



TESTIMONY

Mayor Malik D. Evans • Rochester, New York

Joint Legislative Hearings

2026-27 New York State
Executive Budget Proposal
Local Government Budget
February 11, 2026



Chairwoman Krueger, Chairman Pretlow; members of the Senate Finance and Assembly Ways and Means Committees; and other members of the New York State Senate and Assembly. Thank you for the opportunity to present Rochester's perspective on the proposed Executive Budget that is before the Legislature.

President John F. Kennedy famously said: "Change is the law of life. And those who look only to the past or the present are certain to miss the future."

As Rochester navigates its continued economic transition, you won't find a better example of a city, county and state working together to make sure we don't miss our future. You'll see that collaboration reflected in the budget request I am presenting today.

For the third year in a row, my partner in local government, Monroe County Executive Adam Bello, and I are presenting a joint City-County request that reflects a unified vision for the future of Rochester and Monroe County. This strategy was borne from our shared commitment to collaboration; and it has paid tremendous dividends, both in the previous two approved State budgets, and in Gov. Kathy Hochul's budget proposal that you are now considering.

This includes the \$59.6 million that was awarded to the City last year to bring much-needed and long-overdue upgrades to the Joseph A. Floreano Rochester Riverside Convention Center.

I want to thank Assemblymember Harry Bronson, the dean of the Rochester delegation and a member of this panel, and all of Rochester's legislative representatives, for helping us secure these capital funds.

I also want to take this opportunity to commend Gov. Hochul for her proposed reforms to the State Environmental Quality Review Act (SEQRA), which will continue to protect our environment while cutting through unnecessary red tape to critical projects.




Mayor Malik D. Evans,
City of Rochester

Support for Proposed City-County Investments

The County Executive and I are incredibly thankful for the capital investments in Rochester and Monroe County included in this year's State budget proposal.

This is why the first of my two budget requests today is to ask you to support these investments and preserve these funding streams in Gov. Hochul's budget proposal.

The proposed \$300 million in capital investments, collectively titled the Rochester-Monroe Transformation Initiative, reflects an evolution of the City's ROC the Riverway waterfront revitalization program, which is already generating hundreds of millions of dollars in private investment.

The Rochester-Monroe County Transformation Initiative takes that vision a step further by expanding the footprint beyond the immediate waterfront and incorporating State and County projects. We have brought almost a dozen separate projects together under the single banner of a City, County and State initiative.

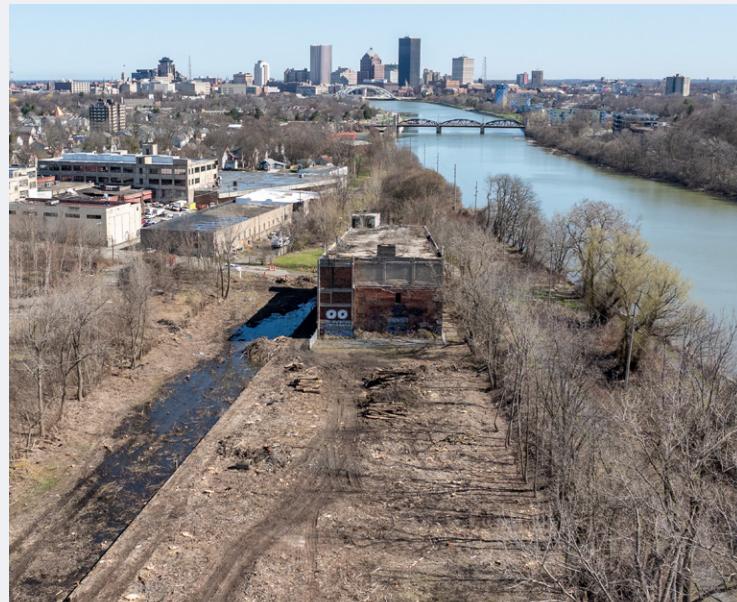


This includes New York State's High Falls State Park project, which has already been designated to receive \$75 million from this fund. The remaining \$225 million will go toward a combination of projects, including the County's upgrades at Red Wings Stadium; and the City's conversion of the former Vacuum Oil brownfield site to a riverfront park.

I have no doubt these complementary investments will extend far beyond Rochester and the Finger Lakes, especially with the ongoing development of the New York I-SMART Corridor.

