



THE COUNCIL OF
THE CITY OF NEW YORK

CITY HALL
NEW YORK, NY 10007

JULIE MENIN
SPEAKER

TELEPHONE
(212) 788-7210

Testimony of New York City Council Speaker Julie Menin
Joint Legislative Hearing for Fiscal Year 2027 Executive Budget Proposal: Local
Government
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Good afternoon, Chairs Krueger, Pretlow, Bottcher, and Burke; Ranking Members; and members of the Senate Finance, Assembly Ways and Means, and Cities Committees.

I am Julie Menin, Speaker of the New York City Council. Thank you for the opportunity to testify today on the Governor's Fiscal Year 2027 Executive Budget on behalf of the New York City Council and the 8.6 million New Yorkers we represent.

I want to thank Governor Hochul, Senate Majority Leader Stewart-Cousins, and Assembly Speaker Heastie for their leadership and partnership.

At a moment of fiscal uncertainty driven by federal disinvestment, ongoing inflation, and affordability challenges, the City Council approaches this budget with a clear goal: ensuring New York City remains livable, affordable, and economically strong while acting as responsible stewards of public resources.

Let me start with a simple truth: people want to live in New York City. They want our energy, our culture, our jobs, and our communities. But for too many families, staying here is becoming impossible.

Affordability isn't one issue; it's an entire ecosystem. To build a life there, New Yorkers need housing they can afford, jobs that pay enough to stay, childcare that allows parents to work, and schools that prepare their children for the future.

That is the lens through which the City Council approaches this budget.

I know the question that will be asked today: how can the City talk about investments when we're facing a reported \$12 billion budget gap?

The answer is two-fold. First, the Council will be making its own budget projections with its own forecast and analysis in due course. Second, we are squarely focused on finding savings in every corner of city government.

Our City Council will focus on accountability in no-bid contracts; rooting out waste; driving savings; and ensuring that new investments are targeted, evidence-based, and fiscally sound.

We believe fiscal responsibility and affordability go hand-in-hand. If New York becomes unaffordable, we lose residents, workers, and businesses and the fiscal picture only worsens.

New York City is still the economic engine of this state, but the engine needs fuel. Last year, the city added roughly 30,000 new jobs as of December, compared to nearly 176,000 on average annually in prior years. That slowdown should concern all of us.

The Council has taken steps to strengthen economic pipelines, including creating a first-in-the-nation Office of Healthcare Accountability to rein in costs that burden employers, families, and the City budget alike. We want to partner with the State to attract and retain businesses, support emerging industries, and ensure New York remains competitive.

Federal Headwinds and State Cost Shifts

New York City's budget is increasingly strained by federal decisions that reduce funding and State decisions that shift costs onto localities. These pressures undermine our ability to keep the city affordable and to invest in long-term stability.

SNAP

Last year's federal spending bill, H.R. 1, reduced federal support for SNAP administration costs borne by states from 50 percent to 25 percent, starting in October 2026. New York State anticipates this will result in an additional \$204 million in annual expenditures.

The Executive Budget assumes that the State will cover \$36 million of this cost and shift the burden for the remaining \$168 million to localities, with \$111 million shifted to New York City. Historically, the City has not contributed to the State's costs for SNAP administration.

At a time when food insecurity remains elevated and families are still feeling the effects of inflation, shifting these costs onto the City would force us to choose between sustaining our own safety net and absorbing federal cuts the State is better positioned to manage. The State should continue to fully cover this expense rather than shifting costs to the City and other localities

Supporting Working Families

Affordability lives or dies with working families. The Council has made historic investments in childcare, because it is not just a family issue, it's an economic one. Every dollar spent helping families afford childcare is a dollar that circulates back into the local economy.

Early Childhood Education Funding

The Council supports the proposed increase of \$235 million for 3K and Pre-K funding, which increases State funding for the first time since Fiscal 2019. The Executive Budget also includes a dedicated \$73 million for a pilot to increase the number of 2-year-old slots in New York City.

