we have a situation where the
2 assessments were wildly obsolete because they
3 were frozen, and then people -- because our
4 property taxes were so high, people would
5 grieve their assessments. And the way the
6 formula was done, they often would get a
7 reduction. So those who grieved a lot would
8 get -- because our taxes are so high you
9 can't blame them -- would see reduction after
10 reduction after reduction. Those who didn't,
11 and even some who did grieve, would see
12 theirs continue to go up. So it was wildly,
13 wildly skewed.

14 Fixing assessment is an essential
15 first step in fixing what is broken in Nassau
16 County government, and we are on the road to
17 a fair and more equitable assessment system.
18 For the first time in nearly a decade, the
19 Department of Assessment, with the help of
20 two respected outside vendors, have produced
21 updated fair market values for every property
22 in Nassau County, all of those 400,000. No
23 longer will half of our taxpayers be
24 subsidizing the other half.

1 However, and this is where you come
2 in, we must protect our taxpayers and smooth
3 out the impact of the change in their taxes.
4 I am pleased and appreciative that
5 Governor Cuomo has included our critical
6 Taxpayer Protection Plan in his 2019-2020
7 Executive Budget. The Taxpayer Protection
8 Plan will secure exemptions for Class 1
9 residential property owners experiencing
10 valuation increases as a result of this
11 countywide reassessment.

12 The proposed plan -- this is how it
13 works -- will effectively spread out any
14 relative changes, increases and decreases, in
15 tax burden due to the reassessment over a
16 five-year period. The changes will happen
17 gradually over a five-year period. This
18 phase-in is crucial, especially for our
19 residents on a fixed income.

20 I want to assure you our taxpayers
21 will always have the right to grieve their
22 assessed value, and nothing in the
23 legislation changes that. But we now have an
24 up-to-date assessment roll that we're

1 confident we can defend. We are staffing up
2 our assessment department and our assessment
3 review commission so that we can provide
4 meaningful review for individual grievances.

5 I think that means my time is up. Can
6 I just summarize the rest?

7 CHAIRWOMAN WEINSTEIN: Sure. Go
8 ahead.

9 NASSAU COUNTY EXECUTIVE CURRAN: The
10 next step to getting this vital exemption
11 enacted is the passage of the budget bill by
12 the honorable members of this Legislature.

13 During my campaign for county
14 executive, I promised to do a reassessment to
15 bring back fairness and accuracy. We
16 delivered on that promise, and I've made it
17 my number-one priority to secure this
18 Taxpayer Protection Plan.

19 So I thank you very much for listening
20 to me tonight, and I hope that you will help
21 us out. Thank you.

22 CHAIRWOMAN WEINSTEIN: Thank you for
23 your testimony.

24 We have some questions or comments,

1 first from Assemblyman Ra.

2 ASSEMBLYMAN RA: Thank you. And thank
3 you for waiting patiently. I know this is
4 always a hearing that goes long into the day,
5 so.

6 I just wanted to ask a quick point of
7 clarification. And I thank your staff for,
8 you know, sharing information with us as
9 we've gone through this proposal and then
10 some I guess amendments that are being made
11 to the original proposal.

12 So am I correct now it would be -- the
13 phase-in or exemption or whatever the correct
14 technical term is would be based on the final
15 roll, thereby, you know, if somebody is
16 challenging their -- the assessment that they
17 got in the tentative assessment, that would
18 be reflected as the phase-in comes into play,
19 is that correct?

20 NASSAU COUNTY EXECUTIVE CURRAN: That
21 is correct, yes.

22 ASSEMBLYMAN RA: Okay. So I think
23 that was definitely a concern many people
24 had, you know, in making sure that those

1 taxpayer rights were there. Because as we
2 know, and you know better than anybody, this
3 is an incredibly complex process. And
4 certainly in a county of our size, it's just
5 very difficult and just -- you know, when in
6 neighborhoods just blocks apart there can be
7 anything from being on the water to anything
8 of that nature, that obviously has a major
9 impact on the value of a home.

10 NASSAU COUNTY EXECUTIVE CURRAN:

11 That's right. It's a very complicated
12 formula. And because the assessments had
13 been frozen for so long, we want to make sure
14 that we are getting them as accurate as we
15 possibly can. And in fact while we don't
16 want people to grieve as a way to get their
17 correct assessment, this grievance process
18 can help us get there.

19 So if our residents, if our property
20 owners think that we're wrong, they
21 absolutely should grieve. And that will help
22 us get it right, get it accurate and get it
23 fair.

24 ASSEMBLYMAN RA: Thank you.

1 NASSAU COUNTY EXECUTIVE CURRAN: Thank
2 you.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 Senator Gaughran?

5 SENATOR GAUGHRAN: Thank you, Madam
6 Chair.

7 County Executive, how are you?

8 NASSAU COUNTY EXECUTIVE CURRAN: I'm
9 fine, thank you, Senator.

10 SENATOR GAUGHRAN: Your testimony is
11 very optimistic in terms of the fiscal
12 stability of the county, which is a little
13 bit different than some of what we're hearing
14 elsewhere these days with the Governor and
15 the State Comptroller concerned about some of
16 the collections of revenue and \$2.3 billion
17 in revenue actually being projected as no
18 longer being in the budget.

19 What about SALT and its impact on
20 Nassau? What are your thoughts on that?

21 NASSAU COUNTY EXECUTIVE CURRAN: Well,
22 I think it's a serious problem for
23 Nassau County. We have among the highest
24 property taxes in the state, if not the

1 country, and this cap on the deduction will
2 hurt our county, I have no doubt about it.

3 SENATOR GAUGHRAN: And I know you are
4 going through a process in trying to
5 determine a position on legalized
6 recreational cannabis. Could you explain
7 that and what your thoughts are moving
8 forward?

9 NASSAU COUNTY EXECUTIVE CURRAN: As
10 has been noted before in this hearing, the
11 legislation is still fluid, it's not set yet.
12 Before we learned of the option for counties
13 to opt out, I appointed a task force -- law
14 enforcement, business, education, faith
15 leaders, community and municipal
16 governments -- to look at every aspect of the
17 legalization of adult-use cannabis.

18 So they are working, they are meeting,
19 they have subcommittees formed, they're
20 having community meetings as well. I'm
21 looking to see what they recommend. And I'm
22 also waiting to see what this final
23 legislation looks like.

24 SENATOR GAUGHRAN: Thank you very

1 much. Thank you, Madam Chair.

2 NASSAU COUNTY EXECUTIVE CURRAN: Thank
3 you, Senator.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 So I think that that's it for
6 questions. Thank you for sticking with us to
7 now, and thank you for your testimony.

8 NASSAU COUNTY EXECUTIVE CURRAN:

9 Absolutely. Thank you for your testimony.

10 Take care. Bye-bye.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 So next, Upstate New York Towns
13 association, Carolyn Warren Price, president,
14 to be followed by the New York Immigration
15 Coalition.

16 MS. PRICE: Thank you, Chair
17 Weinstein, for giving me this opportunity,
18 and also other members of the Senate and the
19 Assembly.

20 I'm going to mainly speak about
21 restoring AIM. I know you've heard it from
22 other sources, and I see a lot of support
23 there. But you will hear more in what my
24 comments are from small rural towns. So

1 you've heard from the counties, you've heard
2 from some very large towns on Long Island.
3 The story is very similar.

4 You heard people mention the element
5 of surprise, and it really was a huge
6 surprise. No one ever dreamed that we would
7 be talking about that AIM wouldn't be there
8 for us. As our association, we didn't expect
9 an increase, but we didn't expect the
10 Governor to say "Take it away from them." So
11 that was the surprise.

12 And the big message I want to get out
13 to you is intent versus impact. From what
14 I've read, here at the state level the intent
15 was "this isn't a big change for towns, and
16 it's really not that big of a thing."

17 And do any of you have experience with
18 fund accounting? I know that Senator Bob,
19 who sat down at the end, I wish he was still
20 here, because I know he has an accounting
21 background.

22 But in the towns, we have several
23 funds and the state tells us where we have to
24 put money. And this money goes into our

1 general fund, which is only one fund. And
2 what the State Budget Office did, they added
3 up all of our funds -- I'll give you an
4 example. I'm supervisor in the Town of
5 Windsor. And they said, in 2017, that we
6 spent \$3.3 million.

7 But this is the impact. Our A fund is
8 only 800-and-some thousand dollars, and
9 that's where we're going to lose it. So it
10 is a loss to us of 5.7 percent. That's
11 really the message I want to get across to
12 you.

13 And if you look at my testimony, we're
14 in Broome County. I've also pointed to the
15 Town of Preston, which is in Chenango County,
16 and their loss is 6.7 percent. Delaware
17 County, the Town of Masonville -- that's
18 another example -- their loss is 4 percent.
19 And the Town of Candor, out in Tioga County,
20 is 3.6 percent.

21 So when you were led to believe that
22 this was less than 2 percent, that is not
23 true. And I would be happy to have a
24 discussion with people at the Office of

1 Budget about that, because the state is the
2 one that tells us how to handle our money.

3 So I'm surprised they don't know that.

4 But also, looking at the Town of
5 Windsor, we would lose \$46,045 in that fund.

6 And so I tried to give you examples of what
7 the impact is. It would take all of our
8 contingency account, which is \$18,300. And
9 the other \$27,745 we would take from various
10 departments. And that averages out to a
11 29 percent cut, and that would happen this
12 year. We can't go back to the taxpayers now
13 and say, We're raising your taxes.

14 So I would say if the state was
15 serious about this, have you looked at what
16 it would mean to you if you had to cut
17 29 percent out of all your contractual
18 accounts? I know these dollars look small to
19 us, but they're huge. They're huge. Okay?

20 So the other part is I talked to a lot
21 of town supervisors, and most of them said
22 they would try to get through this year and
23 some would have to use unrestricted fund
24 balance. And I agree with Gerry Geist,

1 that's -- you don't use that for operating
2 expenses. But they all agreed that next year
3 they'd have to raise their taxes.

4 The other point is on the last page.
5 The voting reforms, early voting and voting
6 reforms that you passed -- and I'm glad to
7 hear your comments on that -- you'll see that
8 I did talk to Broome County where we're
9 located, and they said they're estimating the
10 increase in cost will be \$300,000. And those
11 numbers seem to jibe with what else I was
12 hearing here.

13 Guess who's going to pay for that? We
14 are. Because the county bills us for our
15 election costs.

16 So I thank you for listening, and I'd
17 be very happy to take any questions you might
18 have.

19 CHAIRWOMAN WEINSTEIN: We have a
20 couple of questions.

21 Assemblyman Thiele.

22 ASSEMBLYMAN THIELE: Thank you for
23 your testimony. I just wanted to indicate
24 not just to you, but for the record -- I

1 represent Long Island, I chair the Local
2 Governments Committee in the Assembly -- not
3 every town on Long Island has 800,000 people
4 in it. I represent the Town of Shelter
5 Island that has 2,000 people in it. And
6 actually most of the towns I represent are
7 20,000, 15,000 people. So perhaps not as
8 small as some of the towns you cited. But I
9 was also a town supervisor, and I know
10 exactly what you're talking about. I haven't
11 heard the term "the A fund" in a while. But,
12 you know, towns have -- sometimes they'll
13 have several highway funds, machinery,
14 different funds. And this is all coming out
15 of the general fund. Your point was
16 well-taken.

17 Again, I just want to reiterate that
18 there's widespread support, I think, in the
19 Legislature for the restoration of these
20 funds. The towns upstate and downstate, Long
21 Island, have all made I think an extremely
22 compelling case, and I just wanted to thank
23 you for sticking it out here today.

