

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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March 25, 2026

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HELD AT: Council Chambers - City Hall

B E F O R E: Linda Lee
Chairperson

COUNCIL MEMBERS:

Shaun Abreu
Shirley Aldebol
Alexa Avilés
Selvena N. Brooks-Powers
Oswald J. Feliz
James F. Gennaro
Crystal Hudson
Virginia Maloney
Christopher Marte
Darlene Mealy
Frank Morano
Mercedes Narcisse
Lincoln Restler
Justin E. Sanchez
Nantasha N. Williams
Phil Wong

A P P E A R A N C E S (CONTINUED)

Sheriff Soliman
Director of OMB

Tara Boirard
First Deputy Director at OMB

Latonia McKinney
Senior Deputy Director at OMB

Joshua Goldstein
Deputy Director at OMB

Nathan Gusdorf
Deputy Director at OMB

Patrick DiStefano
Deputy Director at OMB

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3 SERGEANT AT ARMS: Good morning and
4 welcome to today's New York City Council hearing for
5 the Committee on Finance. At this time, we'd like to
6 remind everyone to silence all electronic devices.
7 All throughout this point going forward, no one is
8 supposed to approach the dais, no one. Chair, we're
9 ready to begin.

10 CHAIRPERSON LEE: [gavel] I love the
11 enthusiasm. Good morning everyone and welcome to
12 today's hearing of the Committee on Finance on fiscal
13 year 27's Preliminary Budget. Council Member Linda
14 Lee, Chair of Finance. Today, we conclude our
15 Preliminary Budget hearings, and we will have the
16 opportunity to hear from the Mayor's Office of
17 Management and Budget, OMB. And at this time, I'd
18 like to introduce my colleagues who are present this
19 morning. We have Council Member Aldebol, Council
20 Member Marte, Council Member Avilés, Council Member
21 Hanks, and Council Member Wong, and I know more are
coming. So, thank you for being here. So, as we
conclude this Preliminary Budget season, I would also
like to extend my sincere gratitude to the dedicated
staff of the City Council Finance Division for their

1
2 tireless- and I'll emphasize tireless- efforts in
3 preparing for today's hearing. This work doesn't
4 happen on its own, and I want to acknowledge the
5 amazing team of dedicated professionals who make it
6 all possible. Our new Finance Director, Nathan Toth
7 [sp?], who's over there busy, Managing Director
8 Jonathan Rosenberg [sp?], Deputy Directors Emre Edev
9 [sp?], Chima Obichere [sp?], Paul Simone [sp?], and
10 Aisha Wright [sp?], Chief Economist Dilara Dimnaku
11 [sp?], Assistant Directors Aliya Ali [sp?], Julia
12 Haramis [sp?], Florentine Kabore [sp?], Daniel Kroop
13 [sp?], James Reyes [sp?], Jack Storey, Paul Sturm
14 [sp?], and Andrew Wilber, Finance Counsel Nicholas
15 Connell [sp?], my Committee Counsel Brian Sarfo
16 [sp?], Senior Advisor Athena Tse [sp?], and many,
17 many of the Finance Analysts, Economists, and
18 support staff who have worked behind the scenes to
19 bring everything together. And before I go any
20 further, I'd like to invite our leader, Speaker
21 Julie Menin to share her opening remarks.

18 SPEAKER MENIN: Thank you so much, Chair
19 Lee, and I want to really echo your thanks to our
20 incredible Finance team and all of the hard work
21 that they put into our budget hearings and the work
ahead.

1 So, good morning everyone. Good morning, Director
2 Soliman. We're excited to see you and your team, and
3 we look forward to a productive hearing. This is
4 obviously our 11th and final day of hearings on the
5 admin's proposed \$127 billion Prelim Budget for
6 fiscal year 2027. When this budget process started,
7 we were initially told that we had inherited a
8 crisis, a staggering \$12 billion budget gap over two
9 fiscal years. However, by early February that number
10 began to shift with the administration shrinking the
11 gap by roughly \$5 billion to about \$7 billion. Then
12 within days of releasing the Preliminary Budget, and
13 thanks to the support of Governor Hochul, the number
14 changed once again lowering the gap to \$5.4 billion
15 over two years. So, the story of this budget leaves
16 us with some fundamental questions that must be
17 answered. First of all, what is the real size the of
18 the budget gap, and how do we achieve a fiscally
19 responsible budget that of course upholds our city's
20 obligation to all New Yorkers. These are the
21 questions we intend to investigate today so that New
Yorkers can get a more transparent picture of the
fiscal challenges that are facing our city. While the
Preliminary Budget is technically balanced, that is

1 only because of the proposed 9.5 percent increase in
2 the overall property tax rate that would raise
3 roughly \$3.7 billion in new revenue. But the Council
4 has been clear on this issue from the very beginning.
5 Raising property taxes is not on the table. As to do
6 so, in our opinion, would only worsen the
7 affordability crisis. Instead, the Council and its
8 finance team have been intently focused on
9 identifying areas of additional revenue and savings
10 to fill in the remaining budget gaps. To that end,
11 at the beginning of March, the Council identified
12 nearly \$1.7 billion in potential revenue and savings,
13 including through 12,000 vacancy accruals for
14 positions that the administration had budgeted for
15 previously, but were left unfilled at the end of
16 February. Yesterday, we were very pleased to see
17 that the Independent Budget Office issued a report
18 that confirmed the Council's savings around those
19 unfilled vacancies. We believe then as we do now
20 that those additional resources meant that the
21 administration's proposal to pull money from the
Rainy Day Fund in fiscal 2026 could and must be
avoided. Also, in early March, the Council's
economic forecast estimated \$386 million more in tax

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2 revenue than projected by the Mayor's OMB for fiscal
3 year 2026 and 2027, reflecting a stronger long-term
4 outlook for the city's finances. Since then,
5 throughout dozens of hearings to review city agency
6 budgets, the Council and its Finance team have
7 continued to dig under the surface of agency budgets
8 to identify other potential savings that- and let me
9 be clear- without in any way cutting critical
10 services. And the Council will continue to pursue
11 its mission until we reach an agreement with the
12 administration in June on a fiscally responsible
13 balanced budget that helps make our city more
14 affordable without in any way cutting services. So,
15 Director Soliman, we look very much look forward to
16 hearing from you and your colleagues on the
17 administration's fiscal year 2027 Prelim Budget and
18 how your team intends to address the budget gap.
19 Thank you so much, and I know what to turn it back
20 over to Chair Lee.