However, this is just an initial investment. As the City continues to expand toward universal childcare, thanks to the Governor's leadership, additional funding will be required as children in the new 2-Care pilot age into 3-K and Pre-K seats. The Council wants to ensure that the per-pupil weights proposed by the Governor for Pre-K and 3-K funding do not threaten a steady, predictable stream of funding to support a stable ECE system. We call on the State to fund universal childcare beyond just the initial two years and ensure it reaches true universality in New York City.

ACS Childcare Vouchers

The State's Child Care Assistance Program (CCAP) supports ACS's need-based voucher system for childcare (ages 0-13, and up to 19 for children with special needs). The Governor's Executive Budget includes up to \$1.5 billion in base funding for the City, an increase from the \$1.1 billion included in each of the past two years. The budget also includes an additional \$475 million in one-time funding allocated to address the increased caseload and ACS's waiting list.

Even with this increase, ACS faces an approximately \$320 million gap based on projected need to serve the current caseload. Additionally, there would still be an estimated \$257 million needed to provide vouchers to each of the roughly 13,500 children currently on the waiting list.

The State should provide \$577 million in funding needed to fully address ACS's projected gap and eliminate the waiting list so parents are not forced to choose between caring for their children and keeping their jobs.

Child Savings Accounts and NYC Kids RISE

Affordability is urgent, but we also must think long-term. Childcare is foundational, but it's not the end of the story. I created NYC Kids RISE, which has seeded over 340,000 college savings accounts totaling more than \$50 million. Research shows that higher educational attainment leads to substantially higher earnings over a lifetime, with individuals holding a bachelor's degree earning nearly double the income of those without upper secondary education. Expanding this work is about giving kids a real shot at long-term economic mobility.

NYC Kids RISE gives every public school student a 529 account, seed money, and access to additional investments. It's about changing what families and kids believe is possible as higher education remains one of the clearest paths to economic mobility. College graduates earn nearly 60 percent more than those with only a high school diploma, and by 2031 more than 70 percent of jobs will require postsecondary education or training. Yet costs keep too many kids from low-income families from finishing school.

Today, more than 340,000 NYC students have NYC Scholarship Accounts with nearly \$60 million invested—that's almost every K-4 student in the public school system. Ten years

ago, in many neighborhoods you'd have to walk into five classrooms to find one child with a 529 account. That's the racial wealth gap in action. We've changed that.

We want to dramatically increase the initial investment. We're proposing \$1,000 for every public school kindergartener—about 62,000 kids—and \$3,000 for children with the highest need, including those who qualify for free or reduced lunch or HRA benefits. This would remain universal, with targeted investments of NYC Future Funds where the need is greatest at an estimated cost of \$150 million in deposits and \$30 million for community capacity building, public education, account infrastructure bringing the total to \$180 million, of which the state should invest \$90 million.

Education and Class Size

Families do not just ask if they can afford rent; they ask whether their neighborhood schools are strong enough to justify staying.

The State's class size law is laudable and evidence-based, and the City is making progress toward compliance. Each year's compliance rate has increased, but there is still work to do. Next school year, the Department of Education (DOE) must reach 80 percent compliance.

DOE testified that in order to achieve this, an additional 6,000 teachers will need to be hired at a cost of approximately \$602 million in Fiscal 2027 and the outyears. This estimate does not include additional funding that may be necessary for teacher recruitment, supervisors, or classroom expenses. The \$602 million is on top of the funding already allocated that enabled DOE to achieve 60 percent compliance this year.

Reaching the full compliance by the 2027–2028 school year will be difficult. While State funding in prior years has assisted the City in reaching earlier milestones, without significant additional State funding to cover the cost of the additional teachers needed, the City will be forced to make unenviable choices about reprogramming funding from other priorities.

The State must provide the resources necessary to make this law a success instead of leaving it as an unfunded mandate.