24 MS. PRICE: Oh, yes. Well, I learned

1 a lot from sitting here. And also we know we
2 have Senator Akshar's support. And also
3 Assemblywoman Lupardo, who's in our area,
4 Assemblyman Crouch. I believe Senator Seward
5 sort of borders in some of the areas --

6 SENATOR SEWARD: Just to the north.

7 MS. PRICE: -- of the towns that we
8 represent.

9 ASSEMBLYMAN THIELE: Just so you know,
10 Assemblywoman Lupardo emails me about twice a
11 week about AIM funding, so she's been a very
12 strong advocate for that funding.

13 MS. PRICE: I've seen her comments on
14 Twitter, so I know she's a strong supporter.

15 ASSEMBLYMAN THIELE: Thank you.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 Senator Seward for a question or a
18 comment.

19 SENATOR SEWARD: It will be more of a
20 comment than a question. I'm delighted to
21 see you, Supervisor Price, here tonight,
22 because when the previous panel was on with
23 these towns, 800,000, 500,000, I was -- had I
24 had more time with them, I was going to point

1 out that I have towns, some towns in my
2 district that are less than a thousand
3 people, and many of them about the size of
4 your town, Town of Windsor.

5 But the truth is that it's the same
6 story -- large towns, small towns upstate.
7 So this AIM funding is an issue that we just
8 must deal with in this budget. So we
9 appreciate your being here and to represent
10 those smaller, more rural communities
11 upstate.

12 MS. PRICE: Yes. The only thing I
13 would add, you know, I was here all day, and
14 I really listened attentively, I learned a
15 lot about New York City. But also all the
16 comments on education -- I'm a retired
17 educator. And I would encourage you to be in
18 support of education and also the case that
19 was decided many years ago, I was an
20 administrator in the Binghamton City School
21 District when that equity case went before
22 the Court of Appeals. And I didn't realize
23 till I listened today that that has never
24 been taken care of. And particularly cities

1 that have a high incidence of poverty really
2 need that help. So I would encourage you to
3 pursue that.

4 And thank you so much for your time.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 Oh, excuse me, don't run away.

7 Assemblyman Barclay.

8 ASSEMBLYMAN BARCLAY: Thank you.

9 Just a comment and one quick question.

10 I just want to echo my colleagues, and it
11 seems like we do have unanimity here about
12 people wanting to restore the AIM and
13 having -- I represent Central New York north
14 of Syracuse, so I have many small towns in my
15 district also.

16 Have you -- do you know how many towns
17 are affected by this AIM cut in upstate?
18 Have you done a survey of your members? Or
19 what percentage?

20 MS. PRICE: Well, from everything I've
21 looked at, because you can see all the
22 funding on the state website, I believe it's
23 a little over 1300 towns out of -- and
24 villages -- out of 1400 something.

1 ASSEMBLYMAN BARCLAY: So almost
2 everybody is going to be --

3 MS. PRICE: It's over 90 percent.
4 It's huge.

5 ASSEMBLYMAN BARCLAY: That's what I
6 thought. Thank you.

7 MS. PRICE: Yes. And, you know, I've
8 said publicly in my comments the Governor
9 could be a real hero and restore this. Maybe
10 he'll do it on Valentine's Day. That would
11 be nice.

12 ASSEMBLYMAN BARCLAY: Let's hope so.
13 We're going to try to force him nonetheless.

14 So thank you.

15 MS. PRICE: Thank you.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 So next we have New York Immigration
18 Coalition, Steve Choi, Juanita Lewis, Amy
19 Torres, to be followed by New York State
20 Board of Elections, Todd Valentine and Robert
21 Brehm, to be followed by the New York State
22 Elections Commissioners.

23 So if people want to sort of move down
24 to be closer to the desk, that would be

1 great.

2 So you know that you have five minutes
3 between the three of you, right?

4 MR. CHOI: Between the three of us?

5 CHAIRWOMAN WEINSTEIN: Yes. And we
6 have all your testimony.

7 MR. CHOI: Yes, you do have the
8 testimony.

9 CHAIRWOMAN WEINSTEIN: Thank you.

10 MR. CHOI: So I will be brief.

11 First, thank you for the opportunity
12 to testify on the need for New York State to
13 allocate at least \$40 million towards census
14 education and outreach this fiscal year.

15 My name is Steve Choi. I'm the
16 executive director of the New York
17 Immigration Coalition.

18 Maximizing an accurate count in the
19 2020 Census is a monumental undertaking.
20 That's why in 2018 the NYIC facilitated the
21 creation of New York Counts 2020, a diverse
22 and inclusive statewide coalition that
23 includes the organizations of the two folks
24 who are with me. And we have 110

1 organizations whose aim is to ensure that
2 100 percent of New Yorkers participate in the
3 2020 Census.

4 However, the actions of the Trump
5 administration over the last two years have
6 made a difficult situation far worse, and the
7 consequences for New York could be dire.
8 Although last month the Southern District of
9 New York ordered the removal of a citizenship
10 question from the census, that possible
11 inclusion will lower self-response rates,
12 increasing the likelihood of a significant
13 undercount. And on top of this, the Census
14 Bureau is planning to cut 14 regional and
15 area census offices from New York, placing
16 thousands of critical census workers far away
17 from the populations they're responsible for
18 counting.

19 An undercount has huge implications
20 for New York State. It jeopardizes over
21 \$53 billion in federal funding for vital
22 programs like Medicaid, Medicare Part B,
23 highway planning, and SNAP. New York's
24 political power is also on the line, as we

1 are estimated to lose two seats in the House
2 of Representatives and could lose even more
3 if there's an undercount.

4 Sadly, we cannot rely on the federal
5 government, so New York State must take
6 seriously the threats that we face with a
7 census undercount. And we are calling for
8 the inclusion of \$40 million towards the
9 census this fiscal year. That money can go
10 to community-based organizations who are
11 already on the ground who have the earned
12 trust that comes from years and decades of
13 working within communities. There are
14 hard-to-count census tracts in every single
15 county of New York, and so \$40 million will
16 allow CBOs to do basic outreach, consisting
17 of public forums providing information to
18 people and direct outreach as well.

19 Thank you again for the opportunity to
20 testify on the critical need for census
21 funding. My colleagues can answer more
22 questions, and I feel confident in answering
23 questions, and I look forward to continuing
24 to work together with both the Assembly and

1 the Senate on this really critical issue.

2 Thank you.

3 CHAIRWOMAN WEINSTEIN: Thank you. Did

4 each of you want to take a minute to say

5 something?

6 MS. LEWIS: Just to add the point --

7 so my name is Juanita Lewis. I'm the Hudson

8 Valley organizing director with Community

9 Voices Heard.

10 And like Mr. Choi said, you know,

11 there are census tracts that have been

12 severely undercounted for many years, and we

13 have members in New York City, Westchester,

14 Orange and Dutchess Counties. And in

15 particular the parts of the organization that

16 I focus a lot on, in Newburgh and

17 Poughkeepsie, are consistently undercounted,

18 where we're always knocking on doors asking

19 individuals around the needs and concerns of

20 neighborhoods.

21 We have community members that say,

22 oh, that person doesn't live here anymore.

23 And because we don't have -- there isn't

24 consistent outreach happening and, you know,

1 census workers are going out there, they're
2 not able to accurately get a count of what's
3 the need of that area. And because of that
4 we'll have members that are in need of either
5 housing subsidies or welfare grants that
6 might not now get it because of the
7 undercounting.

8 And so, you know, we completely echo
9 the sentiment of needing \$40 million to go
10 into census outreach and communication so we
11 have more people filling out the census to
12 get the funding that our communities need and
13 deserve.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 And Amy Torres?

16 MS. TORRES: And the only piece I'll
17 add -- Amy Torres, from the Chinese-American
18 Planning Council, CPC.

19 So we are the nation's largest social
20 services agency for Asian American Pacific
21 Islanders in the country, but we're based
22 solely here in New York. And largely we're
23 able to serve that number of people because
24 we are a contractor of the state to deliver

1 the services and programs that go out into
2 our community.

3 And, you know, the same rationale that
4 Steve mentioned -- the earned trust that we
5 have in the community, the reputation that we
6 have with multiple generations of family
7 members -- this is the exact same rationale
8 that the state uses to contract out all of
9 these services. It is what makes us the best
10 positioned to do census outreach and
11 engagement. Our linguistic fluency, our
12 cultural competency, our understanding of
13 where people live, where they work and what
14 their anxieties are really makes us the best
15 positioned to do it.

16 And that's why CPC did join New York
17 Counts 2020, because we knew Asian American
18 Pacific Islanders being the fastest-growing
19 group here in the state, if they require a
20 tailored approach, every single community --
21 rural, urban, low-income, high-income,
22 foreign or native-born -- is also going to
23 require its own unique approach as well.

24 And I'm happy to answer any questions

1 as well.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 Senator Liu.

4 SENATOR LIU: Thank you, Madam Chair.

5 And I want to thank this coalition for
6 spending all day with us and providing the
7 testimony. I think it's very helpful for us
8 to hear that the \$40 million is not a random
9 number plucked out of thin air, but that it
10 actually came from the Fiscal Policy
11 Institute and that this is -- it's a
12 well-derived number, not arbitrary.

13 And I think you've already answered my
14 questions about exactly what kind of outreach
15 and why this coalition is well-equipped to
16 make sure that New York State is not
17 undercounted.

18 Colleagues and Madam Chair, I
19 definitely think that we need to do as much
20 as we can as a legislative body to ensure
21 that this is put in the budget, because it's
22 in all of our interests, whether we're
23 Democrats or Republicans, to get every single
24 person in New York State counted.

1 I thank the testimony of this
2 wonderful panel. Thank you, Madam Chair.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 CHAIRWOMAN KRUEGER: So just quickly,
5 how much did the Governor put in his proposed
6 budget?

7 MR. CHOI: The Governor has put in as
8 much as everybody in this room, which would
9 be a total of zero dollars.

10 It was a great disappointment to see
11 the Governor put in zero dollars, especially
12 at a time where California, for example, has
13 put in \$130 million into census outreach. So
14 we are obviously looking to the Legislature
15 and we are having conversations with the
16 Governor to see if there can be a 30-day
17 amendment. But we are continuing this fight,
18 and we will continue to work on this issue
19 through the budget.

20 CHAIRWOMAN KRUEGER: And I know you
21 talked about the reduced number of federal
22 offices. Do we have a dollar amount about
23 how much less the federal government is
24 putting into this census compared to that

1 last one?

2 MR. CHOI: We do not have an estimate
3 yet because the federal government is still
4 going through their own budget machinations
5 and trying to figure out how much money they
6 will put into the census.

7 We are very concerned. All of the
8 indications are showing that the
9 Census Bureau will spend significantly less
10 on census outreach. For example, many
11 community-based organizations like CVH and
12 CPC operated federally funded questionnaire
13 assistance centers for the 2010 Census. It's
14 our understanding that that will not be
15 funded for 2020. So it is more critical than
16 ever to make sure that the state really steps
17 up, and other states have recognized that
18 need as well.

19 CHAIRWOMAN KRUEGER: Thank you.

20 MS. TORRES: And I do want to add
21 that, you know, that non-response follow-up
22 is the most expensive part of census
23 operations. And then for those of us who are
24 community-based providers who have experience

1 with when we were enrolling in
2 healthcare.gov, we're very alarmed to see
3 that there's yet another online form where we
4 are likely going to need to fill the gap.

5 But this most expensive part of census
6 operations is not going to be funded to its
7 full amount. And we appreciate your time
8 hearing our request for this \$40 million
9 investment.

10 CHAIRWOMAN KRUEGER: Thank you.

11 Thank you, Assembly.

12 CHAIRWOMAN WEINSTEIN: Thank you for
13 being here.

14 Next, Todd Valentine, co-executive
15 director, and Robert Brehm, co-executive
16 director, New York State Board of Elections.

17 Okay. So you're going to share five
18 minutes, right?

19 CO-EXECUTIVE DIR. VALENTINE: Yeah, we
20 can keep that down.

21 CHAIRWOMAN WEINSTEIN: Okay.

22 CO-EXECUTIVE DIR. BREHM: We'll have
23 to arm-wrestle.

24 CHAIRWOMAN WEINSTEIN: However you

1 want to start.