17 CHAIRPERSON LEE: Thank you so much,
18 Speaker. So, two weeks ago we kicked off our
19 Preliminary Budget hearings with the IBO, Independent
20 Budget Office, Comptroller's Office, and Department
21 of Finance. Both IBO and the Comptroller expressed

1 concerns with the city's economic outlook and shared
2 their perspective on how the city should make changes
3 to ensure the budget secures New York City's future.
4 The key focal point in the Mayor's budget proposal
5 was that the administration inherited an
6 under-reported budget deficit from his predecessor.
7 The Speaker, my colleagues and I have acknowledged
8 that the administration's efforts to address chronic
9 under-budgeting and take positive first steps towards
10 a more transparent budget that accurately and
11 honestly reflects the city's full scale situation.
12 That is something to be applauded and should not go
13 unrecognized, but we think there is still more work
14 to be done to other parts of the budget to fully meet
15 this challenge. To be short, we think there's still
16 several areas that are over-budgeted and revenues
17 that are underestimated that could provide much
18 needed resources, and these savings would allow us to
19 avoid drawing down on the critical budgetary reserves
20 and avoid a crushing property tax increase,
21 objectives that I know both the Council and the
administration share. 8.5 million New Yorkers are
currently feeling the strain of rising costs with
little relief in sight. To meet our responsibility

1 as public officials, we must avoid making conditions
2 worse before we can make them better, and we must
3 continue the work of right-sizing the budget to
4 reflect actual costs and finding efficiencies in how
5 the city delivers these critical services. The
6 Council is confident that there are unaccounted for
7 revenues in the Preliminary Plan and out-years, as
8 well as additional opportunities through improved
9 collections and intentional grants and funds
10 reimbursements to make the city whole. The Mayor's
11 directive toward agencies to identify savings is a
12 good step forward. Though we think the
13 administration can and should go further in ensuring
14 the city's operations are as efficient as possible.
15 And during our agency hearings this past month,
16 officials highlighted efforts to identify savings.
17 While the full scope of these savings has not been
18 disclosed, it is encouraging to see agencies actively
19 working towards this goal, and I know some of those
20 savings have been approved, so we look forward to
21 hearing more about that. The Council still believes
there are more accruals and efficiencies available to
balance the budget before resorting to draining the
Rainy Day and savings funds and raising property

1 taxes. And while looking to Albany for health is
2 worthwhile, we must continue to do more to find
3 immediate solutions within our control to address
4 these shortfalls as under-budgeting is not a new
5 phenomenon, and we have found solutions every time.
6 The Preliminary Budget makes an effort to address
7 some of the many needs that New Yorkers continue to
8 face amid the rising cost of living in our city such
9 as expanding child care and Early Childhood programs
10 and advancing the Universal Child Care agenda
11 championed by the Council to help our families.
12 Safeguarding and strengthening the city's social
13 safety net programs and exploring avenues for
14 implementing a more progressive revenue structure and
15 savings. Despite these proposals, the budget still
16 falls short in how the city will build reserves in
17 the event of further federal funding cuts or
18 potential revenue declines. It does not clearly
19 present any efforts to generate additional revenue,
20 and it does not provide transparency in the tracking
21 and securing reimbursements from state and federal
sources. Our responsibility is to deliver a budget
that protects the economic safety of our city and
meets the needs of all New Yorkers. We remain

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COMMITTEE ON FINANCE

committed to funding Early Childhood funding, public safety, and investments that make life more affordable, while ensuring transparency and management. Balancing the budget cannot come at the expense of our children, seniors, working families, or essential workers. An honest transparent budget will help us protect those services, address affordability and uphold our responsibility as fiscal stewards. And before I- actually he's not here. Also, I just wanted to recognize a few more of my colleagues that have joined us, Council Member Maloney, Council Member Brewer, Council Member Felder, Deputy Speaker Williams, Council Member Louis, and Council Member Epstein, sorry, and Council Member Hudson. Did I call you before? No. Okay. So either way, I'm going to do it again. Thank you so much. And at this time I will turn it over to Committee Counsel to swear in our witnesses. Yeah. Sorry.

COMMITTEE COUNSEL: Good morning. Do you all affirm to tell the truth, the whole truth and nothing but the truth before this committee and to respond honestly to Council Member questions? Right hand?

DIRECTOR SOLIMAN: Yes, I do.

COMMITTEE COUNSEL: You may begin.

CHAIRPERSON LEE: Oh, sorry. Go ahead.

Yeah, good. Sorry.

SHERIF SOLIMAN: Good morning, Speaker

Menin, Chair Lee, leader Carr, members of the Finance Committee and all members here with us here today.

My name is Sherif Soliman and I am the Director of the Mayor's Office of Management and Budget. Thank

you for the opportunity to testify today about the

Preliminary Budget for fiscal year 2027. I am joined

today by First Deputy Director Tara Boirard, Senior

Deputy Director Latonia McKinney, Deputy Director

Joshua Goldstein, Deputy Director Nathan Gusdorf, and

Deputy Director Patrick DiStefano. And I'm also

joined by this wonderful team of OMB professionals

behind me who I have the privilege to work alongside

each and every day. Let me begin by expressing my

appreciation for the partnership between this

institution and the administration in ensuring

government works on behalf of New Yorkers. My career

in public service has always been guided by

collaboration, and mutual respect, and I look forward

to working with the City Council in the coming months

to achieve a fiscally sound budget. When Mayor

1 Mamdani took office, he asked me to assess the city's
2 finances amidst repeated claims by fiscal monitors
3 that known expenses were not adequately budgeted.

4 After reviewing monitor reports analyzing major cost
5 centers and pressure testing fiscal cliffs with
6 subject matter experts, it was evident that
7 significant under-budgeting had in fact occurred, and
8 it was prevalent across many areas: social services,
9 education, core operations, and more. The chronic
under-budgeting meant a gap that existed in the

10 current fiscal year which was reportedly balanced and
11 that the fiscal year 2027 gap was far higher than the
12 \$4.7 billion stated in the November 2025 Financial
13 Plan update. Our initial assessment was that the
14 actual budget gaps were in line with what the City
15 and State Comptrollers had estimated. To illustrate
16 the extent of the under-budgeting, consider six areas
17 that had been chronically under-funded by roughly
18 \$7.5 billion over fiscal years 2026 and 2027. Those
19 six areas are cash assistance, rental assistance,
shelter costs, due process cases, judgements and
claims, and the city subsidy to the MTA.

20 Specifically, over the two fiscal years cash
21 assistance was budgeted at \$2.1 billion when known

1 expenses are \$3.1 billion. Rental assistance was
2 budgeted at \$1.8 billion when known expenses are \$4.1
3 billion. Shelter costs were budgeted at \$2.6 billion
4 when known expenses are \$4 billion. Due process cases
5 were budgeted at \$1.1 billion when known expenses are
6 \$2.2 billion. Judgements and claims were budgeted at
7 \$1.4 billion when known expenses are \$2.1 billion.
8 And MTA subsidies were budgeted at \$2.2 billion when
9 known expenses are \$3 billion. While confronting
10 under-budgeting in these six areas alone would be a
11 significant challenge, we subsequently identified an
12 additional \$6.7 billion in unfunded cliffs and
13 mandated spending over the same two fiscal years,
14 including health insurance costs, the class size
15 mandate, and Medicaid funding. In the interest of
16 introducing transparency, certainty, and less risk in
17 the budget process, we took the issue of
18 under-budgeting head-on which meant that we needed to
19 solve for unprecedented levels of expense. In total,
20 the Preliminary Budget includes roughly \$14 billion
21 in agency expense changes over two fiscal years, a
staggering amount for the opening salvo in any given
budget cycle. Inclusion of this level of necessary
funding left very little room for programmatic needs.