Mayoral Control

The City Council strongly supports the reauthorization of Mayoral Control, which creates a clear management and accountability structure for the Department of Education. The Mayor and Chancellor should have the authority to govern the Department of Education just like any other city agency.

In that same vein, the Council should also have full oversight and legislative authority over the Department of Education. However, the Council is preempted from such oversight and legislative actions because the current law places this authority on the State Legislature. The City Council should have oversight and legislative authority as the lawmaking body of New York City overseeing the wellbeing of New York City students.

Foundation Aid

Last year, the Governor tasked the Rockefeller Institute with recommending changes to the Foundation Aid formula. The enacted budget took some important steps in response by updating the census data that underpins the formula and using a broader, more accurate count of students in economically disadvantaged households. But one key piece was left untouched: the Regional Cost Index, which has not been updated since 2006.

For New York City, that matters. The current RCI simply does not reflect what it actually costs to live and run schools here in 2025. If the State had updated the RCI using 2024 data, New York City would have received roughly \$500 million more in Foundation Aid last year alone. Updating the RCI would ensure we are funded based on the cost of educating children in today's New York City, not the city of twenty years ago.

There are other straightforward fixes that would make the formula more responsive to our students' needs. Adding a specific weight for Students in Temporary Housing, increasing the weight for English Language Learners, and ensuring strong State support for students and preschoolers with disabilities would bring the formula closer to the realities we see in our classrooms every day and more accurately capture New York City's needs.

Healthcare and Hospitals

New York City's hospitals, particularly public and safety-net institutions, are under tremendous strain. On November 18, 2025, the City Council Committee on Hospitals held a hearing on the state of nursing in New York City hospitals. At this hearing, we heard harrowing testimonies about chronic understaffing, unsafe workloads, and the growing pressure on nurses to supervise new AI tools while fearing that those same tools could one day replace them.

New York City's affordability crisis compounds these challenges. Nurses are finding it increasingly difficult to afford to live in the city, exacerbating existing difficulties hospitals face in recruiting and retaining staff.

The Council calls on the State to:

- Earmark funding to improve working conditions for nurses in New York hospitals
- Support initiatives that increase and retain staff and bolster hospital security
- Enact common-sense regulations governing the use of AI tools in healthcare

Article VI Reimbursement Rates

In Fiscal Year 2019, New York City's Article VI reimbursement rate for essential public health services was cut by 16 percent, from 36 percent to 20 percent. This cut translates to \$59 million less in revenue to support essential public health programs. Returning the reimbursement rate to its prior level would restore an equal reimbursement rate for all municipalities across the State. Article VI funding provides support to local public health activities in the following core service areas including Family Health, Communicable Disease Control, Chronic Disease Prevention, Environmental Health, Community Health Assessment, and Emergency Preparedness and Response.

If we do not adequately invest in public health infrastructure, it could have far-reaching consequences, including increased morbidity and mortality rates, higher healthcare costs, and a decreased quality of life for New Yorkers.

Medicaid and the Essential Plan

Medicaid spending is expected to be \$122.6 billion in Fiscal Year 2027, a decrease of \$3.4 billion or 2.7 percent, from Fiscal Year 2026, due primarily to the loss of federal funding for the Essential Plan.

The State's Essential Plan (EP) was created in 2016 to extend no- or low-cost healthcare to low-income New Yorkers. In 2024, the State shifted its federal funding source to allow for an expansion of the Essential Plan, enabling an additional 450,000 New Yorkers to qualify and extending coverage to approximately 1.7 million low-income residents.

H.R. 1 made large cuts to the federal funding stream the State used in its 2024 expansion. This cut would cost the State roughly \$3 billion a year when fully annualized. The State has requested a shift back to the pre-2024 funding stream in an effort to restore about \$2 billion of these funds and access a \$10 billion trust fund. This change, however, is contingent on federal approval and is therefore not included in the budget.