2 CO-EXECUTIVE DIR. VALENTINE: Todd
3 Valentine, co-executive director, New York
4 State Board of Elections. Along with me is
5 Robert Brehm, the other co-executive director
6 from the State Board of Elections. And we
7 kind of flipped a coin, and I'll go first.
8 But I'll be -- very quickly.

9 You have our written testimony, of
10 course, but there's three points that I want
11 to cover very quickly: How this budget
12 impacts the agency, how this budget impacts
13 the new initiatives that have both been
14 passed and are proposed in the budget, and
15 then quickly about cybersecurity. This was
16 detailed -- is detailed in my testimony, also
17 echoed in Director Brehm's testimony.

18 There's simply not enough funds to run
19 the agency. Our estimates show that we would
20 be approximately 3 million short from
21 actually running the agency itself, which
22 covers not only the new June primary
23 election, the November general election, but
24 that would also reach into next -- the end of

1 next -- the end of this fiscal year for the
2 2020 presidential election. And that would
3 certainly be a reduction that would be very
4 difficult, and we're hoping that that gets
5 addressed in the 30-day amendments.

6 This budget does impact -- there are
7 new initiatives in the budget that have
8 already been passed and that are proposed in
9 there, and they really can be broken down
10 into impacting three main areas: The
11 statewide voter list, the campaign financial
12 disclosure system, and there are impacts on
13 just basic Election Day operations.

14 The statewide voter list -- you know,
15 the changes -- you know them, but to list
16 them out very quickly: Address changes
17 statewide, early voting, electronic poll
18 books, preregistration of 16-year-olds,
19 automatic voter registration with the
20 Department of Motor Vehicles, online voter
21 registration, and agency-based automatic
22 voter registration. All of these changes
23 require some change to the statewide voter
24 registration system, both at the state level

1 and at the local level.

2 And, you know, for these -- the
3 changes at the local level to be consistently
4 done -- when we've made changes to the system
5 in the past, the state has paid for those
6 changes to make sure that the system stays
7 uniform. And there were no additional funds
8 for that provided at all.

9 On the campaign financial disclosure
10 section, that's a system that allows us to
11 collect and disseminate information. But
12 again, there were no additional funds
13 provided, and a number of the programs that
14 were impacted that are in the budget are the
15 disclosure of tax returns for candidates for
16 public office, of course the public campaign
17 finance and additional finance reforms.
18 There's also the ban on corporate and LLC
19 contributions, which goes a little -- the
20 budget goes a little beyond what has already
21 been passed.

22 There are also issues on the
23 prohibitions to vendor contributions,
24 lobbyists' loans to candidates, and the ban

1 on political consultants.

2 On Election Day operations -- and we'll
3 touch very briefly on the June primary --

4 CHAIRWOMAN WEINSTEIN: Do you want to
5 let your colleague --

6 CO-EXECUTIVE DIR. VALENTINE: I'm
7 almost done.

8 CHAIRWOMAN WEINSTEIN: Oh. Okay.

9 CO-EXECUTIVE DIR. VALENTINE: The one
10 thing is, the number that's been bandied
11 about is a \$25 million savings for the -- by
12 the Governor. But that's overstated. You
13 know, that would be a full-blown statewide
14 election where an average federal election
15 loan does not cover the entire state, which
16 would be closer to 6 to \$7 million, and
17 that's not even this year at all for this
18 election.

19 And then Bob can talk about the impact
20 on other impacts and -- as well as the
21 difficulty we'll have with implementing our
22 current cybersecurity program.

23 Sorry, Bob.

24 CO-EXECUTIVE DIR. BREHM: Thank you.

1 Thank you for being patient with us today.

2 So I don't want to go into too many
3 details, because it's in our letter and in
4 our testimony that we've presented in
5 writing. But certainly from an
6 administration point of view the \$3 million
7 hit would be very difficult to the agency,
8 especially on the first day of April, which
9 is the first day under the new calendar to
10 file petitions. It's a significant impact on
11 staff and technology.

12 And most of the items that we've been
13 working on is to improve technological
14 services by updating a very outdated campaign
15 finance reporting system to be a more modern
16 system that improves both the transparency to
17 the voters but also the ease of reporting to
18 candidates. So that really would take a hit
19 in our ability to deliver that, continue to
20 deliver that service.

21 And in the other -- a quick mention --
22 the tremendous work that we've been doing
23 with the support of the Legislature and the
24 funds at the federal level for cybersecurity

1 for counties. We received, collectively, a
2 \$5 million state appropriation last year and
3 a \$19.6 million federal grant. Those two
4 categories of money are dedicated to programs
5 for the counties or for all of the counties
6 in the State of New York, and that leaves us
7 with a balance of about \$4 million for
8 unintended -- you know, what we will find in
9 our risk assessment for mitigation services.

10 So we need to increase that fund.

11 CHAIRWOMAN WEINSTEIN: Yes, thank you.

12 Assemblyman Barclay.

13 ASSEMBLYMAN BARCLAY: Just a quick
14 thank-you for your testimony.

15 Just quickly, how is your budget
16 derived? During the budget process, do you
17 advise the second floor how much money you
18 think you need? Or how do those
19 conversations work?

20 CO-EXECUTIVE DIR. BREHM: It's
21 interesting. Normally you get a directive
22 for a zero-growth budget, we being a state
23 agency that's a little different than other
24 state agencies, in that we have a bipartisan

1 cochair and the Legislature took us out of
2 the direct line of executive agency in 1974.

3 We submit a budget based on what we
4 think the needs are. And that's what we did
5 in October, based on what we thought the
6 projected need was. Unfortunately, that
7 budget wasn't funded in the first round. And
8 we did articulate to the Division of Budget
9 and others in the chamber and elsewhere, to
10 the Legislature, what our -- what we thought
11 the need was in the 30-day amendment period.

12 ASSEMBLYMAN BARCLAY: Thank you.

13 CHAIRWOMAN KRUEGER: Elections Chair
14 Zellnor Myrie.

15 SENATOR MYRIE: Thank you, Madam
16 Chair.

17 Thank you for coming before us
18 tonight. Thank you for sticking it out. In
19 my long tenure as the chair of Elections,
20 I've had an enjoyable experience working with
21 you thus far.

22 A lot of the details on some of the
23 needs and concerns are in the testimony, so
24 I'm not going to address that. I actually

1 wanted to talk very quickly about how we
2 finance our campaigns. This is an issue that
3 is very important to me; I feel many of the
4 ills facing our democracy are based in how we
5 finance. And so I just have a couple of
6 questions on this and some of the
7 contribution limits.

8 Would you happen to know offhand the
9 maximum contribution that an individual can
10 give to the mayor of the City of New York?

11 CO-EXECUTIVE DIR. BREHM: I don't know
12 the contribution limits.

13 CO-EXECUTIVE DIR. VALENTINE: I don't
14 have those with me now.

15 SENATOR MYRIE: So it's about \$2,000.
16 The maximum that an individual can contribute
17 to any federal candidate, including the
18 President of the United States, is \$2,800.
19 The maximum that an individual can give to a
20 member of the Assembly in an election cycle
21 is \$8,800. The maximum that they can give to
22 a State Senate candidate in an election cycle
23 is \$18,000. And the maximum that they can
24 give to a gubernatorial candidate or any

1 other statewide candidate is close to
2 \$65,000.

3 And, you know, the average income in
4 my district is \$43,000. That would put us --
5 out of 63 Senate districts, we are 57th. And
6 so we have a situation in which an individual
7 in my district, the average person could
8 donate their entire income to a gubernatorial
9 candidate and still not hit the max.

10 And so I really want to register and
11 reflect on this, because I think that having
12 a small-donor matching program -- this is
13 something that has been included in the
14 Executive Budget, there's been legislation by
15 this body proposed in the past. I think this
16 is critically, critically important to any
17 policy initiatives that we are going to move
18 going forward.

19 I want to thank you again for the work
20 that you have done. I think that we are
21 going to be fighting very strongly for
22 funding for early voting and electronic poll
23 books and some other administrative changes.
24 So thank you for your testimony today.

1 CO-EXECUTIVE DIR. BREHM: Thank you.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 Assemblyman Jacobson.

4 ASSEMBLYMAN JACOBSON: Is this

5 working? Yeah.

6 Thank you, Madam Chair.

7 And it's nice to see both of you when

8 you're not reviewing any petitions that I

9 might be involved with.

10 (Laughter.)

11 ASSEMBLYMAN JACOBSON: So what is the

12 cost that you're estimating per election

13 district for the early voting machinery?

14 CO-EXECUTIVE DIR. VALENTINE: I don't

15 know that we have that -- we don't have a

16 per-election-district cost because that will

17 vary based upon the system that's purchased.

18 But the cost -- the estimate that

19 we've been given from the counties that we

20 can gather is anywhere between \$20 million to

21 \$30 million, depending upon the exact system

22 that's purchased.

23 CO-EXECUTIVE DIR. BREHM: I think that

24 number is higher because you have to take

1 into consideration, you know, there's a
2 number to operate early voting, but early
3 voting will end Sunday night at about 5 p.m.,
4 depending on what --

5 CO-EXECUTIVE DIR. VALENTINE: Good
6 point.

7 CO-EXECUTIVE DIR. BREHM: -- counties
8 will pick. And then they need to provide a
9 list of voters by Tuesday morning at 6 a.m.
10 to run the actual election.

11 So when you look at, you know, what is
12 the early voting -- especially in those urban
13 areas which had no other way to deal with it:
14 The electronic poll books, with training, and
15 divide those devices and numbers -- not only
16 sufficient for this year, but remember, we'll
17 have more than twice as many voters next year
18 voting in a presidential cycle. It's closer
19 to 50 million if you had training.

20 ASSEMBLYMAN JACOBSON: Well, that was
21 the reason to have it this year, to get the
22 kinks out of the system so we're not doing it
23 in the middle of a presidential primary and a
24 presidential election.

1 There's going to be -- I mean, you've
2 got the costs of electronic poll books -- I'm
3 told it's \$3,000. I don't know if that's
4 high, low -- but I'm told that. And then
5 you're going to have to have the machines
6 that will print out the ballots that can
7 print out an entire county in one location,
8 depending on who shows up.

9 So the question is if we don't have
10 electronic poll books, would the counties be
11 able to function efficiently enough so that
12 these votes can be counted on Election Day?
13 Or are we going to have to treat the early
14 voting like absentee ballots?

15 CO-EXECUTIVE DIR. BREHM: The statute
16 tells us how to treat early voters on a
17 machine, so we will have to find a way. And
18 if we don't have the tool of the electronic
19 poll books, it will have to be the
20 traditional printed list. It's our only
21 other option to run the election.

22 So hopefully we can include the
23 e-poll book sooner rather than later.

24 ASSEMBLYMAN JACOBSON: I think it's

1 essential, because otherwise you're going to
2 have -- you're going to have poll books,
3 you're going to have to be running every day
4 getting the new lists and doing what has to
5 be -- I've been harassed in a nice way by my
6 commissioner, and so I do want to get these
7 things done right.

8 So thank you.

9 CHAIRWOMAN KRUEGER: Senator Jim
10 Gaughran.

11 SENATOR GAUGHRAN: I know this is down
12 the road, but our change in absentee ballots,
13 with no excuse -- once that is hopefully
14 fully implemented as we go through the
15 constitutional process, do you have any
16 thoughts as to how many -- what percent of
17 voters may use that option? And will that
18 help reduce costs at all in the outer years?

19 CO-EXECUTIVE DIR. VALENTINE: I don't
20 know if we have any numbers on how that would
21 increase voters.

22 But in other states, if the experience
23 holds true, what you would do is you would
24 see a shift from Election Day voting to the

1 early voting.