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2 In fact, just four percent, or \$576 million, was
3 invested in core agency operational needs, including
4 for example, an additional \$100 million for the snow
5 budget, \$5 million for warming centers and shelter
6 outreach, and almost \$24 million for mobile outreach
7 units to help New Yorkers suffering from mental
8 illness, and \$54 million to triple baseline funding
9 for HRA's Community Food Connection program. Expense
10 additions of this magnitude required a multifaceted
11 approach to fulfil our charter mandated
12 responsibility to balance fiscal years 2026 and 2027.
13 In addition to recognizing additional tax revenue
14 supported by record high Wall Street profits and
15 inline with the state's revenue projections, the
16 Mayor initiated an aggressive savings plan that will
17 generate \$1.7 billion in savings over fiscal years
18 2026 and 2027 without risking cuts to services that
19 New Yorkers need and expect. The savings effort is
20 driven by Executive Order 12 which Mayor Mamdani
21 signed on January 29th. Under the order, every city
agency was required to designate a chief- a current
employee as a Chief Savings Officer who would submit
a savings plan to my office and to the First Deputy
Mayor by March 20th. As the Mayor announced this

1 morning, agencies submitted their proposals last
2 Friday, identifying more than \$1.7 billion in
3 savings, and the City Hall and OMB teams have begun a
4 comprehensive review of these proposals to validate
5 the savings they will produce. The review underway
6 grouped savings into five categories: efficiencies
7 and public services, contracting efficiencies,
8 technology modernization, space consolidation and
9 lease management, and financial adjustments and new
10 revenue. The work of the Chief Savings Officers will
11 not end with this initial submission. This will be
12 an ongoing initiative with Savings Officers reporting
13 on updates and new proposals every six months. Also
14 included in the \$1.7 billion savings initiative is a
15 vacancy alignment exercise which will balance the
16 need for savings with the removal of hiring
17 constraints that had largely been in place since
18 COVID and hampered agency hiring efforts. Many
19 agencies have indicated that they prefer this
20 approach which supports effective agency operations
21 over the slow and cumbersome process that had
governed hiring procedures for years. We have also
taken several other standard budget actions such as
drawing down current fiscal year general and capital

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2 stabilization reserves, re-estimating prior year
3 payables, and recognizing small savings in certain
4 areas such as pension administration costs. State
5 actions have also helped reduce the gap. Governor
6 Hochul's Executive Budget included additional child
7 care voucher funding, foundation aid, and decoupling
8 of certain corporate tax provision from HR1. As
9 announced the day before we released the Preliminary
10 Budget, the Governor's 30-day amendments also
11 included an additional \$1.5 billion in additional
12 assistance, including \$500 million in one-time
13 unrestricted aid, a restoration of higher
14 reimbursement rates for public health costs, and a
15 reversal of the sales tax intercept for distressed
16 hospitals. We thank the Governor for this timely
17 assistance and look forward to the inclusion of this
18 much-needed assistance in the enacted state budget.
19 Yet, despite the higher revenue forecast, savings,
20 and standard budget actions and state assistance
21 committed so far, we still face the \$5.4 billion
shortfall to balance the Preliminary Budget as
required by law. To address that significant
shortfall we proposed a suite of options for
consideration by our state partners including

1 increased taxes on the most profitable corporations,
2 higher transaction taxes on high value properties,
3 and the reversal of various cuts and cost shifts that
4 have reduced state funding over the years. The
5 options we advance seek to reconcile the imbalance of
6 payments between New York City and New York State.
7 The Mayor has made the case for recalibrating the
8 city/state fiscal relationship, citing that New
9 Yorkers contribute 54.5 percent of state revenue, but
10 only receive 40.5 percent back. By ending the drain,
11 some of the resources we sent to the state would be
12 returned to New York City and used to support
13 critical cash-strapped programs and services.
14 Conversations with our state partners are ongoing and
15 we are encouraged by the Senate and Assembly One
16 House Budget, each of which includes a suite of
17 options that equal approximately \$5 billion in
18 additional assistance for the city. We thank both
19 houses for advancing these proposals and look forward
20 to working with them as well as the governor and her
21 team on an enacted state budget that addresses the
city's fiscal challenges. Now, I would like to share
details about the fiscal year 2027 Preliminary
Budget. The Preliminary Budget presented on February

17th balances fiscal year 2026 at \$122 billion and fiscal year 27 at \$127 billion. Out-year gaps are projected to be \$6.7 billion, \$6.8 billion, and \$7.1 billion in fiscal years 2028 through 2030 respectively. To fulfil our charter mandated obligation to balance fiscal years 2026 and 2027 with concrete actions, we were constrained to close the remaining \$5.4 billion gap through an additional reserve drawn-down and an increase to the average property tax rate from 12.283 percent to 13.450 percent. To be clear, these gap closing measures are a last resort. Proposals born out of necessity and the type of responsible fiscal stewardship this inherited budgetary challenge requires. Our administration is committed to rebuilding and maintaining high level of reserves to ensure that we can weather an economic downturn. Accordingly, the financial plan replenishes the Rainy Day Fund and Retiree Health Benefits Trust Fund in fiscal year 2028. Moreover, rather than increased property taxes, our administration wants to finally reform the broken property tax system to make it more equitable, transparent, and rational. To emerge from these significant fiscal challenges on a more stable

1 financial footing will require the administration and
2 the Council to continue to closely engage our state
3 partners, and I appreciate the efforts undertaken
4 thus far. It will also require continued
5 collaboration to achieve savings, and we are
6 committed to partnering with you on workable
7 solutions that meaningfully address the budget gaps
8 without reducing service levels New Yorkers depend
9 on. Turning now to the capital budget, the Five-Year
10 Capital Budget totals \$113 billion. The Preliminary
11 Budget makes important capital investments including
12 increasing livable housing for NYCHA residents and
13 fully-funded the renovation and expansion of Bellevue
14 Hospital's Adult Comprehensive Psychiatric Emergency
15 program. The capital budget also accelerates the
16 Kensico East View Connection Tunnel construction to
17 improve redundancy in our water supply system. In
18 conclusion, I look forward to working as partners
19 over the coming months to both address our very real
20 fiscal challenges and take steps to implement an
21 affordability agenda that transforms the way
government serves working families. Thank you for the
opportunity to testify today, and I'm happy to answer
any questions you may have. Thank you.

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2 CHAIRPERSON LEE: Thank you so much,
3 Director Soliman. And just want to also recognize my
4 colleagues Council Member Carr, Council Member
5 Dinowitz, Council Member Ung, Council Member De La
6 Rosa, Council Member Morano, and Council Member
7 Restler. Hopefully I got everybody. Oh, and Jay
8 Sanchez. Sorry, I have to say Jay Sanchez. Okay,
9 perfect. And I will hand it over to the Speaker to
10 ask her questions.

11 SPEAKER MENIN: Thank you so much, and I
12 know we've got a lot of questions from colleagues.
13 So, I'm going to do a first round of questions, and
14 I'll turn it back over to Chair Lee. Then we'll go
15 to colleagues, and then we're going to go back in for
16 second, potentially third rounds, depending on how
17 long it goes. Okay. So, thank you so much,
18 Director, for your testimony today, and we look
19 forward to this dialogue. Now, as you said, the
20 agency plans were due from the Chief Savings Officer
21 last Friday. I know the administration put out a
press release about this morning indicating that you
have found \$1.7 billion in savings, or at least I
believe when I looked at this morning had about \$48
million identified in savings. Could you walk through

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2 what the other savings are that then comprised the
3 \$1.7 billion?