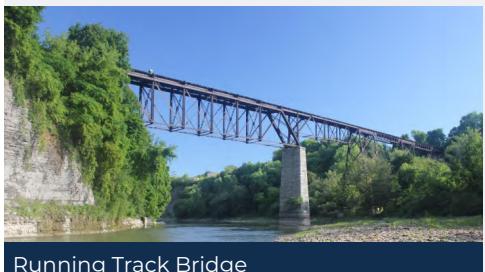
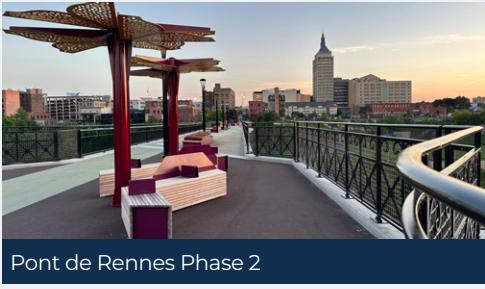


High Falls State Park



Vacuum Oil brownfield site

ROCHESTER MONROE TRANSFORMATION INITIATIVE



Permanent AIM Increase or MOE Reduction

I am here today to ask you to support these investments; not just for the benefit of Rochester and Monroe County, but for all of New York State. But I also ask you to support one of two other critically important requests: A permanent increase in State Aid and Incentives for Municipalities (AIM) funding; or a reduction in our Maintenance of Effort (MOE) for the Rochester City School District (RCSD).

We are grateful for the additional \$5 million we received in Temporary Municipal Assistance. However, our needs are much greater to meet the increased expenditures we now face.

Rochester's AIM funding has remained stagnant at \$88.2 million since 2012, and our funding mandate for RCSD has stood at \$119.1 million since 2007. This mandate now represents 63.5 percent of our property tax levy.

This gap between AIM and our MOE mandate embeds an annual deficit of more than \$30 million into the start of every budget cycle.

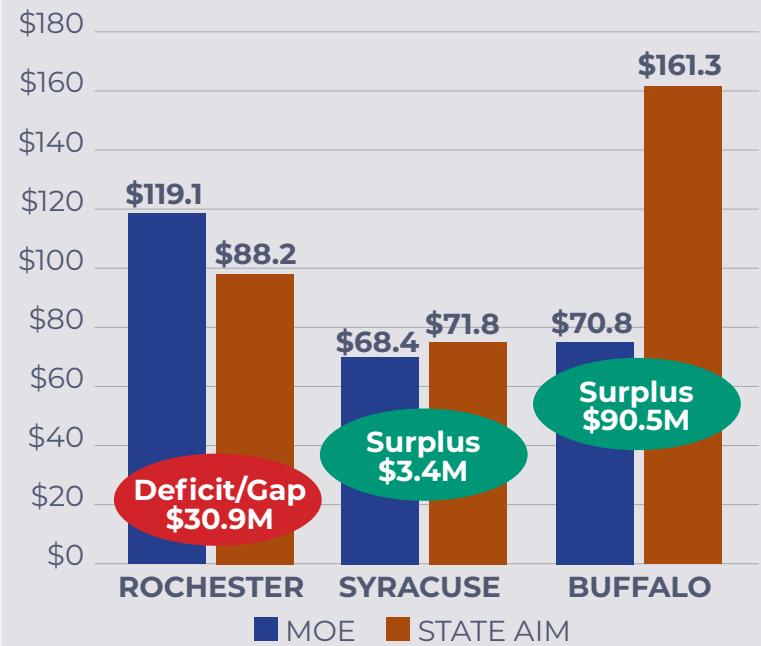
What's more, Rochester is the only Upstate city that shoulders a State mandate to provide more revenue to its school district than it receives in State funding through AIM.

The time to end this chronic disparity and put Rochester on equitable financial footing with our peer cities is long overdue, and the need to do so this year is critically acute. We face significant headwinds as we approach this next fiscal year and our options are limited.

The current budget gap now stands at \$131 million, the largest in our history. This deficit has us contemplating deep cuts to City services that will certainly exacerbate the conditions of poverty that have plagued Rochester for more than half a century.

The primary drivers of this deficit are flat or declining tax revenues that simply cannot keep up with rapidly increasing healthcare and pension costs.

**MOE and AIM for Upstate Cities
FY 2025-26 (\$millions)**



Permanent AIM Increase or MOE Reduction

The largest revenue source we control, our property tax levy, is now \$187.6 million before the removal of STAR credits. Even if we increased that levy by the full 2 percent allowed under the State property-tax cap, it would generate just under \$3.8 million, or just 12 percent of the gap between our AIM aid and our mandated payment to RCSD.