2 There is a cost for the absentee
3 program. It's not without its own cost to do
4 that. I don't know if we can estimate it at
5 this time. But it depends upon how that's
6 structured, you know, as far as if it's all
7 just done by mail versus if it expands to
8 some other program. So it would be difficult
9 to estimate at this time.

10 CO-EXECUTIVE DIR. BREHM: Yes,
11 certainly there would be capital costs,
12 especially for the larger jurisdictions, in
13 order to handle the volume of people to
14 prepare a ballot and mail it out. The
15 smaller jurisdictions probably wouldn't have
16 as much capital expenses.

17 But certainly, you know, as we've
18 testified before in earlier Senate and
19 Assembly hearings, moving to a system that
20 has a ballot in an envelope, you still have
21 the sanctity-of-the-vote issues that need to
22 be addressed. Because if you increase in an
23 average presidential year -- or, excuse me,
24 in the last governor's election, we had about

1 400,000 absentee ballots statewide in the
2 census that we did almost a week out. So
3 that number definitely went up in the last
4 week, I just don't have the numbers yet.

5 You know, even if that number grew
6 10 times, that number that would be
7 significant. But then there's still a group
8 of people in the room trying to say, Don't
9 count that person's vote because there's a
10 little squiggly line or some strange thing on
11 an envelope, and that voter never knows that
12 they have an opportunity to fix it. Other
13 states provide an affidavit if they forgot to
14 sign it and there's still time to notify
15 them.

16 So there's an awful lot of the
17 sanctity-of-the-vote issues that come into
18 people challenging an absentee ballot, and
19 that absentee voter never has a right to be
20 heard in court or during the process at all.
21 That really is a concern as we head down that
22 path, that if we're going to do the public
23 policy decision of allowing vote by mail --
24 and that's a wonderful policy -- I think we

1 ought to also include in that discussion at
2 that time how do we make sure that the
3 voter's due process rights -- to make sure
4 that their vote can count.

5 SENATOR GAUGHRAN: An excellent point.
6 Thank you very much.

7 Thank you, Madam Chair.

8 CHAIRWOMAN KRUEGER: Thank you.

9 CHAIRWOMAN WEINSTEIN: Thank you.
10 Thank you for being here.

11 CO-EXECUTIVE DIR. VALENTINE: Thank
12 you.

13 CO-EXECUTIVE DIR. BREHM: Thank you.

14 CHAIRWOMAN WEINSTEIN: Next, the
15 New York State Election Commissioners
16 Association, Dustin Czarny, Democratic Caucus
17 chair; Darlene Harris, president.

18 Hopefully I didn't torture your name
19 too much.

20 MR. CZARNY: I'm used to it.

21 CHAIRWOMAN WEINSTEIN: Okay.

22 MS. HARRIS: Good evening. My name is
23 Darlene Harris, and I am the current
24 president of the New York State Election

1 Commissioners Association. I'm grateful for
2 the time that you're allowing myself and my
3 colleagues to speak to the topic of funding
4 needs for the newly passed election reform
5 legislation.

6 At this time -- and I've heard a lot
7 of questions throughout the evening -- you
8 know, we are trying to nail down the actual
9 hit or cost that it's going to impact us
10 with. And it will have an immediate impact.
11 We have -- all of us election commissioners
12 have gotten together and kind of done some --
13 the what-ifs and played out some things, and
14 we think that there's three basic areas.

15 One of them is the increase in the
16 inspectors' staff. Obviously in being open
17 nine days preceding an election, we're going
18 to need increased staff. There is the belief
19 that some of the staffing will come from the
20 offices themselves, but as we know the county
21 office buildings and board of elections
22 offices weren't originally designed to
23 conduct elections, and certainly not of the
24 magnitude that early voting is going to bring

1 about.

2 The pretense that we're going to be
3 able to absorb these costs is not realistic.
4 I realize that we've consolidated the
5 primary, and that's very appropriate and
6 practical. However, what we're doing is
7 eliminating one day, but then we're adding
8 more days. So we're adding 18 days of
9 voting, or 20 days total in a specific year,
10 where we never -- we only voted two or three
11 times. And next year, with the three
12 elections pending, we're going to have
13 30 days of voting.

14 So the financial impact of staffing
15 those sites and things like that is just
16 unprecedented. We really don't know what
17 it's going to cost at this point.

18 We've also been asked, through the
19 legislation, that no voter waits any longer
20 than 30 minutes. Well, because New York
21 hasn't carried this out, we really don't have
22 that framework of how we're going to staff.
23 So for the trial period of this year and next
24 year, we'll have to potentially overstaff so

1 that we're certain that we have the proper
2 number of employees or inspectors to work at
3 that time.

4 An additional cost that we're going to
5 see too is with poll site rentals, because
6 some of the vote centers that are going to be
7 required to accommodate -- we're going to
8 need to accommodate thousands or tens of
9 thousands. So we're going to be looking to
10 sites that we've never used before -- malls,
11 conference centers, and things of that
12 nature.

13 If we use those sites, we're going to
14 pay premium rents, because those are rentable
15 areas for those particular businesses to
16 start with. We have the capacity to select
17 public places that receive federal dollars,
18 such as your town halls, your schools, your
19 firehouses and things of that nature. But
20 again, for us to be in those particular
21 locations for a nine-day timeframe is
22 impractical. If we go to a town hall and we
23 vote in the courtroom, we can't tie up a
24 town's courtroom for nine days. We can't tie

1 up the school gym for nine days. So we're
2 going to have look outside of the current
3 places that we use, and when we go to that
4 particular style we are going to incur rents
5 that we don't currently pay.

6 My county does not pay -- I think we
7 pay, of our 60 poll sites, we pay three
8 rental costs. And I know going forward that
9 will not be the case.

10 We've talked a lot this evening -- one
11 of the bigger areas we think that there is
12 going to be the financial impact is with the
13 electronic poll books. And as discussed
14 throughout the evening, it is a necessity in
15 order for us to prevent multiple voting.
16 We're going to have to have something where
17 we know they voted here and they're not going
18 to vote here, and things of that nature. So
19 the electronic poll books is what we believe
20 is going to be a necessity in order to
21 conduct this.

22 We have, in preliminary discussions,
23 talked to some of our vendors. We don't have
24 the specifications, we don't have what we're

1 looking at, but some of the vendors do sell
2 these items in other states and things, and
3 we've gotten quotes -- and I'd say I have no
4 idea if they're accurate or what, but
5 anywhere from \$1200 to \$3,000 a unit. We
6 have 15,529 election districts statewide in
7 New York. So just in the purchase of a
8 medium range of a \$2,000 unit, it's going to
9 cost \$31 million just to outfit electronic
10 poll books statewide.

11 MR. CZARNY: We did do an informal
12 survey of our caucus. We saw that for
13 electronic poll books outside of New York
14 City, the upstate counties look like they're
15 going to need around \$22 million for
16 electronic poll books to be able to do this
17 on Election Day. And in New York City,
18 they're estimating around \$21 million.

19 And when the 2019 budget's already set
20 for many of those counties, state funding for
21 electronic poll books is imperative this
22 year, because this is when we're implementing
23 early voting. And without electronic poll
24 books, the county boards of elections will be

1 forced to go to regional centers. And those
2 regional centers will not have the ability to
3 realize the potential of early voting to
4 transform the electorate. And it could be
5 very potentially costly to the Board of
6 Elections, with more staff needed at those
7 regional centers than originally intended.

8 CHAIRWOMAN WEINSTEIN: Yes.

9 Senator Myrie.

10 SENATOR MYRIE: Thank you, Madam
11 Chair.

12 Thank you for your testimony. Thank
13 you again for waiting throughout the entire
14 day. I also want to thank you for your work
15 in collaboration early on in this process on
16 the cost of electronic poll books.

17 Can you talk to what the current cost
18 of printing and storing the traditional poll
19 books are, and what the potential savings
20 might be in Year 1, 2, 3, 4, and so forth?

21 MR. CZARNY: Certainly there will be
22 some potential savings. Obviously, many
23 vendors have to go outside, to outside
24 printing, or many counties have to go to

1 vendors for outside printing, which can be
2 48 cents per ballot -- 41 cents per ballot.

3 I'm very lucky that my county has a
4 print shop, but even then I'm printing up
5 13 cents a page for the poll books as well,
6 and it's very costly in terms of manhours.

7 So having the electronic poll books
8 will be essential. My county is preparing
9 for, in case we don't get electronic poll
10 books, to be able to print -- or we only get
11 a few for our early voting sites -- to be
12 able to print up poll books on Sunday night
13 to be ready for Tuesday morning. But we have
14 less than a 40-hour window to get that done.

15 And without having full electronic poll books
16 at every election district in our county, we
17 are really entering a brave new world and
18 we're not sure how that's going to get done.

19 So the best step forward would be for
20 New York State to invest in democracy and
21 invest in these electronic poll books for
22 every county so there's no disparity among
23 the rich and poor counties.

24 SENATOR MYRIE: Great. And is there

1 any scenario in which any boards would choose
2 not to use e-poll books?

3 MR. CZARNY: Yes. Smaller boards
4 could decide -- I mean, it is -- the bills
5 that are being put forward -- that you're
6 carrying as well, Senator, and thank you for
7 that -- is a permissive bill. In smaller
8 counties that may only have one poll book --
9 maybe a Hamilton County, that only has 14,000
10 voters and maybe only 10 or so or 20 election
11 books to choose from -- they may decide to
12 use their Election Day books for their early
13 voting and then transport it.

14 So having that ability to choose is
15 important.

16 SENATOR MYRIE: And lastly, very
17 quickly, is there any discussion amongst the
18 commissioners and in your caucus about
19 training? Because I know that there are
20 folks that are used to using the traditional
21 poll books, and this is an upgrade.

22 I know that we have folks from all
23 sorts of backgrounds as poll workers.

24 MR. CZARNY: I've looked at the poll

1 books, I've studied them briefly -- I had a
2 pilot program in my county back in 2014.
3 They're very intuitive, especially in the
4 newer versions.

5 But yes, anytime you have any kind of
6 increase in technology dealing with the
7 election inspectors that tend to be older --

8 MS. HARRIS: Seniors.

9 MR. CZARNY: -- seniors, it's always a
10 test for the boards to get those -- that
11 training done.

12 SENATOR MYRIE: Thank you very much.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 Assemblyman Jacobson, did you have a
15 question?

16 ASSEMBLYMAN JACOBSON: Thank you,
17 Madam Chair.

18 Is this your report from the
19 Brennan -- is this yours?

20 CO-EXECUTIVE DIR. BREHM: No, that's
21 the Brennan report.

22 ASSEMBLYMAN JACOBSON: That's not
23 yours. Okay, fine, then I won't ask those
24 questions.

1 So I'm just trying to get some more
2 numbers, because I think it's important that
3 even if you don't have the numbers today,
4 that we have numbers as we get closer to
5 April 1st. Because all of us want -- I think
6 everybody in the Legislature wants the state
7 to pay for it, but we have to know what's
8 going.

9 What are your estimates?

10 MR. CZARNY: Well, the vendors are
11 estimating, for electronic poll books,
12 anywhere from 1500 to 3,000. However, we
13 haven't gotten them certified yet, and so we
14 haven't even come up with what those
15 certifications are. The State Board will
16 have to do that after we pass the electronic
17 poll book legislation. So we don't know what
18 that will be.

19 And of course once we do it, we hope
20 other vendors will enter the market and bring
21 those costs down as well.

22 ASSEMBLYMAN JACOBSON: What about the
23 costs of the machines that will be printing
24 out the ballots that can --

1 MR. CZARNY: The on-demand balloting
2 machines? Dominion is running a number,
3 about 5500 for an on-demand machine. You
4 would only need those at your early voting
5 sites, because you could print regular
6 ballots at your regular site.

