

**Testimony of Hon. Adrienne E. Adams  
Speaker of the New York City Council**

**Joint Hearing of the Senate Finance and Assembly Ways and Means Committees  
February 9, 2022**

Good afternoon Chair Krueger, Chair Weinstein, Ranking Minority Members O'Mara and Ra, and all members of the Senate Finance and Assembly Ways and Means Committees.

I am Adrienne Adams, Speaker of the New York City Council and the representative of Council District 28 located in Southeast Queens. I am pleased to be before these esteemed bodies, to discuss the Executive Budget for State Fiscal Year 2023-2024, and its potential impact on New York City. Thank you for your time and consideration, and of course your service. I would also like to thank Senate Majority Leader Stewart-Cousins and Assembly Speaker Heastie.

As the new Speaker of the New York City Council, I would like to briefly introduce myself. I was raised in Queens as the daughter of union workers, and I am a graduate of our public school system. Before entering public service, I worked in the private sector in executive training and human capital management, and subsequently in childcare professional development training.

Prior to assuming elected office as a Council Member in 2017, my start in public service began at the local level, chairing Queens' Community Board 12 for three terms. From representing my community in government at the most local level to now leading the entire New York City Council in 2022, I have a deep appreciation for how enacted budgets impact our communities. I have been a consistent advocate for equitable investments in education, housing, public safety, access to quality healthcare, senior and youth services, and workforce development.

Neighborhoods, like those where I was raised and now represent in Southeast Queens, have historically been underfunded and underserved. During the pandemic, we have seen how this underinvestment disproportionately harms New Yorkers in many parts of our city and state. Black and brown communities were among those hardest hit by COVID-19, and also least prioritized for testing, vaccine and other resources to protect them.

Inequities that could be papered over before the pandemic have since been revealed to be critical fault lines that not only undermine the communities experiencing the inequities but the entire City and State. The essential workers that kept the City going as it became the epicenter of the pandemic are most negatively impacted by health care disparities, public safety challenges, and inequities in our educational system. These disparities, if left unaddressed, will hinder recovery from the pandemic.

We find ourselves at a moment that is both difficult, due to the pandemic, and one that offers an opportunity to address some of our longstanding, systemic challenges. Under my leadership, the City Council is prepared to focus on equity, addressing the disparities in access to investments and resources that promote public health and safety. We will work to ensure neighborhoods that were forgotten in the past are no longer underserved, and instead are prioritized for key investments.

The State and City must work in partnership to accomplish this goal, paving the pathway to a healthier and safer New York for all.

New York City continues its slow recovery from the ravages of this COVID-19 pandemic. Employment is up 600,000 jobs compared to its low point in the spring of 2020. However, this is still 330,000 jobs below our pre-COVID peak. The City is in a stable fiscal position with tax collections exceeding our financial plan and some reserves to partially cushion further economic setbacks. There are significant risks in the later part of New York City's financial plan, which could be aggravated if changing work habits lower the value of Manhattan office space. As Speaker, I intend to prioritize careful management of the City's budget.

The Council applauds the Governor's effort to increase New York State's budgetary reserves. This will improve the stability of the state's budget and reduce the likelihood that unexpected dips in state revenue result in budget cuts impacting residents of New York State and New York City.

The Council is also pleased that the State Budget reflects a new era of good will and collaboration between the State and our city, including its proposals to grant four years of Mayoral control of schools and cost sharing of New York City's local share of Medicaid growth. I am also encouraged by the proposals to increase eligibility thresholds for vital safety net programs, including public assistance, childcare, and health insurance. This extension of support to struggling families is critically important as we recover from the pandemic.

This budget represents a highly constructive starting point for the conversation on how we meet the needs of New Yorkers, which we look forward to continuing to work with all of you to complete.

I also would like to remind you that New York City continues to feel the impact of prior years' state budget cuts that targeted our city. Reduced state funding for public health programs, Temporary Assistance for Needy Family (TANF) grants, foster care tuition, and special education placements in residential schools, as well as the complete elimination of state support for the Close to Home Program for young people in the juvenile justice system, has left a \$180 million hole of state funding in our city budget.

I will now turn to specific budget proposals and their impact on New York City, starting with health care funding.

### **Health Care**

The Council applauds the Governor for committing to grow the state's health care workforce by 20 percent over the next five years and the inclusion of \$1.2 billion in bonuses for certain front-line health care and direct-support workers, who have admirably and tirelessly served our communities. With the City being disproportionately impacted by this pandemic, it is critical that we receive our fair share, and we call on the State to guarantee that our nurses are included in this proposal.