4 DIRECTOR SOLIMAN: Sure, Speaker. So,
5 thank you for the question. So, what we announced
6 this morning was that the submissions by the agencies
7 was over \$1.7 billion. We are doing the painstaking
8 work of going through their submissions, having the
9 dialogue back and forth. What was announced today
10 were concrete examples, highlights of a couple of
11 hundred million dollars, and that process continues
12 as we go on. So, in four days, what we've been able
13 to do out of those \$1.7 billion plus in savings is
14 say at least \$200 million has been identified as
15 viable savings that we can book, and the process
16 continues.

17 SPEAKER MENIN: Are you going to be
18 sharing that full list with the Council?

19 DIRECTOR SOLIMAN: We will continue to
20 work on this. We will share it. It will be
21 identified in the Executive Budget as a savings plan.
We will continue to update as we identify more
savings.

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2 SPEAKER MENIN: Okay. I think that that
3 is incredibly important. And do any of those savings
4 deal with accruals and if so, how much?

5 DIRECTOR SOLIMAN: So, there are savings
6 that we identify today that fall into the buckets
7 that I referenced in my testimony. Accruals weren't
8 the ones among the highlights that we've listed. We
9 know that accruals we will look at and be able to
10 continue the dialogue that we're having on accruals
11 to see which savings could be booked.

12 SPEAKER MENIN: Okay. So, the city's
13 budget has grown \$42.8 billion over the last decade.
14 So it's now \$16 billion higher than had it grown at
15 the rate of inflation. Revenues remain strong. So,
16 what is the administration's plan to find areas of
17 waste and inefficiencies without in any way impacting
18 services?

19 DIRECTOR SOLIMAN: Sure, Speaker. So
20 that is exactly the goal that we have through the
21 appointment of Chief Savings Officers, and their work
is not only to identify short-term savings that will
meet the targets that we have in the Preliminary
Budget, the 1.5 percent in fiscal 26, 2.5 percent in
fiscal 27. This is really a long-term approach and

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2 that is why the Executive Order makes very clear that
3 the Chief Savings Officers are to continue doing
4 their assessments every six months, looking at
5 long-range, long-term structural savings. That could
6 include more reliance on our talented city workforce
7 as opposed to outside consulting contracts. It could
8 include using data and metrics to make sure that
9 programs are effective and that they're working for
10 New Yorkers as intended, and if they're not, then we
11 need to invest those resources in other priorities.

10 SPEAKER MENIN: Since you mentioned
11 outside consultants, I definitely want to talk about
12 that, because at the DOE hearing, you know, I
13 questioned DOE about this. You know, DOE is now
14 spending \$12 billion of its budget on consulting
15 contracts, many of them to these outside consultants.
16 When I asked how these consulting contracts have been
17 audited, they mention that Ernst and Young had
18 actually not- the audit- the 17- I think it was \$17
19 million that the agency spent at Ernst and Young was
20 actually not for an audit of the consulting
21 contracts. So, you've got an agency with over 3,000
consulting contracts. How can the city possibly
identify redundancies and waste or duplicative

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2 services if no one is systemically actually auditing
3 and reviewing those contracts?

4 DIRECTOR SOLIMAN: Yes, I think this a
5 goal that we share, Speaker. I know you've been very
6 vocal about this, as has been the Mayor. We need to
7 look at consulting contracts. We need to look at-
8 the Mayor's been very clear and spoke often about DOE
9 procurement. We need to look at those contracts.
10 We're committed to looking at those contracts. That
11 work is going on right now as part of the Chief
12 Savings Officers. We've had regular engagement with
13 key agencies through the course of the development of
14 these savings programs. So we know we are focusing
15 on that, and we're knowing that management
16 consultants are one thing. There are other kinds of
17 consultants whether they're engineers and architects,
18 so we're doing the painstaking work to see what is
19 required, what can be cut back, what can be
20 insourced.

21 SPEAKER MENIN: Can you provide a report
back to the Council of these 3,000 outside contracts,
and work the administration will do to look at are
there duplicative services, are there efficiencies
that can be had? That seems to me to be when you've

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2 got a \$12 billion allocation to these consulting
3 contracts and other outside third-party contracts,
4 one of the best places to go. We also found out that
5 six percent of the contracts were actually no-bid.
6 So that's another area which is of deep concern.

7 DIRECTOR SOLIMAN: Yes, and I know this
8 came up during the New York City Public School
9 hearing, and I know that you made the request. We
10 have discussed it, and we will work on that with you.

11 SPEAKER MENIN: Okay. Want to talk a
12 little bit about the Rainy Day Fund, property tax
13 issue. So, we're deeply concerned as we've said from
14 the beginning that the administration continues to
15 try to balance the budget by drawing on the Rainy Day
16 Fund. We have from the beginning stated our concern,
17 particularly when several rating agencies such as
18 annuities in Pearl [sic] and Fitch [sic], as you
19 know, have predicted a negative outlook if this does
20 happen. In addition, we've been very clear about
21 that we are- this idea of a property tax increase of
22 9.5 percent is also a non-starter for us. So, I
23 really want to get the clearer picture then of the
24 path forward and why does the administration think
25 that raiding the Rainy Day Fund which has never been

1
2 raided before is something that is still on the table
3 at the moment.

4 DIRECTOR SOLIMAN: So, as I mentioned in
5 my testimony, we worked hard to bring down the
6 deficit from what was initially in line with the city
7 and state comptrollers after recognizing additional
8 revenue, after an aggressive savings plan, after
9 state assistance, after taking standard budget
10 actions, we were able to get the deficit down to \$5.4
11 billion. At that point, we are mandated by the
12 charter to balance both fiscal 26 and fiscal 27. We
13 do not want to raise property taxes. We want
14 property tax reform, and that is what we're busy
15 working on. We don't want to draw down reserves.
16 Rather, we want to replenish reserves. We want to
17 grow reserves. This was out of necessity for what
18 was an inherited significant budget challenge that
19 stems from chronic underbudgeting and that is why the
20 \$14 billion in agency expenses that was added on top
21 of the existing \$4.7 billion gap that was already
22 projected from the November 2025 plan required those
23 types of actions to meet our fiscally responsible
24 charter-mandated authority to balance the budget.

25 SPEAKER MENIN: Okay.

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2 DIRECTOR SOLIMAN: We would like to avoid
3 that, and that is why we want to work alongside you-

4 SPEAKER MENIN: [interposing] Understood.

5 DIRECTOR SOLIMAN: and engaging our city
6 partners.

7 SPEAKER MENIN: Understood. Understood.

8 And so just so that we're crystal clear on this,
9 again, want to just say our position that we strongly
10 believe there is no reason to draw down excessive
11 reserves. It will then really jeopardize the city's
12 credit rating. Our Finance team has actually done a
13 great analysis on this. It shows that by 2030 a
14 downgrade by credit rating agencies would cost the
15 city about \$120 million more in interest over the
16 full life of the 30-year bonds. The city would pay an
17 estimated \$3.6 billion extra just in interest alone.
18 So, if the Rainy Day Fund is raided. So, I just
19 wanted to make sure we get that data out there.
20 We're very concerned about that. Okay, so moving on.
21 Agency cuts- so, some of the budget shows that for
fiscal year 27 many agencies are being funded at
lower levels than what they are budgeted for in the
current year. I want to particular talk about DCWP,
my old agency, because and I know Council Member

1
2 Epstein will probably do this line of questioning
3 too, because they're down by 12.6 percent from \$85
4 million to \$75 million, stripping \$33.6 million. I'm
5 sorry, to \$74.7 million. My concern there is that
6 obviously this is a very important consumer and
7 worker protection function that that agency performs.
8 Also, by limiting its budget, and there have been
9 promises to double the agency's budget- by limiting
10 the agency's budget we really then also- it decreased
11 the amount of funds to the general fund, because that
12 agency, as you know, engages in hundreds of millions
13 of dollars in settlements as a result of the
14 important work that they do. So, that is an area of
15 concern. And then also, and I know I'm sure other
16 colleagues will talk about this, that they- the
17 budget strips \$33.6 million from libraries, reduces
18 Parks funding despite calling them neglected. So
19 these are all areas of concern that I know my
20 colleagues will also want to hear about today. I
21 don't know if you have any comment on that.