7 ASSEMBLYMAN JACOBSON: Well, you're
8 going to need -- you're going to need one for
9 every site.

10 MR. CZARNY: Probably two to three for
11 every site.

12 ASSEMBLYMAN JACOBSON: Well, I would
13 just hope that you would work with the State
14 Board of Elections and that we do something
15 that isn't done with prescription drugs, in
16 that we negotiate a good deal for the state
17 and, you know, get your -- get what you want
18 for the criteria, and then let's negotiate.
19 Let's not reinvent the wheel.

20 They do this in other states. There's
21 a lot of states that are not considered
22 progressive and so forth. Well, if you can
23 do it in other states and they can afford it,
24 then let's find out the best way to do it,

1 negotiate a way to do it the cheapest way we
2 can.

3 MR. CZARNY: That is the best thing
4 there, is that -- maybe the only benefit of
5 waiting to be the 38th state to do early
6 voting is that we have 37 other states to
7 learn from. And I know there is talk of
8 putting electronic poll books as an OSG {sic}
9 contract, which will speed up the process,
10 maybe. Or at least help with the purchasing
11 of these poll books.

12 ASSEMBLYMAN JACOBSON: All right.
13 Thank you.

14 CHAIRWOMAN WEINSTEIN: Thank you. I
15 believe that's the last --

16 CHAIRWOMAN KRUEGER: Sorry.

17 Senator Jim Gaughran.

18 SENATOR GAUGHRAN: Would there be some
19 savings to the counties that are using their
20 board of elections as the original site if
21 it's -- if they only have one, or maybe if
22 they're using it in conjunction with others?

23 MR. CZARNY: There may, but we must
24 realize that the counties that are probably

1 going to only use their own board of
2 elections have part-time staff or lower staff
3 as it is. So they're going to have to bring
4 in election inspector staff to man the early
5 voting site.

6 And even some of the smaller counties
7 that may only have one site, they may end up
8 doing two or three because they're large
9 areas. Instead of just having the county
10 seat, they have large land areas. So I
11 wouldn't count on a tremendous amount of
12 savings there.

13 SENATOR GAUGHRAN: Thank you.

14 Thank you, Madam Chair.

15 CHAIRWOMAN KRUEGER: Thank you.

16 CHAIRWOMAN WEINSTEIN: Thank you for
17 being here with us tonight.

18 MR. CZARNY: Thank you.

19 MS. HARRIS: Thank you.

20 CHAIRWOMAN WEINSTEIN: So next we're
21 going to have a panel of three different
22 individuals because three different
23 organizations are -- it will help in terms of
24 questioning. Campaign Finance Institute,

1 Michael Malbin, director; Brennan Center for
2 Justice at NYU School of Law, Chisun Lee,
3 senior counsel of the Democracy Program; and
4 Center for Secure and Modern Elections, Henry
5 Berger.

6 So you can go in that order, and you
7 each have five minutes, and then maybe
8 there'll be some questions for the panel.

9 PROFESSOR MALBIN: Thank you for this
10 opportunity. I'm Michael Malbin. I'm a
11 professor of political science at the
12 University at Albany, and I'm cofounder and
13 director of the Campaign Finance Institute,
14 which is a nonpartisan think tank committed
15 to the idea that durable policy should be
16 based on rigorously objective, fact-based
17 research.

18 Over the years, CFI has played a
19 leading role in the effort to understand
20 small-donor empowerment. Its research on the
21 subject has included a number of
22 peer-reviewed articles that focus on New York
23 State, New York City, and many other
24 jurisdictions.

1 And in the reports, just for example
2 to summarize the New York City ones, we have
3 found very clearly that through rigorous --
4 using rigorous controls, one, that the system
5 increases the number of people who give; two,
6 increases their diversity; and three, it
7 strongly shifts the sources of funds away
8 from boardrooms and towards the
9 neighborhoods. It changes the way candidates
10 behave. It is clearly successful.

11 Now, as you know, the Executive Budget
12 included proposals to create a small-donor
13 matching fund for state elections, modeled
14 after New York City. It would also reduce
15 the state high contribution limits. So as
16 commented by Senator Myrie, yes, you are
17 correct, New York State has the highest
18 contribution limits in the country of any
19 state that has any limits at all.

20 Just to summarize, the report -- you
21 have the full report attached to the
22 testimony. The major findings are as
23 follows.

24 First, the small-donor matching fund

1 system would in fact achieve its objective of
2 moving New York State elections away from
3 being a system dominated by large donors into
4 one in which small donors would generate more
5 money than any other part of the fundraising
6 whole. For the detailed numbers I refer you
7 to the bar charts on pages 6 through 8 of the
8 attached report.

9 Second, no public financing system can
10 achieve its goal unless candidates choose
11 voluntarily to participate. You can't
12 constitutionally be forced into it, and most
13 candidates would say no if the system cost
14 them money to opt in.

15 So we tested that proposition, and we
16 found that -- we'll tell you how later, if
17 you want it -- we found that almost every
18 candidate who ran in 2018 would have ended up
19 with more money under the new system than
20 under the status quo, even though the
21 contribution limits are lower.

22 The summary table there is on page 10
23 of the report. Detailed listings showing
24 every single candidate who ran in the general

1 election is included as an appendix.

2 Third, there's been some concern
3 expressed about costs. Our report does a
4 detailed cost estimate using very
5 conservative assumptions that are again
6 outlined in the report. Costs were
7 calculated for a four-year cycle to include a
8 midterm and a gubernatorial year.

9 The full estimate is on page 12 --
10 I'll skip the details -- but the bottom line
11 is that if you only had the same donors as
12 there were in 2018, the system would cost
13 \$52 million per year on average, 59.5 million
14 if you bring in new donors. That includes
15 the cost of both matching funds and
16 administration. Administration costs are
17 estimated by the New York City Campaign
18 Finance Board.

19 Four, this is not in our written
20 statement, but I've been hearing some members
21 express concern about independent spending.
22 It's really important to emphasize that this
23 bill does not include a spending limit for
24 candidates who participate. And I would

1 argue and be happy to engage in that, that
2 candidates who do participate will be in a
3 better position to withstand independent
4 expenditures with that system than without.

5 Fourth, our report points out one
6 substantial flaw with the current system.
7 The proposal won't do any good unless
8 candidates can qualify for the matching
9 funds. And as in the Governor's proposal,
10 the matching funds as they now stand, barely
11 a quarter of the Assembly and Senate
12 candidates would have qualified by Labor
13 Day -- by the beginning of the election
14 season. It's much too low a number. Only
15 40 percent would have qualified by the end of
16 the year, or it does no good. If you want
17 the system to work, that has to be adjusted.

18 So those are the four main points.

19 Thank you for the opportunity. I look
20 forward to your questions.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 Ms. Lee?

23 MS. LEE: Good evening. Thank you for
24 the opportunity to testify. My name is

1 Chisun Lee, and I'm a senior counsel at the
2 Brennan Center for Justice. The Brennan
3 Center is a nonpartisan law institute that
4 works to improve systems of democracy and
5 justice for all Americans.

6 From our inception nearly 25 years
7 ago, we have studied the issue of money in
8 politics. We have assisted lawmakers across
9 the country in creating solutions to prevent
10 everyday people's voices from being drowned
11 out by the wealthiest few. We urge this
12 esteemed body to propose and to pass
13 small-donor public financing as a part of
14 comprehensive campaign finance reform, as the
15 Governor has proposed in his Executive Budget
16 this year.

17 Last November's election showed that
18 New Yorkers want a sea change in the way our
19 state conducts politics, and the election
20 delivered to this Legislature the majorities
21 necessary to make that sea change happen.
22 Now is the time to act and to act big, both
23 to ease voting with the next step of adopting
24 automatic voter registration, but also, even

1 more ambitiously, to amplify the influence of
2 all voters in an era when a tiny number of
3 megadonors seem to rule the day.

4 Small-donor public financing is the
5 most powerful solution available in the age
6 of Citizens United to counter the
7 overwhelming influence of wealth in politics.
8 It is at the centerpiece of campaign finance
9 reform in the pro-democracy package known as
10 HR1 that is currently before Congress.

11 The federal package stands little
12 chance of passage this year. Not so here,
13 where legislative leaders and the Governor
14 have voiced support for public financing for
15 years.

16 The six-to-one match of public
17 financing proposal of the Governor familiar
18 to us from New York City works well to
19 amplify the voices of non-wealthy New Yorkers
20 in elections. It enables officeholders to
21 focus more on constituents, it reduces
22 perceptions of corruption and public
23 cynicism, and it boosts participation by
24 everyday New Yorkers in their own political

1 process.

2 And I'll say more about boosting
3 participation in a moment, but first I wanted
4 to give some important numbers which leave
5 little doubt that New York needs this
6 transformative change. Data from 2018 show
7 that just 100 individual donors gave more to
8 New York State campaigns than all 137,000
9 estimated small donors combined. New York
10 campaigns raised less than 5 percent of their
11 support from small donors, a much smaller
12 share than federal campaigns, which raised
13 19 percent from small donors.

14 It's not just rhetoric to say that the
15 wealthy overwhelmingly dominate New York
16 campaigns. It is a fact.

17 The good news is that a public
18 financing program that matches every dollar
19 of a small donation with \$6 in public funds
20 will significantly boost the participation of
21 small donors. That benefits New Yorkers and
22 candidates.

23 We compared New York City Council
24 campaigns in 2017 under public financing

1 against Assembly campaigns in the same
2 neighborhoods in 2018 without public
3 financing, and found that public financing
4 made a remarkable difference. Far more
5 New Yorkers participated as donors in
6 City Council elections, even in the poorest
7 neighborhoods where very few residents
8 contribute under traditional campaign
9 financing. We looked at neighborhoods like
10 Brownsville and East New York, the
11 South Bronx and Hollis, Queens. Overall in
12 these low-income neighborhoods, nearly seven
13 times more residents donated to City Council
14 campaigns than to Assembly campaigns.

15 There's every reason to expect that a
16 small-donor public financing program for the
17 state will also boost participation in state
18 campaigns. These neighborhoods gave nearly
19 five times more money to City Council
20 campaigns than to Assembly campaigns. After
21 the six-to-one match, these neighborhoods
22 gave 27 times more money to City Council
23 campaigns than to Assembly campaigns.
24 There's every reason to expect that a

1 statewide program would have the same effect.

2 Small-donor public financing has a
3 proven track record of working well for
4 New Yorkers and for candidates. Adopted
5 statewide, it would be the single biggest
6 response in the nation to Citizens United.

7 And on a brief final note, I'm going
8 to put on my voting reform hat for a minute
9 to address the issue of automatic voter
10 registration. The Brennan Center would like
11 to make clear that we stand with
12 immigrant-rights groups, other legal experts
13 like the NYCLU, and domestic violence
14 survivors groups in supporting the model in
15 the Governor's bill which some call the
16 front-end model of automatic voter
17 registration. It is the safest and most
18 effective model for New York State.

19 The Brennan Center is at your service
20 as you consider these critical reforms.

21 Thank you.

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 Mr. Berger?

24 MR. BERGER: Thank you.

1 My name is Henry Berger. I have been
2 involved in election law and election law
3 reform for more than 45 years. I most
4 recently did some of my work as special
5 counsel to New York City Hall.

6 I'm going to testify just about
7 automatic voter registration. And we believe
8 that the goal of automatic voter registration
9 can and will register a significantly higher
10 percentage of eligible voters and will ensure
11 that the New York voter rolls are up-to-date,
12 accurate and secure.

13 So why do we need automatic voter
14 registration? In New York State just
15 66 percent of the eligible voters are
16 actually registered to vote. That ranks us
17 at 46 out of 50 states.

18 There are two general approaches to
19 AVR, back end and front end AVR. Back end
20 AVR, which is embodied currently in a bill in
21 the Senate by Senator Gianaris, automatically
22 adds an eligible voter to the rolls with a
23 single interaction with a government agency,
24 such as the Department of Motor Vehicles or

1 the Department of Health, without requiring
2 any action on the part of the individuals to
3 provide the chance to opt out at that time.
4 They do receive a mailing afterwards with the
5 opportunity to opt out.