While this fix would protect healthcare coverage for an estimated 1.3 million New Yorkers and restore some funding to the State, nearly 400,000 state residents could still lose healthcare coverage. The State must ensure that any adjustments to the Essential Plan do not result in cost shifts to localities or increased uncompensated care burdens on New York City's hospitals.

Protecting Our Representation and Federal Funding: 2030 Census

The effects of ICE linger beyond the fear they stoke in the streets; their presence has the potential to hinder the accuracy of census results. And as we think about the City's long-term fiscal health, we cannot ignore the 2030 Census. The Executive Budget's proposed \$3 million for Census activities is a start, but it is far below what is needed for a state of our size and complexity.

Based on current trends, New York is projected to lose two to three more House seats and billions of dollars of federal funds in 2030 if we do not act now. When I served as head of the 2020 census, we invested \$40 million into our efforts with unbelievable results. Not only did we have the best response rates of any city in the country, but it meant a return of an additional \$1.8 billion per year for the next ten years.

So with renewed threats of ICE and the potential impact it could have on census response rates, I cannot think of a better investment. The Council urges the State to invest at least \$40 million in early Census preparation. This would provide support for community-based organizations, multilingual outreach, and data infrastructure, so New York does not again leave representation and resources on the table.

Housing and Homelessness

Housing is at the core of whether families can imagine a future in New York City. We appreciate the State's investments to date, but the magnitude of the crisis requires more ambitious, sustained partnership.

Affordable Housing Development and Preservation

The Council welcomes State support for affordable development and preservation, specifically its contribution in Fiscal Year 2026 of \$1 billion toward the historic City of Yes housing plan, which should create more than 82,000 new homes. We also support the new State housing investments included in the FY 2027 Executive Budget, including \$250 million for affordable housing statewide, \$186 million for supportive housing, \$100 million for modular and starter homes, and \$15 million for the Housing Development Fund Program.

We believe the State should increase these efforts and prepare for an even more ambitious new five-year housing plan next year.

Mitchell-Lama and Community Land Trusts

Additional funding to assist aging Mitchell-Lama properties in New York is missing from the Executive Budget. The State and City must provide a progress report for the Mitchell-Lama Action Group, which was formed following the passage of City of Yes, and consider additional financial support for these developments.

The State should also add \$1.5 million in funding for Community Land Trusts and enable the creation of more CLTs as a tool to preserve affordability and community control.

SEORA and Housing Production

Insufficient affordable housing development over the last decade has exacerbated what was already a serious housing cost burden for New Yorkers. New York City has the highest average rent of any city in the country, in large part because supply has not kept up with need. Developers often cite cumbersome land use, environmental review, and zoning procedures as barriers that slow down housing production.

Governor Hochul's proposal to reform the State Environmental Quality Review Act (SEQRA) would allow City lawmakers to amend the City Environmental Quality Review (CEQR) process, facilitating a greater rate of housing development and helping bring down rents. The Council supports the intention of these changes and looks forward to working with State partners to boost production, support regulatory agencies in meeting proposed timelines, and maintain the health and wellbeing of residents and the environment.

NYCHA

NYCHA developments house roughly one in 17 New Yorkers and provide necessary affordable housing for some of the City's neediest residents. However, many NYCHA buildings are in a state of disrepair, with an estimated \$80 billion in capital needs systemwide.

Although the State has been supportive of NYCHA in the past, \$720 million in capital funding remains unspent since 2021, funding that is critical to addressing ongoing infrastructural needs. The State and NYCHA must effectively collaborate to quickly disburse this remaining balance.

Looking forward, the Executive Budget adds no new capital resources to help NYCHA address residents' persistent and urgent issues with environmental hazards such as lead, mold, and asbestos exposure, as required under its federal monitor agreement. The Council calls on the State to add an additional \$1 billion in capital funding each year for NYCHA over the next four years to support urgent repairs.

Homeless Shelter Costs

The State currently provides some support for the City's homeless shelter costs, but it is limited to the Adult Shelter Cap and Safety Net Assistance. The contribution under these programs has not increased in years, despite a considerable rise in homelessness and the cost of providing shelter.