18 DIRECTOR SOLIMAN: Sure. So, to clarify,
19 many of the examples that you've cited, they're not
20 cuts necessarily. What that is, is at Adopted last
21 year there were multiple one-shot additions that

1
2 happened at Adopted. This is the Preliminary Budget.
3 It's the opening salvo. We are looking at the
4 Executive Budget and what investments that we can
5 make. You mentioned DCWP. We believe in the agency's
6 mission. The Mayor has committed to increasing their
7 budget. In the Preliminary Budget there was actually
8 an addition of \$600,000 in fiscal 26 and \$1 million
9 in fiscal 27 to add nine additional employees to help
10 meet its mandate. There's obviously more that we can
11 do, and we'll continue to look at that as we compose
12 the Executive.

11 SPEAKER MENIN: Understood. Our point is
12 just we don't really want to do the budget dance on
13 the backs of libraries and others, you know, vital
14 services that New Yorkers depend on. We think we
15 should stop the budget dance on that and just let's
16 get that funding back in. I want to move onto FHEPS.
17 The administration late yesterday continued the
18 litigation by filing an appeal against the City
19 Council. We are deeply concerned about this. As
20 we've said from the beginning, we believe the
21 administration should drop the appeal and reach a
settlement that really works to protect vulnerable
New Yorkers and that also is fiscally responsible.

1
2 So my question is why is the administration
3 continuing to litigate this matter?

4 DIRECTOR SOLIMAN: We continue to have
5 conversations not only with the Council but also
6 other pirates in this litigation. What- the filing
7 that happened yesterday was just to meet the court's
8 timeline and to preserve the ability to continue
9 having good faith discussions as we have been having
10 about what the program expansion may look like.
11 Those conversations are continuing. Again, in good
12 faith, by filing the instrument with the court was on
13 their timeline and preserves the ability to continue
14 these conversations.

15 SPEAKER MENIN: Yeah. I mean, our
16 position is very clear. We believe the
17 administration should drop the litigation. We've
18 been saying this for months. Council is ready to
19 reach a responsible settlement that protects
20 vulnerable New Yorkers and at the same time is
21 fiscally responsible. The continuation of litigation
really serves to delay the ability to reach the
settlement. So, I'd want to make sure that we note
that. I did have a question on FHEPS, though. Has
OMB seen DHS shelter savings as a result of the

1
2 current CityFHEPS program? I mean, this is something
3 that, for example, former Speaker Chris Quinn has
4 talked about. I know WIN [sic] has done a lot of
5 studies in this area. Any assessment from OMB on
6 that?

7 DIRECTOR SOLIMAN: So, we have a seen a
8 decline in families with children, the census for
9 families and children, and we think that that is
10 largely attributable to FHEPS, but we've also seen at
11 the same time an increase in the shelter census for
12 single adults. And so as you see in some of the main
13 drivers of shelter re-estimate cost, it's one of the
14 six of the main drivers. It's still a significant,
15 significant, cost center. And so there are
16 differences in the kinds of populations that are
17 decreasing versus increasing and we think the
18 families and children reduction is a result of FHEPS.

19 SPEAKER MENIN: Okay. I'm going to ask- I
20 have a lot more questions. I'm going to ask one more
21 question before I turn it over to Chair Lee. I do
22 have questions about agency hiring, because the Adams
23 administration placed several barriers to agency
24 hiring which you alluded to in your testimony,
25 including two-for-one limit on hiring vacancies,

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2 requiring approvals from OMB before hiring headcount
3 that had already been approved in the budget. These
4 approvals, as we all know, cause a lot of delays in
5 hiring and led to a real degradation in terms of city
6 services in the workforce as we saw many agencies be
7 hollowed out. So, while the mayor rescinded the
8 two-for-one hiring limit, I understand that other
9 restrictions remain in place. So, are there any
10 hiring restrictions at OMB continues to impose on
11 agencies? If so, could you talk about them?

10 DIRECTOR SOLIMAN: So, we have- one of
11 the first things when I arrived at OMB was I heard
12 very loud and clear from many of our agencies that
13 the two-for-one hiring restriction was not meeting
14 their operational needs. So, in doing this vacancy
15 alignment exercise, we think we're achieving the
16 balance by achieving savings through vacancy
17 reductions and then resetting the PS budget for these
18 agencies, and then allowing them to hire up to that
19 PS budget without any constraints. Agencies have said
20 loud and clear, waiting for attrition to happen,
21 waiting for a monthly allotment does not allow them
to hire up quickly and be nimble enough to meet New
Yorker's needs on services. So, the absolute

1
2 commitment is to eliminate the two-for-one. We're
3 going through the exercise now of aligning the PS
4 budgets and making sure agencies know what they can
5 hire up to.

6 SPEAKER MENIN: Okay. I have a number of
7 more questions. I have one last question before I
8 pass it to Chair Lee. So, when we had the budget
9 hearings from agencies, numerous agencies reported at
10 their respective budget hearing that they are still
11 bound by the two-for-one hiring restrictions. So why
12 are agencies still under the restriction when, you
13 know, the administration indicated it was lifted?
14 So, there's like real confusion around that.

15 DIRECTOR SOLIMAN: Yes. What I- what we
16 are doing now is doing the painstaking work of trying
17 to establish the correct PS budget for agencies to be
18 able to hire up, because frankly what has occurred
19 over several, several years is a misalignment between
20 vacancies that exist and the PS budgets that are
21 available to be able to hire employees. We are
looking to- with a fine-tooth comb- understand the
vacancies and understand the PS budget changes that
have occurred, and then set the PS budget and allow
them to hire.

1
2 SPEAKER MENIN: Last thing before I pass
3 it to Chair Lee- so at a time when agencies are
4 saying they're stretched thin- I do want to ask you a
5 question about the IBO report yesterday, because the
6 IBO reported yesterday that the administration is
7 adding 1,900 new positions, but leaving 12,000
8 existing vacancies unfilled from fiscal year 2026. Is
9 that correct?

10 DIRECTOR SOLIMAN: The 12,000 vacancies
11 that exist as of the end of January 2026 includes a
12 range of different titles. There's teachers in there.
13 There's uniforms in there. We are not looking to
14 reduce teachers. We're not looking to reduce our
15 uniformed services. We're looking to see where are
16 there opportunities in the civilian workforce,
17 non-critical, looking at that and seeing what's a
18 position that is needed for health and safety. What
19 is revenue generating, those kinds of specific
20 details to ensure that we can hire up for agency
21 government operations, but also achieve savings by
achieving that balance.