And our largest revenue source, sales tax revenue, has been essentially flat, even after years of inflation. This stands in stark contrast to New York State's ability to control its own destiny that's reflected in the State budget, where corporate and income tax receipts have grown by an average of 11 percent a year since these rates were raised in 2021.

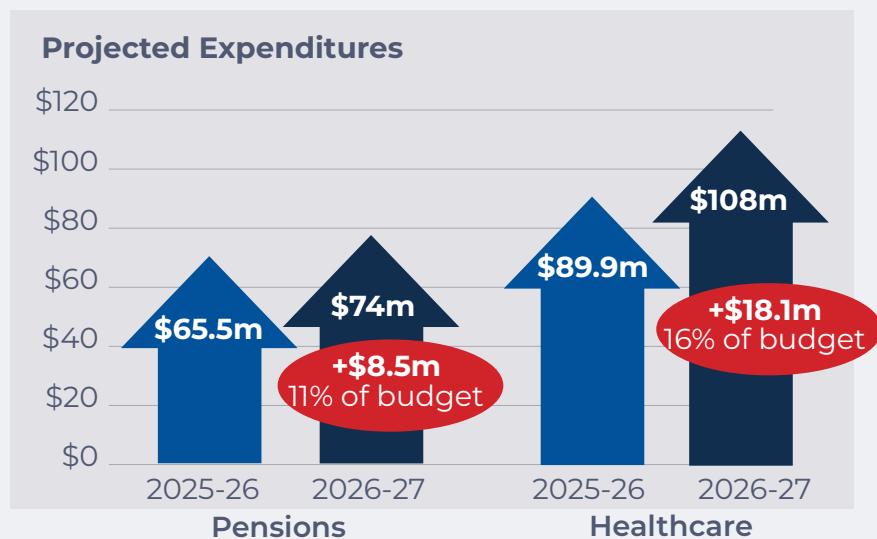
Meanwhile, RCSD has consistently received increases in State Foundation Aid since 2022, which, when combined with the Federal pandemic-related assistance, has helped the School District amass \$312 million in fund balance— at a time when the City is forced to contemplate the devastating impacts of closing recreation centers, libraries, or fire stations.

It pains me to my core to even mention budget cuts of this magnitude because I know that these are the very services that have played an instrumental role in driving violent crime down from the historic peaks we saw during the pandemic.

But these measures are on the table because we have no control over our largest expenditures: rapidly increasing pension and healthcare costs.

Despite the anticipated savings of the Tier 6 retirement plan, Rochester and other New York municipalities now face the highest projected average Police and Fire Retirement System rate since the inception of the system 55 years ago.

Our projected pension bill for Fiscal Year 2026-2027 now totals \$74 million, an increase of \$8.5 million from the current fiscal year, and represents 11 percent of our current total budget.



Likewise, healthcare expenditures for our active and retired employees have escalated by \$18.1 million to almost \$108 million, or 16 percent of our budget.

This budgetary framework is simply not sustainable. And it threatens the incredible momentum we're making toward violence reduction, job creation, workforce development, affordable housing, home ownership, economic mobility, and so much more.

Earlier, I presented this proposal as one of two requests: a permanent increase in AIM funding, or a reduction of our MOE mandate. In reality, it is one request that can be achieved by either avenue.

One way or another, I am asking you to permanently eliminate a \$30 million budget deficit that New York State has explicitly built into the City of Rochester's annual budget.

Conclusion

The investments outlined in the Rochester-Monroe Transformation Initiative represent the latest iteration of a successful change-management strategy that is well underway: the transformation of Rochester's physical, social, cultural and educational landscapes to accelerate our knowledge-and-innovation economy to generate new revenue, create jobs, and grow our population with equitable access to opportunity.

But as successful as this approach continues to be, the underlying framework includes a structural flaw that carries risk of collapse: Namely, the very real threats to the City of Rochester's ability to help our residents permanently escape the cycle of poverty.

Members of the Senate and Assembly budget committees: I am asking you today to remember the words of JFK and help us make sure Rochester, Monroe County, and New York State do not miss their collective future.

The investments outlined in the joint City-County budget request before you today will play a significant role in driving the entire State's economic transition for decades to come. But we must secure that future by bringing much-needed change to obsolete funding mechanisms that have been a part of our past and present for far too long.

Thank you again for the opportunity to appear before you; I welcome any questions you may have.

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