The State may reimburse the City for 50 percent of adult shelter costs, but the total amount has been capped at just under \$70 million since City Fiscal 2013. Safety Net Assistance funding for the cost of housing homeless families on public assistance in the City's shelter system has been static at just over \$100 million for many years as well.

In total, the State contributes around \$170 million toward City shelter costs or approximately 2.6 percent of the Department of Homeless Services budget in Fiscal Year 2026. The State should lift these caps and significantly increase its support for shelter costs.

Rental Assistance Vouchers

A growing number of New Yorkers are applying for housing rental vouchers, which are provided under the StateFHEPS program and serve to prevent rising homelessness. At the same time, there has also been a rate increase to pay for these vouchers. To fund the increased use of the vouchers as well as the expansion gap of the rates, we are advocating that the State invest \$100 million. StateFHEPS rates were increased to match the CityFHEPS rate in December 2021, but the State did not provide additional funding to cover this higher cost. Without additional funding, this is yet another unfunded mandate placed on the City by the State.

Immigration

Central to our identity and economy is New York City's status as a sanctuary city. But with senseless attacks on our immigrant community, the federal government has continued to undermine it. As Albany considers legislation to protect our friends and our neighbors, we know New Yorkers deserve to be safe – and they deserve to trust that our justice system is fair and effective. Securing access to legal representation is far harder than it should be, and we must increase funding to community-based organizations like NYLAG, Catholic Charities, and the New York Immigration Coalition who help make it easier by funding legal counsel, immigration hotlines, and vital trainings.

State policy should strengthen protections for immigrant New Yorkers, particularly in light of brutal, dangerous crackdowns by federal entities across the country. This includes our very own City Council employee Rafael Rubio who was detained by ICE during a routine check-in, even though he had all the correct authorizations to live and work in the United States. We are still doing everything we can to secure his immediate release from ICE custody.

Transportation and Transit Cost Shifts

Reliable, affordable transit is essential to New York City's workforce and economy. We need to partner with the State in a way that acknowledges the fact that the City's transit infrastructure is the lifeblood that supports the entire state's economy.

MTA Paratransit Funding

In 2020, the State mandated that New York City provide 50 percent of the net paratransit operating expenses of the MTA. In 2024, the Governor requested an increase in the City's contribution to 80 percent of operating expenses, with a maximum annual contribution of 50 percent plus \$165 million. At the time, this increase was described as temporary.

Last year, the Council urged the State to allow this change to sunset rather than making it permanent. However, the Governor renewed the extension for another two years, at a cost to the City of an additional \$165 million annually starting in State Fiscal Year 2026. The MTA's Calendar Year 2026 Financial Plan assumes the continued requirement that the City fund 80 percent of net paratransit operating expenses, with an estimated impact of \$200 million, growing to \$250 million per year.

This represents an undue cost shift to the City for providing essential transportation for people with disabilities. The State should allow this change to sunset and resume a fair share of paratransit costs.

Continued Support for Public Transportation

The initial stages of the Interborough Express and the second phase of the Second Avenue Subway are funded in the MTA's 2025–2029 Capital Plan. Additional support with increased State funding for further rail expansion projects is critical to providing the City with the transit capacity needed for continued economic growth.

The State should also provide additional subsidies and build on the success of Fair Fares to provide relief for low-income New Yorkers from planned transit fare hikes over the next four years.

Fiscal Policy, Taxation, and Local Tools

We need to use every tool at our disposal to retain businesses, bolster job growth, and ensure that our tax system is fair and efficient, without relying solely on broad-based tax increases.

Decoupling of Business Taxes from H.R. 1

The Council fully supports the Governor's proposal to decouple State and City corporate business taxes from certain provisions of H.R. 1 in the federal tax code. Maintaining existing standards for depreciation, business interest deductions, and research and experimental expense reporting will prevent a large, unintended drop in taxable business income and protect City revenues.