6 Front end, which is in Governor
7 Cuomo's proposal, puts the onus on the
8 eligible voter to make decisions related to
9 registration while at the government agency
10 and trying to transact another transaction.

11 We believe that back-end AVR creates a
12 fairer, more accurate and more secure system
13 and reduces bureaucratic obstacles and helps
14 people to exercise their right. Most
15 importantly, it is more successful in
16 registering voters.

17 First let me say that in order for
18 this system to work fully and fairly, we must
19 extend beyond the Department of Motor
20 Vehicles as proposed by the Governor. And
21 there are certain agencies that are
22 particularly suited to doing back-end voter
23 registration. Those are agencies that in the
24 course of their duties actually collect

1 information about the eligibility of voters
2 such as citizenship. With Real and Enhanced
3 ID voter licenses, the DMV does it. With
4 Medicaid, the Department of Health does it.
5 They confirm citizenship, and they are fully
6 secure.

7 So first of all, back-end AVR
8 registers more people. Oregon, which is the
9 original AVR state which has a back-end
10 system, 94 percent of the people who interact
11 with the agency actually end up registering
12 to vote.

13 California, which has a front-end
14 system, for example, has 58 percent of their
15 people not registering to vote, the eligible
16 voters not registering to vote. Colorado,
17 70 percent of those who interact with the
18 agencies end up not registering to vote.

19 So if the goal is to register people,
20 the back-end system is much, much more
21 successful.

22 Bureaucratically, a front-end system
23 imposes on the front-line workers in the
24 agencies the obligation of gathering

1 information and processing it. And for those
2 of us who have worked in agency-based voter
3 registration, it doesn't work. It is not the
4 primary mission of the agency, the agency
5 clerks cannot be properly and fully trained
6 on an ongoing basis, and they're not
7 incentivized to do it. So it simply doesn't
8 work.

9 And in terms of security, for those
10 agencies that can do back-end, the
11 information that is transmitted without any
12 interaction by the voter is the information
13 they provide to the agency, including
14 citizenship. For those agencies that collect
15 citizenship, such as DMV and the Department
16 of Health, they should be using a back-end
17 system because it's successful, it's secure,
18 and it's accurate.

19 In Oregon, over more than three years,
20 out of their first million transactions they
21 had less than 10 inaccuracies, people who
22 were registered who should not have been. In
23 other systems the numbers are significantly
24 higher. California, in the first five months

1 they had to correct 77,000 errors.

2 It is also a cost savings for the
3 counties. Electronic voter registrations
4 cost about 4 cents apiece to process.
5 Arizona determined that their paper
6 registrations, a similar system, was costing
7 83 cents. If we can save the counties money,
8 it's something we look forward to doing. It
9 will impose a burden on the State Board of
10 Elections, but that will be offset by what is
11 saved by the counties.

12 I would be glad to answer any
13 questions that you may have.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 We're going to start with Assemblyman
16 Jacobson.

17 ASSEMBLYMAN JACOBSON: Thank you,
18 Madam Chair.

19 Concerning the back-end registration,
20 one thing there's a problem now is the
21 Motor Vehicles Department getting the
22 registrations on a timely basis to the Board
23 of Elections. We've had situations where
24 people register in a timely manner to vote in

1 a primary, then it doesn't get there till

2 after the primary. So that's one thing.

3 The other thing is when the notice

4 goes out from the Board of Elections that

5 says congratulations, you're registered to

6 vote and you vote here, there must be proper

7 notice that says whether or not you're

8 registered in a party. Because if you do the

9 back-end, the Motor Vehicles Department is

10 not going to check a party.

11 So all these people are going to be

12 registered and think they can vote in a

13 primary. And they're going to be really mad,

14 and we're going to have a lot of problems on

15 Election Day, so -- or on Primary Day

16 especially.

17 So what I'm saying is you've got to

18 have it where they get a notice saying you

19 must now affirmatively -- or you're going to

20 lose your right to vote. That's the problem

21 with the back-end where you're going to have

22 problems, people will be more unhappy with

23 the system.

24 So that's my comments there. I think

1 it's worthy.

2 MR. BERGER: And, you know, they're
3 very well-taken, Assemblymember.

4 The notice that goes to the voters has
5 to be clear. It has to set forth the
6 requirements for eligibility. It has to make
7 clear that if you don't opt out, if you're
8 not eligible --

9 ASSEMBLYMAN JACOBSON: They don't
10 understand -- they don't understand --

11 MR. BERGER: It has to provide for
12 party enrollment --

13 ASSEMBLYMAN JACOBSON: All these
14 people say --

15 MR. BERGER: And in those areas where
16 it's important, it has to be in multiple
17 languages.

18 ASSEMBLYMAN JACOBSON: Right.

19 MR. BERGER: You know, we're reaching
20 a very broad population and we have to make
21 sure that the system works. And --

22 ASSEMBLYMAN JACOBSON: All right, I've
23 got only a minute thirteen, okay.

24 Concerning the reform on the public

1 financing, this does not address independent
2 expenditures and Citizens United. The
3 problem you have -- I mean, they're not going
4 to care about my little Assembly race. My
5 Assembly race doesn't mean anything to
6 anybody. So I don't think I'm going to get a
7 lot of independent expenditures. I might get
8 a lot of opponents now that they've raised
9 the salary, but that's another story.

10 But when it comes to the Senate and
11 independent expenditures, now what you're
12 doing is -- this has nothing to do with
13 independent expenditures. And what are you
14 going to do until you have a federal
15 constitutional amendment to get rid of
16 Citizens United where, you know, you might
17 say you're taking less money into the system
18 but you're really not. And, you know, you're
19 saying, you know, you're going to have the
20 two candidates playing nice-nice, but on the
21 other hand, independent expenditures, whoever
22 the group is, can just spend what they want
23 and change the whole system.

24 PROFESSOR MALBIN: I addressed it in a

1 very shorthand way, so thank you for giving
2 me a chance to expand. And we've studied a
3 lot of independent expenditures in a lot of
4 different states and federal. That's part
5 of -- many of the publications are about
6 that.

7 Independent expenditures go after
8 competitive races. When a race is
9 competitive, then they'll come in. Presence
10 or absence of public financing has nothing to
11 do with whether an independent expenditure
12 lands on you.

13 Now, under this proposal, unlike
14 certain other proposals, there's no limit on
15 what you can spend. What it is doing is it's
16 encouraging the candidate to build up a cadre
17 of donors within the system --

18 ASSEMBLYMAN JACOBSON: This will not
19 change how much an independent expenditure --

20 PROFESSOR MALBIN: That is correct.

21 ASSEMBLYMAN JACOBSON: The people that
22 want to take over the State Senate again or
23 some other group --

24 PROFESSOR MALBIN: Sir, that is

1 correct. That's true whether you have public
2 financing or not.

3 CHAIRWOMAN KRUEGER: We already took
4 over, never mind.

5 PROFESSOR MALBIN: It's -- it's --
6 this does not address it. It will exist
7 whether or not there's public financing.

8 The question is whether the candidate
9 is better off when facing an independent
10 expenditure when you have public financing,
11 and the answer is yes. The candidate is
12 better off when facing an independent
13 expenditure about which you can do nothing
14 constitutionally.

15 ASSEMBLYMAN JACOBSON: And of course
16 there's no coordination between the candidate
17 and the independent expenditure --

18 PROFESSOR MALBIN: You can
19 certainly -- you can certainly address that.

20 ASSEMBLYMAN JACOBSON: You can't say,
21 Tell them not to spend.

22 PROFESSOR MALBIN: No, you can address
23 that point. But --

24 ASSEMBLYMAN JACOBSON: All right.

1 Well, my time is up. Thank you.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 CHAIRWOMAN KRUEGER: Senator Zellnor

4 Myrie.

5 SENATOR MYRIE: Thank you, Madam

6 Chair.

7 Thank you for your testimony. I have

8 two questions. The first is on public

9 financing.

10 Opponents of public financing say that

11 the charge on the public fisc to fund

12 campaigns is inappropriate and the cost is

13 too high. And so I know you mentioned very

14 briefly what the cost would be, but could you

15 tell us what the cost, in the most generous

16 estimation, what the cost per New Yorker

17 would be per year?

18 PROFESSOR MALBIN: I think it was a

19 penny per day. The cost is \$59.5 million,

20 including administration. Divide that by

21 19.85 million New Yorkers, that's \$3 per year

22 per New Yorker, less than a penny a day.

23 MS. LEE: May I jump in to amplify

24 that, Michael, for a moment? Because this is

1 striking in Professor Malbin's analysis.

2 What Senator Myrie is saying is a
3 generous estimate is an extremely aggressive
4 estimate, assuming that every single
5 candidate who ran last year would opt into
6 voluntary public financing and have more
7 donors than they actually did.

8 So this is really an outside estimate,
9 at less than 60 million a year, about 40 of
10 it in the matching funds and 20 of it in
11 administration. And that's less than a penny
12 a day per New Yorker.

13 PROFESSOR MALBIN: Thank you. It also
14 includes a generous estimate for new
15 candidates.

16 SENATOR MYRIE: Thank you very much.

17 And this question is for Mr. Berger on
18 whether or not we do back-end or front-end,
19 could you tell us what the -- give us the
20 range of new voters that would be engaged in
21 the system through automatic voter
22 registration.

23 MR. BERGER: There are approximately
24 2 million eligible unregistered voters in the

1 state. Six and a half million participants
2 in Medicaid, a higher number with DMV. You
3 know, I would expect that over the course of
4 the first several years that we could reach
5 between 80 and 90 percent of those people
6 with the proper system.

7 We should have universal voter
8 registration. We don't. But if we do a
9 proper system -- and, you know, and -- let me
10 be clear. Back-end voter registration should
11 be used for those agencies that can do it,
12 those agencies that can confirm eligibility,
13 including citizenship. For those that can't,
14 front-end voter registration works. It's not
15 as good, but it's a step forward. And as
16 agencies progress and as the program matures,
17 we would hope that more and more agencies
18 would roll into it.

19 SENATOR MYRIE: So we'd be looking at
20 a significant engagement of eligible voters
21 that are currently not engaged by way of AVR.

22 MR. BERGER: Absolutely.

23 SENATOR MYRIE: Thank you.

24 CHAIRWOMAN KRUEGER: I have a

1 question. Any other Assembly?

2 CHAIRWOMAN WEINSTEIN: No. To you.

3 CHAIRWOMAN KRUEGER: So I know that

4 there seems to be real movement, Henry, in

5 support for back-end in the City of New York

6 when I talk to people. But again, it's not

7 the City Board of Elections that would play a

8 role in this, it would be directly back

9 through to the State Board, am I

10 understanding correctly?

11 MR. BERGER: The State Board would be

12 the administrating agency. The information

13 would go to the State Board, they would

14 process it, interact with the voters and get

15 it back, and then add the people to the list.

16 And the lists are then electronically part of

17 the county list.

18 We now have, essentially, a unified

19 state list. Each county uses a piece of it.

20 The State Board would then have total control

21 over that.

22 CHAIRWOMAN KRUEGER: And so even --

23 the city has a couple of proposals I think

24 they're moving forward with, with electronic

1 voter registration, something else -- the Ben
2 Kallos bill that got passed, the mayor
3 signed. Would it conflict, if we moved
4 forward with this, with anything the city is
5 already trying to do?

6 MR. BERGER: It would not conflict
7 with that, nor would it conflict with an
8 online voter registration bill, as the
9 Governor has proposed. They're supplemental
10 and they in fact reach different kinds of
11 audiences.