 SPEAKER MENIN: So, can you provide a
breakdown of the 1,900 new positions, and-

1
2 DIRECTOR SOLIMAN: [interposing] We're
3 going through the process now and eventually when we
4 are finished we can speak to the Council about that.

5 SPEAKER MENIN: I'm going to pass- thank
6 you. I'm going to pass it over to Chair Lee.

7 CHAIRPERSON LEE: Sorry. I just wanted to
8 follow up really quickly on that question, because I
9 don't think we're saying in terms of the vacancies,
10 just to be clear, like we know that those are not
11 getting rid of line items, right? So, we're not
12 getting rid of positions or anything like that, but
13 we're just saying for the ones that were not hired
14 under those line items, how can we find the savings
15 there? So, the 1,900 new positions, I'd be curious
16 to see if in that 1,900- for example, DCWP has a lot
17 more work that, you know, they're going to have to
18 do. Same thing with DOB. And so does that include
19 new inspectors? DOI is going to hire, I think, new
20 attorneys. So, does that 1,900- if you could get
21 back to us on what those items are, because I know
that when we did the- when I attended a lot of the
agency briefings, they did mention that they're
planning on hiring new positions. And so I guess my
question is, is that to replace current line item

1
2 staff that are already existing, or is it just adding
3 on top of that?

4 DIRECTOR SOLIMAN: They are hiring up on
5 the vacancies once the PS budget is established.
6 Running parallel to that will be our normal exercise
7 for new needs as part of the Executive Budget.

8 CHAIRPERSON LEE: Right.

9 DIRECTOR SOLIMAN: So, a lot of what
10 you've heard from the agencies, clearly we're
11 hearing, too, in terms of new needs submission
12 requests, and that'll take its normal, natural course
13 in developing the Executive Budget.

14 CHAIRPERSON LEE: Okay. And then just
15 really quickly, because I just assumed that the
16 two-for-one had already gone into place, but then I
17 realized very quickly in the hearings that it hasn't
18 happened yet. And so do you know what the timeline
19 for that is?

20 DIRECTOR SOLIMAN: It is coming soon,
21 because we are looking through to make sure we're
22 giving agencies the correct budget. Once you have
23 your correct PS budget that you can hire up to, it's
24 not like you have to wait for attrition. The

1
2 two-for-one is lifted. Hire up as quickly as you
3 can.

4 CHAIRPERSON LEE: Okay, so-

5 DIRECTOR SOLIMAN: [interposing] And
6 that'll be happening soon.

7 CHAIRPERSON LEE: Okay, so before FY 27
8 adoption?

9 DIRECTOR SOLIMAN: Before FY 27 adoption.

10 CHAIRPERSON LEE: Like, will they be-
11 okay, perfect. And then can you- going back to a
12 previous question that was asked. Can you specify
13 when in terms of the Chief Savings Officer plans when
14 you'll be able to share the Chief Savings Officer
15 findings with the Council, and will it only be in the
16 Exec budget, or will there be regular, like, maybe
17 weekly updates that you all are able to share with
18 us?

19 DIRECTOR SOLIMAN: We are evaluating. As
20 soon as we have additional updates that are ready to
21 share, we may opt to share them, but also in the
Executive Budget, there's typically a savings sort of
detail savings book. So, certainly at the Executive
Budget, but clearly as we go along we may have the
opportunity to share some of those results.

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2 CHAIRPERSON LEE: Okay, perfect. And
3 just really quickly, I kind of wanted to go into this
4 theme of planning the budgets out, because I know
5 that you had mentioned, for example, one shots which
6 we know happen every year. And there's always
7 one-shots based on needs and things like that. And
8 so just wanted to know in terms of- and this is just
9 one of the examples, right? For contingency
10 planning, for example, for potential loss in
11 reduction in federal funding- for the FY 26 budget,
12 for example, it includes nearly \$9 billion of federal
13 funding, comprising over seven percent of the city's
14 budget, and it's decreasing to just over \$7 billion
15 in fiscal 27 and in the out-years which is still over
16 five percent of the city's budget. So, we know it's
17 typical for the budgeted amount of federal funding in
18 the out-years to be lower than in the current year as
19 OMB adds certain federal funding revenue streams when
20 they're more certain. So, given the federal climate
21 and threats, there is concern that there may be some
federal revenue included in the budget that may not
materialize or that could be- or that there could be
cuts. So, just to give a sense, can you actually go
through the actuals of federal funding that's been

1
2 received in FY 24, 25, as well as pre-pandemic just
3 to give us a sense of usually what the typical
4 federal funding is that we receive?

5 DIRECTOR SOLIMAN: Sure. So, I think we
6 know that we're working through with the federal
7 government making sure that we're claiming all
8 revenue that is there to be able to draw down. We
9 know that that \$80 million that was clawed back on
10 FEMA is the subject of litigation. So, we are
11 looking to continue to get that funding back. We
12 know that there's about \$500 million that we are
13 looking at over the financial plan in claims that
14 want to be able to continue to submit, and we're also
15 watching to see the benefits of HR1, and we know that
16 for example, you know, SNAP which is a concern for
17 all of us, and that is why we tripled the Community
18 Food Program at HRA in the Preliminary Budget by
19 adding \$54 million. So, we're taking those steps.
20 We learned the other day that the federal government
21 as well as CMS had approved- which we know we're
watching at the state level, particularly on behalf
of H+H to make sure that the essential plan, that
those funds did not need to move into the general
budget, but that will continue. I think CMS approved

1
2 that the other day. So, that was welcome news. So,
3 we're continually watching to see what grant
4 opportunities they may be claiming funds that have
5 already been budgeted and also making sure that we
6 have the contingency planning to see if the impacts
7 of HR1, in particularly the state's handling of it
8 vis a vis funding that flows through the state to the
9 city is something where the city is protected.

10 CHAIRPERSON LEE: Right, the grants and
11 everything. And if you could give us the actuals
12 received for 24 and 25, that would be great. If you
13 don't have it today, that's fine, too.

14 FIRST DEPUTY DIRECTOR BOIRARD: It's a
15 total of \$2.6 billion.

16 CHAIRPERSON LEE: For which- for FY24 is
17 how much?

18 FIRST DEPUTY DIRECTOR BOIRARD: I don't
19 have 24. For FY- to date for FY 26, \$2.6 billion,
20 \$2.6.

21 DIRECTOR SOLIMAN: \$2.6.

CHAIRPERSON LEE: Billion?

DIRECTOR SOLIMAN: Billion.

CHAIRPERSON LEE: Okay. Sorry, my
hearing is going. Okay. and how much- and just out

1
2 of curiosity, because I know that you all are
3 applying for federal funding. So how much of the
4 current federal- like, what do you apply for versus
5 what you receive typically?

6 FIRST DEPUTY DIRECTOR BOIRARD: The
7 agencies are responsible for applying for the grants.
8 OMB is largely responsible for filing claims
9 specifically for the grants that are managed by OMB,
10 including the FEMA grants in specific. As you
11 mentioned before, the current fiscal year budget for
12 federal grants is typically a lot higher, because it
13 reflects grants that we already have, and funds are
14 added as-needed throughout the course of the fiscal
15 year. That'll be increased in the out-years.