Amending State and City business taxes to avoid pass-through reductions linked to H.R. 1 will save the City an estimated \$520 million in business taxes, according to initial estimates from the Center for New York City Affairs.

Property Tax Reform

There is growing momentum in both the City and the State to reform bureaucratic and regulatory barriers that drive up costs and that work must include our property tax system.

New York City's property tax structure is inequitable and inefficient. It places disproportionate pressure on long-term homeowners and large rental buildings, undermining the work we are all trying to do to stabilize and expand our housing stock.

The Council is committed to working with and holding to account the current Mayoral administration so that together we can advance legislation to reform the City's property tax system in a way that addresses longstanding inequities while safeguarding the stability of the City's single largest revenue source.

Local Control of Tax Expenditures

The City's tax code includes more than 100 tax expenditures that represent over \$14 billion in forgone annual City tax revenue. These tax breaks are powerful but expensive tools used to combat the housing crisis, grow the economy, and help vulnerable New Yorkers remain in their homes.

These expenditures range from large programs like the Industrial and Commercial Abatement Program (over \$600 million annually) to smaller exemptions like the sales tax exemption for interior decorating services (\$24 million), to unique carve-outs for professional sporting arenas. These figures do not include an additional \$1.7 billion in tax breaks for higher education and medical institutions that, in other cities, often make partial property tax payments to support municipal services they rely upon.

Given their cumulative cost, it is imperative that these programs work as efficiently and effectively as possible. Just as the City has an annual public process for reviewing and adjusting its expense and capital budgets, it should have the authority to regularly review and adjust spending embedded in the tax code.

The Council has, for years, asked the State to delegate more control and oversight over these tax breaks to the City directly. Specifically, we urge the Legislature to:

- Authorize the City's Independent Budget Office to access business tax records so it can effectively evaluate economic development tax breaks; and
- Grant the City local discretion to end or curtail tax expenditures that are no longer effective or relevant.

- Improving the efficiency of these tax breaks would reduce strain on the City's budget by decreasing unnecessary tax expenditures and strengthening revenue growth through a healthier economy.

Expansion of Rent Freeze Programs

The Senior Citizen Rent Increase Exemption (SCRIE) and Disability Rent Increase Exemption (DRIE), collectively the Rent Freeze Program, are critical tools that freeze rents for more than 65,000 low- to moderate-income senior and disabled households in rent-stabilized properties who are rent-burdened. The program also reimburses property owners for the cost of freezing rent through tax credits, representing a successful public-private partnership.

Currently, only households with incomes below \$50,000 are eligible; an income threshold last updated in 2014. We support updating this threshold to reflect inflation and cost-of-living increases over the past dozen years.

J-51 Reform

The Executive Budget proposes reforms to J-51, which provides eligible residential building owners with property tax abatements for rehabilitation, and reauthorizes the program for ten years, through 2036. The reforms would increase the abatement for eligible rental and owner-occupied buildings from 70 percent to 100 percent of the certified reasonable costs of alterations and improvements, helping preserve and improve eligible co-ops, condos, homes, Mitchell-Lamas, and affordable housing.

We support expanding this critical tool to incentivize housing preservation and reduce greenhouse gas emissions from buildings, but believe that, given its cost, the City should have local control to amend or limit this tax break over time.

CUNY and Higher Education

CUNY is one of the most important engines of opportunity in New York City. The Executive Budget includes \$36 million in additional operating support for CUNY, but an additional \$36.5 million is needed in Fiscal 2027 to fully fund wage increases under the ratified faculty union contract. Ensuring fair, competitive compensation for CUNY's faculty and staff is essential to maintaining academic excellence and student success.

The budget also includes \$23 million as partial funding for CUNY fringe benefits, but the University faces \$28.9 million in unfunded mandatory costs including fringe benefits, salary increments, inflation, energy, and building rentals. Without dedicated funding, these costs will be absorbed by CUNY, diverting resources away from student support and critical programs.