12 CHAIRWOMAN KRUEGER: Thank you. Oh,
13 I'm sorry, just one more quick question.

14 The Brennan Center doesn't support
15 this, is that the last thing you said when
16 you were testifying?

17 MS. LEE: That's right. The Brennan
18 Center supports a front-end model.

19 While we recognize that Oregon has had
20 great success with its back-end model,
21 New York is very different in some critical
22 ways. Chiefly, the impact on immigrant
23 communities would be much greater here; we
24 have at least 10 times the number of

1 noncitizens in this state. Oregon has an
2 almost perfect system of election
3 administration. Here we are contemplating
4 mailers going out from various Boards of
5 Elections to households.

6 And, you know, with respect,
7 Mr. Berger mentioned that with front-end, the
8 onus is put on the eligible voter, while
9 they're trying to do business at an agency,
10 to decide what they're going to do. We would
11 submit that with back-end, the onus remains
12 on that eligible voter to look out for a
13 piece of mail that arrives several weeks
14 after a transaction at a government agency
15 where they weren't even thinking about being
16 registered to vote, and having to decide on
17 this postcard whether or not they should be.
18 Which means having the language skills and
19 the sort of sophistication to understand what
20 this means.

21 As Assemblymember Jacobson mentioned,
22 there's no opportunity to enroll in a party
23 until the mailer arrives and the potential
24 voter understands what's happening.

1 So we think that front-end is a far
2 safer and equally effective model for
3 New York.

4 CHAIRWOMAN KRUEGER: So if I
5 understood the answer to my questions to
6 Henry Berger correctly, there's nothing about
7 the back-end proposal that would limit
8 continuing to try to do the other models to
9 get people to register to vote, including
10 signing people up at various locations or
11 supporting more of a front-end model as well.

12 But we've been trying front-end for
13 years and years, since Motor Voter was
14 passed -- I feel like it was in my youth. So
15 I just don't see these as having to be
16 mutually exclusive. Am I wrong?

17 MS. LEE: Well, I think the critical
18 distinction with front-end automatic voter
19 registration is that it is an opt-out model.
20 So while the Motor Voter law is opt-in, both
21 systems, front-end and back-end, both
22 approaches remain opt-out. And so the voter
23 has the -- the sort of incentive is flipped.
24 So you're registered to vote if you're

1 eligible. So that's -- it's different from
2 the Motor Voter law.

3 CHAIRWOMAN KRUEGER: Do you see this
4 as conflicting, that you could try a number
5 of things at the same time?

6 MR. BERGER: Well, you can certainly
7 try a number of things. But, you know, I
8 think we're very careful to say that with an
9 opt-out system, if you're going to sign
10 people up automatically, you have to keep it
11 secure. And by using a back-end system with
12 those agencies that can confirm eligibility
13 from their own records, citizenship and
14 eligibility, it's the most desirable way to
15 go.

16 For those that can't, I think the
17 Brennan Center is right, you should use a
18 front-end system for those, and it requires
19 the voter to actually attest that they are
20 eligible, including citizenship.

21 You know, I don't think they're
22 exclusive, I think they're complimentary.

23 CHAIRWOMAN KRUEGER: Thank you.
24 Senator Jim Seward.

1 SENATOR SEWARD: A couple of quick
2 questions.

3 You partially answered it, but my
4 question -- one of my questions was on the
5 party enrollment. If someone is
6 automatically registered, whether it be
7 front-end or back-end, how do you address the
8 enrollment in a party or giving them the
9 option? You mentioned the mailing that would
10 go out later?

11 MS. LEE: Well, with front-end, what
12 that means -- I realize maybe that hasn't
13 been defined. What that means is that when
14 you're at the government agency that
15 participates in automatic registration,
16 you're automatically registered to vote and
17 you're told there, would you like to -- are
18 you eligible to be a voter? Would you like
19 to opt out? And would you like to register
20 for a party? And front-end means that you
21 have the choice to opt out at the front end
22 of this process.

23 Back-end meaning you get a mailer some
24 weeks after that moment when you didn't

1 realize you were being automatically
2 registered to vote.

3 And with back-end, you get the
4 opportunity -- you're told to register for a
5 party when you get that mailer. With
6 front-end, you have that opportunity at the
7 point of service.

8 SENATOR SEWARD: Okay, that clarifies
9 that.

10 And my second question is, you know,
11 we're talking about registering people to
12 vote who have not -- they've gone into an
13 agency of some type for other business and
14 they leave as a registered voter. Is there
15 any data that suggests that that -- those
16 people show up to vote on Election Day in any
17 greater numbers?

18 MR. BERGER: Well, the Oregon
19 experience is that of these new registrants,
20 44 percent turned out at the first election
21 following their registration. Which that was
22 44 percent of the people more than otherwise
23 would have voted.

24 And in New York, that's almost fairly

1 consistent with what our turnout has been.
2 It's one of the abysmal parts of our system
3 that people don't turn out and vote. But
4 44 percent of those people who, you know,
5 were automatically registered did show up at
6 the polls to vote.

7 SENATOR SEWARD: Thank you.

8 CHAIRWOMAN KRUEGER: Thank you.

9 CHAIRWOMAN WEINSTEIN: Thank you. I
10 think that's it. Thank you for being here.

11 MR. BERGER: Thank you. And I admire
12 your stamina.

13 CHAIRWOMAN WEINSTEIN: We're nearing
14 the end.

15 CHAIRWOMAN KRUEGER: The end of our
16 stamina?

17 (Laughter.)

18 CHAIRWOMAN WEINSTEIN: No, the end of
19 the hearings. Compared to Education, this is
20 nothing yet.

21 Next, Environmental Advocates of
22 New York, Rob Hayes, clean water associate.
23 To be followed by Citizens Action of
24 New York, Rosemary Rivera, to be followed by

1 Reinvent Albany. If those people would make
2 their way down.

3 Go ahead.

4 MR. HAYES: So I'm Rob Hayes. I'm the
5 clean water associate with Environmental
6 Advocates of New York. Thank you so much for
7 the opportunity to testify this evening.

8 Environmental Advocates sees local
9 governments as a key partner in making our
10 state a leader on environmental issues.
11 Local governments are engaged in the
12 day-to-day, on-the-ground work to keep our
13 drinking water clean, our public
14 transportation running, and our communities
15 free from toxics. In particular, it is about
16 water infrastructure funding that I wish to
17 talk with you about today.

18 Ultimately, broken water
19 infrastructure puts public health and clean
20 water at risk. When water mains break or old
21 sewers spill raw sewage into our lakes and
22 rivers, dangerous contaminants can enter
23 drinking water. In 2008, it was estimated
24 that New York needed to invest \$80 billion

1 over the next 20 years to fix our pipes. of
2 course this estimate is now 10 years old, and
3 the needs have only grown since then.

4 In addition, many water infrastructure
5 projects are too expensive for communities to
6 afford on their own. Protecting clean water
7 shouldn't land municipalities in mountains of
8 debt. So New York State stepped up to help.
9 The Legislature showed tremendous leadership
10 when they created the Water Infrastructure
11 Improvement Act in 2015, which provides
12 grants to local governments to help them pay
13 for water quality improvements.

14 Environmental Advocates just released
15 a report last week titled "Untapped
16 Potential: Water Infrastructure Spending in
17 New York," that measures how successful this
18 program has been at addressing our water
19 infrastructure crisis. We asked, is water
20 infrastructure spending jump-starting
21 projects across the state? Does this clean
22 water program deserve more funding? And the
23 answer was an emphatic yes.

24 In the program's first three years

1 between 2015 and 2017, WIIA allocated a
2 greater number of grants each year, with
3 almost four times the number of projects
4 receiving grants in 2017 when compared to
5 2015. In addition, local governments have
6 proven enthusiastic about this tool to get
7 their projects off the ground, with a
8 60 percent increase in the number of
9 applications every year.

10 Finally, the program has had a
11 statewide impact, with 53 of New York's
12 counties benefiting from this clean water
13 funding.

14 But while celebrating all this good
15 news, it's important to note that WIIA has a
16 lot of untapped potential. There are number
17 of fully eligible projects -- with all the
18 paperwork filled out and with sound project
19 designs -- that have been unable to receive a
20 grant award. The persistence of shovel-read
21 projects kept on hold is not due to a delay
22 in getting currently allocated funding out
23 the door. Rather, the current level of
24 funding for WIIA falls far short of what's

1 needed to meet the needs submitted by local
2 governments.

3 Over the program's first three years,
4 when local governments submitted a project
5 proposal, they only had a fifty-fifty shot of
6 receiving a WIIA grant. These are not the
7 odds we need to protect New York's water.
8 But at the moment, there simply isn't enough
9 funding to go around.

10 A recent addition to our analysis,
11 which I'm happy to share with this committee,
12 revealed that over \$300 million worth of
13 eligible projects are still unfunded from the
14 program's first three years. These 146
15 projects could get off the ground today with
16 a grant award. And that total does not
17 include the number of eligible but unawarded
18 projects from the 2018 funding cycle, which
19 likely brings this number closer to
20 \$500 million.

21 So securing \$1 billion annually for
22 water infrastructure will clear that backlog
23 and will also provide the funding to address
24 the continually growing number of

1 applications from local governments.

2 Now is the time for New York to build
3 on the success of this program. The
4 leadership that the Legislature showed in
5 2017 when they passed the bold five-year
6 \$2.5 billion Clean Water Infrastructure Act
7 is still needed today. A multiyear funding
8 stream in this year's budget of \$5 billion
9 over five years will provide communities the
10 surety that these grants will be there for
11 them in the years to come to fix their pipes.

12 Thank you.

13 CHAIRWOMAN KRUEGER: Thank you.

14 CHAIRWOMAN WEINSTEIN: Thank you for
15 being here and being so concise.

16 MR. HAYES: Thank you.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 Next, Rosemary Rivera, co-executive
19 director, Citizens Action of New York.

20 Rosemary appears to have left town.

21 Alex Camarda, Reinvent Albany, to be
22 followed by Joanna Weiss, Fines and Fees
23 Justice Center, followed by Joan Mandle,
24 professor, Democracy Matters Institute,

1 followed by Ajit Bhullar, Public Citizen.

2 Good evening.

3 MR. CAMARDA: Good evening, Chair

4 Weinstein and Chair Krueger, members of the

5 committee. My name is Alex Camarda. I'm the

6 senior policy advisor at Reinvent Albany.

7 Reinvent Albany is a government watchdog

8 organization which advocates for open and

9 accountable government.

10 Over the last month we put out three

11 analyses or reports on Governor Cuomo's good

12 government and ethics bill, which covers

13 26 different proposals in the areas of

14 ethics, voting, and campaign finance. And my

15 testimony today is a summary of those three

16 areas. For each proposal that the Governor

17 put forth, we indicated whether we support it

18 or not, summarized it, and we also made

19 recommended amendments to those bills.

20 Those are summarized in charts in this

21 testimony, and I also have provided the

22 lengthier analyses of each proposal.

23 So I just wanted to go over some

24 highlights from our testimony. First, on

1 campaign finance, I would echo my colleagues
2 on the previous panel that establishing a
3 public matching system, we think, is the most
4 important reform that the Governor put forth
5 in terms of restoring integrity to Albany,
6 for all of the reasons that were detailed by
7 the last panel.

8 I will add that in New York City,
9 where this system has been in place for three
10 decades now, it began with a one-to-one match
11 on a thousand dollars, and over time it's
12 been refined and made more significant in
13 terms of amplifying the voice of small
14 donors. And it's a model for the country,
15 and we think that it should be established in
16 New York State. And we think we can start
17 with the foundation established by the
18 Governor's proposal.

19 There are some improvements that we
20 would make. You heard from Professor Malbin
21 regarding lowering the thresholds. We also
22 think the enforcement should be moved outside
23 the Board of Elections to a separate campaign
24 finance entity. As currently constituted,

1 the State Board of Elections enforcement
2 counsel staff has 11 staff. The CFB in
3 New York City, for far fewer candidates and
4 offices, has over a hundred. So we think the
5 administration would need to be changed to
6 reflect the administration necessary for the
7 program.