16 CHAIRPERSON LEE: So, is your agency or
17 which agency is sort of like the overseer of what
18 agencies are applying for what federal grants?

19 FIRST DEPUTY DIRECTOR BOIRARD: Agencies
20 are working directly for applying for the federal
21 grants. OMB has two roles as it pertains to federal
22 grants that's not directly related to agency
23 function. We have a team that manages the FEMA
24 grant. As I mentioned to you, Disaster Recovery
25 Grant, Community Development Block Grant, and that

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2 team acts as an administrator of the grant
3 specifically and files the claim. We also have a
4 team that does the critical work that you're pointing
5 to in terms of ensuring that claims are done on time
6 and working with the agencies to encourage them to
7 work quickly to get the claims in so to bolster our
8 cash situation.

9 CHAIRPERSON LEE: Okay. Okay. So,
10 agencies apply, but they do report it to you in some
11 fashion or form, correct?

12 FIRST DEPUTY DIRECTOR BOIRARD: Correct.

13 CHAIRPERSON LEE: Okay, perfect. And
14 then also, is it possible to get an agency by agency
15 federal funding schedule? And I know you guys have a
16 report annually, but is- like, what's the schedule
17 per year? How much is each agency expecting?
18 Because obviously this city, state, federal all have
19 different timelines in when the funding gets
20 released. And so when you're looking at the city
21 plan, obviously month-by-month there's a sort of, you
rejiggering of what comes in and out.

DIRECTOR SOLIMAN: Absolutely. We'll be
happy to follow up with that.

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2 CHAIRPERSON LEE: Okay, perfect. And
3 then just in terms of this theme of better planning-
4 in terms of re-estimating the prior year payables, so
5 every year I feel like the city identifies savings
6 from re-estimates in prior years, payables and
7 receivables and then often writing off prior year
8 payables allows the city to free up funds allocated
9 for expenditure in prior years that didn't happen.
10 And conversely, the City also is required to write
11 off receivables for revenue it has, you know,
12 budgeted to receive in prior years but did not end up
13 getting. This year, this exercise netted the city
14 \$500 million in savings which is about how much the
15 city identifies every year. So, in terms of planning
16 purposes, if we know that this is sort of the
17 estimate, why not put this into the budget for
18 out-years?

19 DIRECTOR SOLIMAN: Yeah, I think- we look
20 to the prior year payables, and we- it's difficult to
21 project a fixed cost, because they're inherently
unpredictable. And we don't want to overshoot the
runway on one side or another and then be short when
we're looking to close the fiscal year end balance.
However, we know that as you allude to, Chair, that

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2 in the past there's been this general understanding
3 that we're at \$400-500 million, right?

4 CHAIRPERSON LEE: Right.

5 DIRECTOR SOLIMAN: But that's still, the
6 unpredictable nature of it, we- and we want to make
7 sure we have the sufficient information and work with
8 the agencies to understand what is a receivable,
9 what's a payable, how they're tracking, what the
10 timing is before. Then we put that up in the
11 financial plan. So, that's why it's difficult for us
12 to put it out in the future years.

13 CHAIRPERSON LEE: So, despite, like you
14 said, the \$400-\$500 million in that savings from
15 these write-offs each year, do you think that the
16 practice of it is something that needs to be looked
17 at? Meaning if there are- if it's routine and we are
18 continuously failing at collecting some of the funds,
19 for example. What would you suggest the improvement
20 plan be?

21 DIRECTOR SOLIMAN: We're happy to discuss
further with you more, but I think- suffice to say
that with- it's the scale of the city budget, and
basically the scale of the contracts, the scale of

1
2 sort of the receivables and payables as we're going
3 forward, the ebb and flow of that-

4 CHAIRPERSON LEE: [interposing] Right.

5 DIRECTOR SOLIMAN: we're constantly
6 working on with the agencies to have a greater
7 understanding of what's coming in, what's going out
8 in terms of contracts. So, we're always happy to
9 have a conversation about that to see how more
10 predictable it can be. But given the scale of the
11 city budget and the contracts, it's really not
12 something that's super predictable that you can just
13 go on to future years.

14 CHAIRPERSON LEE: So, speaking of
15 predictability and the scale of the city budget,
16 what's like the typical burn rate every month that
17 the city pays out? Whether it's payroll, contracts,
18 rent, all of that.

19 DIRECTOR SOLIMAN: We can come back to
20 you on the specifics of the burn rate per month. I
21 mean, I think that, you know, in terms of OTPS in
general we'd have to break down- I mean, \$59 million
in OTPS, and we'll have to break down from there how
much for rent, how much for heat, light, and power,
how much-

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2 CHAIRPERSON LEE: [interposing] Fringe,
3 OTPS, all that.

4 DIRECTOR SOLIMAN: We're happy to
5 [inaudible] that breakdown.

6 CHAIRPERSON LEE: Yeah. And the reason
7 why I'm asking this question is because I'm just
8 wondering who is sort of like the central entity or
9 body within the city that is overseeing all of this,
10 right? And it makes sense to me that it would be,
11 you know, OMB, but I'm just wondering if there would
12 be a benefit to centralizing oversight.

13 DIRECTOR SOLIMAN: Yeah. It's really the
14 Office of Management and Budget and the Comptroller's
15 Office.

16 CHAIRPERSON LEE: Right.

17 DIRECTOR SOLIMAN: So, we work very
18 closely with them to understand what the obligations
19 are, the cash flow. There are regular reports that
20 are shared. And also it's the agency, you know,
21 CFOs. It's our Office of Budget Reconciliation that's
22 constantly looking at that, working with the agencies
23 to understand that's coming in and what's going out.

24 CHAIRPERSON LEE: Okay. And so you do
25 have the central role in monitoring sort of

1
2 opportunities for reimbursement and organizing the
3 attempts to gain reimbursement for eligible city
4 expenditures? Is that correct assessment?

5 DIRECTOR SOLIMAN: We do have a central
6 role through Office of Budget Reconciliation.

7 CHAIRPERSON LEE: Okay.

8 DIRECTOR SOLIMAN: I don't know if Tara
9 you want to add?

10 FIRST DEPUTY DIRECTOR BOIRARD: Sure. In
11 terms of the actual work of doing the claiming and
12 maximizing revenue for the most part that's what the
13 agency-

14 CHAIRPERSON LEE: [interposing] Agencies.

15 FIRST DEPUTY DIRECTOR BOIRARD: What
16 we're doing is looking at the budget. How much are
17 we supposed to take in, and calling on the agencies
18 to make sure that they file the claims on a timely
19 basis to make sure that it does come in.

20 CHAIRPERSON LEE: Okay, perfect. And
21 what- oh, just out of curiosity, following up to my
last question. So, I know that maybe it's tough to
do the monthly, but what was the last payroll amount
that was sent out by the city in terms of employees,
staff? Do you have that figure?

1
2 DIRECTOR SOLIMAN: Well, overall I think
3 PS is at \$60 billion including fringe. We can get
4 you the monthly payroll on wages.