More than half of CUNY's buildings are over 50 years old. An initial investment of \$400 million this year, along with out-year commitments for a State of Good Repair plan, is essential to keeping classrooms safe and functional.

We also support proposals to expand tuition waivers at community colleges for students in high-demand fields, including nursing, particularly where they help address critical workforce shortages in New York City's hospitals and healthcare system.

Public Safety and Criminal Justice

New Yorkers deserve to be safe and to trust that the justice system is fair and effective.

The Executive Budget includes \$305 million to improve New York State's criminal justice system, including investments in defense services, prosecution, pre-trial services, discovery reform, technology, and reentry services. The Council recognizes that State investments in both prosecution and defense lead to a fairer and more efficient system.

We urge the State to ensure that New York City receives an adequate share of this funding for discovery, prosecution, programming, and defense. In light of recent reports that the Mayor's Office of Criminal Justice failed to apply for a significant amount of State funding in the prior fiscal year, the Council will be a partner in ensuring that future State appropriations reach the people and organizations who feel their impact the most.

We also support measures in the Executive Budget to protect safe access to houses of worship and healthcare facilities as well as continue funding for increased NYPD patrols on the subway system in areas of greatest need, including overnight trains

Consumer and Worker Protection

New York City's economy depends on workers who are treated fairly and consumers who are protected from abuse.

We support the Governor's focus on combating wage theft, including efforts to classify more forms of wage theft as criminal larceny and empower the Department of Labor to help New Yorkers recover stolen wages. The proposed \$5.1 million grant program through DOL, in partnership with district attorneys, is a positive step, but most of this funding is directed toward smaller, rural jurisdictions.

The State should increase funding earmarked for New York City, where millions of workers also need legal assistance. Recent data show that current enforcement levels are insufficient to deter bad actors or provide meaningful restitution for workers in industries like freelance and delivery work. We must have a more vigilant approach and double down on these essential pro-worker investments.

On insurance, we support efforts to reduce fraud and bring down costs, but urge caution about any reforms that could limit compensation for genuine victims of road violence by narrowing the definition of "serious injury." The Legislature should balance the need to clamp down on profiteering with the rights of accident victims to sufficient compensation.

Economic Development, Tourism, and Libraries

New York City's long-term prosperity depends on smart economic development, a strong visitor economy, and robust public institutions like libraries.

The New York City Regional Economic Development Council (NYC REDC) has distributed over \$585 million across more than 1,000 awards, creating or retaining more than 51,000 jobs. The Council supports continued funding for REDCs and urges that allocations be directed where they can provide maximum benefit to residents.

Tourism remains a major driver of New York City's economy. The Executive Budget includes \$58.5 million for tourism and advertising and \$15 million for the Market NY program. We support this funding and, in light of the once-in-a-generation World Cup coming to New York this summer, recommend an additional \$15 million to support tourism and advertising, which will maximize benefits for hotels, local businesses, and transportation agencies.

Finally, libraries are essential civic institutions that provide education, workforce development, social services, and safe spaces for New Yorkers of all ages. The Fiscal 2027 Executive Budget includes \$104.7 million for library operating aid — \$1.6 million less than last year's enacted budget — and \$34 million for library construction aid, \$10 million less than last year.

The Council continues to champion libraries as a funding priority and urges the State to provide adequate operating support and capital funding for New York City's three systems so they can continue to serve as vital anchors in our communities.

Conclusion

New York City is the economic and cultural engine of New York State. When families can afford to stay here, when workers can get to their jobs, when children can see a future for themselves in our schools and universities, when tourists remain compelled to visit, the entire state benefits.

The Council stands ready to be a financial steward of our city's budget -- because that is what our government needs our residents deserve and. We are excited to work with the Governor and Legislature to ensure New York City remains a place where people can afford to build a life and imagine a future for their families.

Thank you for the opportunity to submit this testimony and for your continued partnership on behalf of the people of New York.