8 With respect to ethics, the Governor
9 has said that he will not do a budget without
10 ethics reform. We assume he's referring to
11 the proposals that he put forth in his good
12 government and ethics bills. We think
13 they're worthy of consideration. Some of
14 them we support; in particular, one that
15 would make municipal financial disclosure
16 more aligned with the recent improvements
17 made to state financial disclosure, and also
18 make all municipal public officers' financial
19 disclosure available on JCOPE's website.

20 However, we do think that the
21 number-one priority when it comes to ethics
22 reform in New York State should be revisiting
23 JCOPE, the Joint Commission on Public Ethics.
24 We support the proposal that Evan Davis, the

1 counsel to Mario Cuomo, put forth that
2 Senator Krueger carries as a bill. That is a
3 constitutional amendment. It changes the
4 structure of JCOPE.

5 We think at the very least the voting
6 procedures of JCOPE should be changed so that
7 three members can't block an investigation
8 from proceeding. We also believe that there
9 should be greater transparency as to votes on
10 complaints that are made and adjudication of
11 complaints.

12 Lastly, on voting reform, we think an
13 important priority is online voter
14 registration. You heard from the previous
15 panel regarding AVR and front-end and
16 back-end approaches. The portal that the DMV
17 has, which is only utilized by those who have
18 a license or a nondriver ID, has registered a
19 million voters in New York State since 2012,
20 or a million transactions related to voter
21 registration. I think it shows the impact
22 when you bring in technology for voter
23 registration. And we think that portal
24 should be created by the State Board of

1 Elections so those who don't have driver's
2 licenses, particularly in New York City, can
3 also use it to register to vote.

4 I would note that the city's Campaign
5 Finance Board is creating an online voter
6 registration portal. That was passed in law;
7 we worked on that a great deal. It will be
8 up and running in June.

9 And we like to see the State Board
10 create one and also make it so that the API,
11 which allows software to communicate with
12 each other, would be available on a
13 smartphone so that all of you, the next time
14 you run for office, can actually have your
15 campaign staff, when they go door to door,
16 register people in a household. And
17 third-party groups, like the League of Women
18 Voters or TurboVote or anyone else, could
19 also register voters. And we think that
20 would be dramatic and significant in
21 enrolling all New Yorkers who are eligible
22 but not registered.

23 Thank you, and I welcome any questions
24 and comments you may have on 26 proposals in

1 the good government and ethics bill.

2 CHAIRWOMAN WEINSTEIN: So Senator?

3 CHAIRWOMAN KRUEGER: Senator Zellnor

4 Myrie.

5 SENATOR MYRIE: Thank you, Madam

6 Chair.

7 And thank you, Alex, for your patience

8 today. I just had one question on the

9 prohibitions on vendor contributions during

10 procurement. You guys are supportive of it,

11 only with amendments, and I wanted to get

12 what those amendments were.

13 MR. CAMARDA: So in New York City we

14 have doing-business restrictions which are

15 very robust. They limit contributions by

16 anyone with a contract, anyone lobbying,

17 giving the individuals -- giving to a

18 candidate of \$400. That's the most anyone

19 can give.

20 We have no limits in New York State,

21 and we think there should be limits for those

22 who lobby and for those who have contracts.

23 This would be starting that process by

24 establishing prohibitions on those who have

1 contracts or are bidding on a contract. And
2 the time period would be from the point in
3 which the bid occurs to one year after the
4 contract is won, if it was won by a
5 particular vendor.

6 It's a modest proposal, but it's a
7 good starting point. We believe the proposal
8 should be extended so that it provides --
9 that it extends not only to the Executive but
10 also to the lobbying that occurs before a bid
11 occurs. A lot of lobbying on procurement
12 actually occurs before a bill goes out the
13 door, when a company registers as a lobbyist.
14 So we think by extending it, that would make
15 it stronger.

16 Assemblymember Buchwald has a bill to
17 do that. And we think that would be at least
18 a starting point to address some of the
19 issues that have arisen in past years around
20 contracting and campaign contributions.

21 I will say, in closing -- if there are
22 no further questions -- we heard a lot about
23 funding with the public matching program.
24 You know, we are an organization that cares

1 deeply about economic development and the
2 spending on that. As many of you I'm sure
3 are aware, we've spent \$750 million on a
4 plant in Buffalo for Tesla to produce
5 700 jobs.

6 So we believe that money spent more
7 wisely in the economic development realm
8 could certainly be used for many of these
9 less expensive reforms in the good government
10 area.

11 CHAIRWOMAN KRUEGER: I just have one
12 more question, Alex.

13 Oh, hello, Bob.

14 SENATOR ANTONACCI: Yeah, I can wait.

15 CHAIRWOMAN KRUEGER: Oh, so -- all
16 right, thank you.

17 So my quick question was, you oppose
18 the Governor's lobbying bill of -- excuse me,
19 lobbyist code of conduct. Do you oppose the
20 concept or just what the Governor has
21 proposed within his code of conduct?

22 MR. CAMARDA: So on the code of
23 conduct, our understanding is there's only
24 two countries that have a code of conduct,

1 Canada and Australia. This appears to be
2 modeled on Canada's code of conduct.

3 It's very vague, in our view. There's
4 a requirement that lobbyists, when they're
5 advocating before the Legislature, present
6 facts, which is reasonable, but they also
7 have to be timely facts. And there are
8 pretty harsh penalties if they didn't provide
9 timely facts. And as many of you know,
10 issues are nuanced, people have research from
11 different areas. And that's one example of
12 the burden that would be placed on lobbyists,
13 where you would have to have the most
14 up-to-date information and someone could
15 contest the facts and then you could be
16 harshly penalized by the ethics body.

17 We think if there is to be a code of
18 conduct, it should be goals, aspirations that
19 lobbyists should aspire to or fulfill. And
20 they would do that by following the law,
21 what's in the law for lobbying. I think to
22 create kind of vague standards is probably
23 unfair in terms of the lobbyists having to
24 meet those obligations and is something that

1 would be better left to be aspirational as
2 conduct that you aspire to.

3 CHAIRWOMAN KRUEGER: Thank you.

4 Bob Antonacci.

5 SENATOR ANTONACCI: Thank you very
6 much.

7 On a local level, which you guys
8 probably don't really look at, I had a highly
9 publicized spat with my county executive, and
10 the ethics board that she got full control
11 of, full picks, she actually put her
12 serve-at-her-pleasure deputy on the ethics
13 board. Needless to say, I was one of their
14 best clients.

15 Do you think ultimately, though, that
16 any executive -- and I'm talking about JCOPE
17 more specifically -- should have no say in
18 who's put on an ethics board that is
19 essentially seeing the entire administration
20 of New York State? I just -- I'm all for
21 JCOPE reform, I just don't think the Governor
22 should have any appointments on it. I'd love
23 to hear your opinion on that.

24 MR. CAMARDA: I think it's really hard

1 to create a board that is both independent
2 and also is not perceived to be reporting to
3 its appointing authority.

4 When we've looked at structures
5 elsewhere, I think the ideal model, which we
6 see in some redistricting commissions, is a
7 pool being created by an independent entity,
8 whether it be a bar association or the
9 judiciary, and then having elected officials
10 choose from a pool of qualified people to be
11 put on an ethics body or a redistricting
12 commission or something to that effect. So
13 that way the lawmakers still have a role to
14 play in choosing the people, but at the same
15 time they're doing it indirectly. And
16 someone has established the standards and put
17 members into that pool. And we think that
18 could be a model for JCOPE.

19 The proposal that Senator Krueger has,
20 I believe the judiciary has a plurality if
21 not a majority of appointments. And so all
22 of that is done to try to create more
23 independence, but there's still a role for
24 the electeds to have at least some members on

1 the commission.

2 SENATOR ANTONACCI: Thank you.

3 CHAIRWOMAN KRUEGER: Thank you.

4 CHAIRWOMAN WEINSTEIN: Thank you for
5 being here.

6 CHAIRWOMAN KRUEGER: Thank you, Alex.

7 MR. CAMARDA: Thank you.

8 CHAIRWOMAN WEINSTEIN: Is Joanna Weiss
9 here? I don't believe so. Joan Mandle? No.

10 And I guess our final witness I see,
11 Ajit Bhullar.

12 (Discussion off the record.)

13 MR. BHULLAR: Members of the Senate,
14 members of the Assembly, Public Citizens
15 submits this testimony in support of fair
16 elections, including enacting public
17 financing to be included in the upcoming
18 budget. Testimony by Jonah Minkoff-Zern, as
19 read by myself, Ajit Bhullar.

20 At Public Citizen we are the people's
21 lobbyists. We fight to prioritize democracy
22 reform and to resist the large corporations
23 that seek to cut corners and gain an unfair
24 advantage.

1 A hundred individuals spent more on
2 elections in New York in 2018 than 137,000
3 small donors combined.

4 It is critical that we implement a
5 small-donor matching system for state
6 elections, such as the successful programs in
7 New York City and the State of Connecticut.
8 By matching small-dollar donations
9 six-to-one, we can amplify the voices of any
10 and all underrepresented New Yorkers in the
11 political process. Adequate enforcement as
12 well as robust candidate support services
13 would ensure that the program runs smoothly.

14 On a national level, our current
15 political climate represents both a crisis in
16 our democracy but also a chance to respond
17 and to build something better. In response
18 to calls for change, the new U.S. House of
19 Representatives leadership has prioritized
20 the passage of sweeping democracy reforms in
21 H.R. 1, the For the People Act.

22 New York, currently the third most
23 populous state in the nation, mirrors how our
24 national effort could look in the future.

1 New York launched the year under new state
2 Senate leadership by passing sweeping voting
3 reforms. Yet there is still more that can be
4 done that can put New York at the forefront
5 of voting reform on a national stage.

6 To tackle many crises we currently
7 face such as housing and liveable-wage jobs,
8 it is important that we transform a campaign
9 finance system that currently advantages the
10 interests of the wealthy few over those of
11 the many. The Fair Elections for New York
12 campaign is demanding once and for all that
13 we significantly reduce the power of big
14 money in our politics and bring the people
15 back in.

16 Let's not miss this rare opportunity
17 to make our government work for all
18 New Yorkers. By raising the voices of
19 everyday New Yorkers, we can ensure that we
20 will win victories on issues we care most
21 about.

22 This is a small expenditure that won't
23 go into effect until 2020. It is estimated
24 at \$50 million, well less than one-tenth of

1 1 percent of the \$176 billion budget. But
2 the implications on a state and national
3 level are enormous. It is a small price to
4 pay to ensure a healthy democracy and a
5 government that both works for the people and
6 one that the people perceive as working for
7 us.

8 This is important because it brings
9 our democracy back to where it belongs: the
10 people. Our government officials should
11 represent the people and not just the select
12 few that contribute significantly to them.

13 By prioritizing small-donor matching funds,
14 we will send this message loud and clear that
15 everyone will have a voice and ultimately
16 restore public trust in their government.

17 Passing Fair Elections in New York
18 will send ripples around our nation and help
19 set the national stage for victories for our
20 democracy in other states and ultimately in
21 the halls of Congress.

22 Thank you.

23 CHAIRWOMAN WEINSTEIN: Thank you for
24 being here and waiting till the end to

1 present your remarks. They're
2 well-presented.

3 So I don't believe there are any
4 questions for you.

5 So this concludes the hearing on Local
6 Governments/General Government. Tomorrow at
7 9:30 we'll begin the Economic Development
8 hearing, and then at 1 p.m. the Taxes hearing
9 will go forward.

10 CHAIRWOMAN KRUEGER: We can only hope.

11 CHAIRWOMAN WEINSTEIN: We're hoping,
12 right.

13 CHAIRWOMAN KRUEGER: Weather
14 permitting.

15 CHAIRWOMAN WEINSTEIN: We're going to
16 be here regardless of the weather, so we're
17 hoping that we'll be able to have these
18 hearings go forward.

19 Thank you.

20 (Whereupon, the budget hearing concluded
21 at 8:29 p.m.)

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