Despite these bold steps, the Council would like the State to go further and address the following concerns in health services:

- First, provide additional funding to administer health care for the more than 1 million New Yorkers who remain uninsured; while we applaud the proposal to expand eligibility for the Essential Plan to 250 percent of the federal poverty level, other ideas could include a state mandate for health insurance, premium assistance through subsidies, robust outreach in hard-to-reach communities, and a public option;
- Second, end the interception of City sales tax revenue for the Distressed Providers Fund, and award funding already collected in that Fund to the City's Health + Hospitals system; and
- Third, ensure that the State direct funding from the American Rescue Plan's State Fiscal Recovery Funds to New York City to support health care infrastructure.

We also request that the State and New York City work closely together to ensure that the final submission of the State's Medicaid 1115 Waiver to the federal government is designed in a way that allows sufficient funding to be directed to the City to continue our focus on health equity, with a specific emphasis on low-income communities of color.

### **Mental Health**

There is an undeniable need for more focus and resources to address the mental health needs of New Yorkers, including those who are homeless, especially given recent incidents in the City. The 20 SOS teams comprised of mental health professionals to transition individuals living on the street into stable housing will go hand in hand with the investments New York City is already making in this area. It is imperative for the public health and safety of all New Yorkers that mental health care reaches those with the greatest needs. I hope we can work together to make a sizeable impact in this area, ensuring individuals are connected to treatment and services.

### **Public Safety**

Continuing with public safety, the Council is pleased to see that the Executive Budget includes funds to respond to the spike of violence that is being experienced in cities across the nation. From tripling investment into the hospital-based and street outreach programming, community empowerment services and capital grants, the State has proposed \$95 million to support community-based responses to gun violence. We support this effort, and stress that New York City should receive substantive support. While the City currently has its own community-based violence reduction program, additional support from the State can help further these efforts to reduce gun violence. In addition, the grant program for capital investments related to crime-reduction should be made available to our city's communities so we can work together to tackle this problem.

## **Economic Recovery**

Connected to the issue of public safety is the economic health of low-income New Yorkers. The pandemic has caused more people to seek public assistance, as many have lost their jobs or faced a decrease in wages. The Governor's proposal to allow an increase in the amount of earned wages and savings for those on public assistance, before losing eligibility, can be a lifeline for many of our city's residents as they start to build back from the pandemic.

Our small businesses are also key to the state's economic recovery. We support the Governor's \$1 billion Small Business Plan to provide targeted programs that address the needs of local small businesses, ensuring they have the necessary tools to lead us into a new era of economic prosperity. We expect that our city's local businesses will receive their fair share of this spending.

New York City's theaters are another vital part of our recovery as pillars of cultural and economic life. COVID continues to limit performances and undermine the financial health of the industry. The extension and deepening of the New York City Musical and Theatrical Tax Credit is a welcome response to this problem.

Our infrastructure and transportation investments are another important component of reinvigorating the city and state. We are grateful that the federal Infrastructure Investment and Jobs Act funded the Gateway Tunnel project, in conjunction with appropriations by New Jersey, the Port Authority, and this Executive Budget. Once completed, the tunnel will provide a critical rail link between New York City and the Northeast Corridor, supplementing the improvement of a failing 110-year-old infrastructure that 200,000 daily riders depend on every weekday. It remains critical that additional federal infrastructure dollars support other projects that advance equity in other parts of our city, while creating good jobs.

From a capital project and construction perspective, Design-Build authority is important for the city, and the Council has been lobbying for it since 2014. While we are thrilled by the proposed three-year extension, there is an opportunity to make this authority permanent instead of renewing it temporarily. We believe that for the City to have efficient capital project delivery, it must have access not only to Design-Build, but also to tools like CM-As-Manager, CM-At-Risk, Progressive Design-Build, and other permutations of the process tailored to unique demands of site conditions.

We also support the Operation Pave Our Potholes proposal to spend \$1 billion over five years to improve state and local road conditions, and expect that funding allocated to this program will be fairly allocated to New York City.

We commend the Governor's strong commitment to the environment by introducing the landmark Clean Water, Clean Air, and Green Jobs Environmental Bond Act, and making the largest investment in the Environmental Protection Fund in history. These investments will support critical projects throughout New York City that address the effects of climate change, protect our waters, and provide much needed outdoor recreation opportunities.

Another major issue in the budget is the proposed addition of three casinos in New York State and the removal of restrictions to their placement in New York City. Expansion of casinos to New

York City requires careful consideration, and this should certainly involve City input. While the current proposal notes that it would generate revenues for the State, it does not appear that those revenues have yet been estimated and are therefore not necessary to fund the budget's current proposals. Therefore, the Council asks that the State engage in conversation with the City and other stakeholders on this issue apart from and subsequent to this current budget process.

## **Education**

We applaud the Governor's commitment to education in the proposed state budget. The increase for School Aid is much needed as we continue to address the impact of the pandemic on New York City's students. The Executive Budget continues to meet the Campaign for Fiscal Equity mandate and allocates \$8.9 billion in Foundation Aid, so our schools can continue to receive 100 percent of Fair Student Funding and ensure that each and every school receives the funding they are entitled to. This budget also addresses preschool special education, which often goes overlooked, and we fully support the tuition rate increase of 11 percent to help providers address the early education needs of students with disabilities.

One concern we have is how the state calculates its school funding formula, and the impact on how much the city would be responsible for contributing towards charter schools. If the State is counting federal stimulus funds as part of the budget growth for public school operations, it should not count that growth in funding in a way that would make the City obligated to pay more of charter school tuition payments under the current formula.

We commend the Governor's support for higher education and the proposed plan to make higher education more affordable and accessible. First, the Executive Budget keeps CUNY's State Operating Aid constant. Without this funding floor, community colleges would lose formula aid due to enrollment declines caused by the pandemic.

The Executive Budget's proposed changes to the Tuition Assistance Program (TAP) are also critical. The budget smartly proposes to expand TAP to include part-time students in degree programs and community college students enrolled part-time in high-demand workforce credential programs, ensuring that our working students have support to earn higher education degrees. It would also allow incarcerated New Yorkers to participate in TAP, something proven to reduce recidivism yet previously prohibited by a 1995 New York State statute. Equally important is the acceleration of the Fiscal 2022 Enacted Budget TAP Gap funding plan at Senior College campuses by adding \$59 million.

## **Childcare**

Another important investment in our young people and working parents within this budget is for childcare. Access to childcare was an issue before the pandemic, which has only been further exacerbated. I am happy to see the over \$900 million investment for childcare over the next three years, which expands family income eligibility and increases childcare worker wages. Additionally, the \$4.8 million to establish more childcare centers on CUNY campuses is a much-needed investment in New Yorkers, who have young children and are seeking higher education.

## **Housing**

Housing remains a fundamental issue for families in our city and across the state that has a direct impact on the health and stability of our neighborhoods. The New York City Council is hopeful that the requests by the Governor and our Mayor for more federal funding to support Emergency Rental Assistance Program aid for renters at risk of eviction will be fulfilled. Yet, we are concerned about the lack of a contingency plan, if additional federal dollars do not materialize. We urge the State to consider allocating a backstop.

The Governor's executive budget also includes a number of proposals to spur housing development in New York City. These include a replacement of the 421-a tax break with the Affordable Neighborhoods for New Yorkers Tax Credit (ANNY), authorizing conversions of certain commercial spaces into rent stabilized rentals, and other housing development related proposals.

The on-going affordable housing crisis in the City makes it critical that any rethinking of tax incentives and zoning be carefully considered and effective. We greatly appreciate that the Governor's proposals can begin the important conversation on reforming these critical policy tools, and will closely track feedback from members of the legislature and other stakeholders on how these proposals can be refined.

We believe that any reform proposal the State develops will be even more successful if developed in close coordination with New York City officials, including the City Council. To that end, the Council believes that we should continue to discuss these proposals after we have gotten through this year's State budget when we can all devote the necessary focus they require.

Any discussion of affordable housing within the City of New York cannot be complete without talking about NYCHA. The State's most recent allocation of \$450 million in capital funding to address boiler replacements and elevator car replacements is greatly appreciated. However, NYCHA's need is \$31.8 billion over their five-year plan, as the agency's Physical Needs Assessment shows. The City has allocated \$1.4 billion of our capital dollars to meet this need and asks the State to consider allocating more funding as well.

Finally, at the end of last year, the New York City Advisory Commission on Property Tax Reform, convened jointly by the Council and former Mayor de Blasio, released its findings to improve the City's broken property tax system. We need a sensible property tax system for New York City, and Albany holds the key to overhauling it. The Council hopes to work with all of you to make the City's property taxes fairer, simpler, and more transparent.

## **Conclusion**

We are at an important juncture for our state and city. I thank you for your time and attention today, and look forward to our continued, productive partnership to enact a State budget that supports the City of New York and every person who calls it home.