5 CHAIRPERSON LEE: Okay, \$60 million plus
6 fringe?

7 DIRECTOR SOLIMAN: \$60 billion including
8 fringe.

9 CHAIRPERSON LEE: Okay, perfect. Okay.
10 I'm going to pause here and start allowing my
11 colleagues to ask questions, but before I do that I
12 just want to recognize we have some new members that
13 have joined us. I believe Council Member Cabán is on
14 Zoom, Council Member Narcisse, Council Member
15 Krishnan, Council Member Hankerson, Council Member
16 Banks, and Council Member Stevens. And I just wanted
17 to let my colleagues know we have- okay. Looking for
18 the Deputy Speaker, but I don't know where she is.
19 Okay. so, just to remind everyone, we have five
20 minutes on the clock and our colleagues did such a
21 great job the first day of hearings and sticking to
the five minutes. We have a lot of folks who want to
ask questions. So, we're going to do round- second
round and third as the Speaker mention if necessary.
So, we'll do five minutes the first round, and so if

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2 memes could please, please try as best as your
3 possible ability to stick to time so I don't have to
4 cut you off. So, with that, are you ready, Deputy
5 Speaker? Okay, we're going to start with Deputy
6 Speaker Williams.

7 COUNCIL MEMBER WILLIAMS: Thank you. I
8 have some questions on the libraries. Hello. At our
9 recent libraries hearing, the three systems outlined
10 \$1.2 billion of unmet capital needs, and summarize
11 for us the operational impacts of aging facilities in
12 light of the hundreds of millions of dollars in
13 deferred maintenance across the three library systems
14 and the direct link to emergency closures and reduced
15 service hours. How does OMB justify current capital
16 funding levels in the FY 27 Prelim Budget, and what
17 is the city's plan to meaningfully reduce this
18 backlog rather than continue to rely on short-term
19 fixes? And then just follow up to that- the three
20 library systems have identified \$450 million capital
21 needs to complete comprehensive renovations and
address their most urgent projects across the
boroughs. How does OMB evaluate this request?

DIRECTOR SOLIMAN: Sure. I think we will
agree that we support our libraries, want to support

1
2 our libraries, want to give them more funding. We
3 will work with the libraries clearly on their capital
4 needs. The 10-year Capital Plan includes \$1.5
5 billion in funding for the libraries to support their
6 capital needs. We know that we can always improve on
7 that, and we'll be looking as we compose the
8 Executive Budget on additional assistance that could
9 be provided.

10 COUNCIL MEMBER WILLIAMS: Thank you. The
11 fiscal 2027 budget does not include the one-time
12 funding of \$30 million that had been distributed to
13 SIGS [sic] and CDF organizations in fiscal 2026. How
14 is the funding split between CDF organizations and
15 the sigs in fiscal 2026? And will OMB provide this
16 critical funding for cultural institutions in fiscal
17 2027 in the Exec Plan?

18 DIRECTOR SOLIMAN: Similarly, we are- we
19 appreciate our SIGS. We value our SIGS and what they
20 provide to the culture and the fabric of the city.
21 We did not cut DCLA's budget in the Preliminary
Budget. The FY 26 budget is \$300 million, `8,077
higher than it was in the November 2025 plan.
Clearly we're looking as the compost the Executive

1
2 Budget on additional needs, including those that may
3 have been added at adoption as one-shot.

4 COUNCIL MEMBER WILLIAMS: Yeah, I know.
5 And I know that was the talking point that DCLA has,
6 but it's like- it's a funny way to say it, right?
7 Because we know we put the money in at the end, and
8 while it is more than previous budgets, it still is
9 less than what they got in fiscal 2026. And so I'm
10 sure they budget for certain things.

11 DIRECTOR SOLIMAN: Right.

12 COUNCIL MEMBER WILLIAMS: That \$30
13 million at the end of the day is not here and
14 included in this particular prelim plan that you put
15 forward. Sticking to DCLA, the arts and cultural
16 space are full of valuable data to run the city's
17 creative economy which is estimated at over \$1
18 billion, and obviously DLCA does not have the money
19 necessary to fuel this particular industry. Is there
20 a plan to fund DCLA's ability to measure and manage
21 this data?

DIRECTOR SOLIMAN: We're working with
them and seeing what can be added for the Executive
Budget. Clearly, that's that something that we know
is important to the agency and important to the

1
2 cultural fabric of the city. So, we're going work
3 with them on that.

4 COUNCIL MEMBER WILLIAMS: So, when you go
5 to craft budgets specifically around like economic
6 development, do you have a sense of as to why culture
7 is not linked to economic development budget
8 specifically around like economic development, do you
9 have a sense as to why culture is not linked to
10 economic development?

11 DIRECTOR SOLIMAN: We are making sure
12 that we take a new approach and understand that the
13 Mayor's vision will propagate throughout all the city
14 agencies. And so through that cultural lens we will
15 work with the EDC and work with other agencies to
16 make sure that they have a lens through culture with
17 the work that they do.

18 COUNCIL MEMBER WILLIAMS: I think this
19 should be more streamlined, because there are some
20 things that fall on other agencies that really have
21 to do with culture, but that funding doesn't run
through DCLA. So, just trying to understand why
these funds at large are not run through DCLA. The
other questions I have, two questions on revenue.
What assumptions are driving the administration's

1
2 continued optimism about the national and local
3 economy, particularly in the Fin [sic] Tech sector,
4 given global instability including tariff rulings and
geopolitical conflicts?

5 DIRECTOR SOLIMAN: Yeah, sure. I'll
6 start and then I'll turn it over to Joshua Goldstein
7 to add. Our revenue forecast was based on record
8 year on Wall Street, \$65 billion in profits, and when
9 we composed our revenue forecasts, we also looked at
10 the strength of various sectors, and we were
11 communicating regularly with the state in terms of
12 what they put in their financial plan. And our
13 revenue projections were in line with what the state
14 had put out, and that was even before we got into the
15 revenue consensus forecast of \$700-\$800 million more
that the Governor reached with the legislature. So,
I don't know if you want to add anything on Fin Tech?

16 DEPUTY DIRECTOR GOLDSTEIN: Thank you for
17 the question. I think there's two pieces. One,
18 Sherif mentioned, the record year on Wall Street
19 which was fueled a lot by the massive investment in
20 AI which New York City is definitely benefitting
21 from. I think this year- earlier in the year,
Bloomberg reported an estimated \$650 billion of

1
2 investment in AI industries just this year. So, we
3 think there's a lot of momentum there, right? That
4 money is going to flow through the system, and New
5 York City is definitely going to benefit from it.

6 CHAIRPERSON LEE: Okay, great. Thank you
7 so much, Deputy Speaker. And next we are going to
8 move to Majority Whip Hanks followed by Council
9 Member Marte.

10 COUNCIL MEMBER HANKS: Good morning and
11 thank you, Chair. Welcome. Let's get into it. The
12 administration is seeking to fill 14 spots for the
13 Mayor's Office of Mass Engagement. What is the
14 purpose of creating this new office?

15 DIRECTOR SOLIMAN: The Mayor's vision is
16 to have an office that reaches communities, that is
17 able to connect government with communities, and that
18 is why, and really just inherent in its name, the
19 Office of Mass Engagement. And so that is really the
20 purpose, is to reach communities where they are to
21 share information about their government and to get
New Yorkers involved in their government.

COUNCIL MEMBER HANKS: Thank you. And
so, how can the Mayor and this administration with

1
2 all that we've discussed today justify the need for
3 this \$2 million newly created office?

4 DIRECTOR SOLIMAN: Well, I think when you
5 look at the sub-offices within that office, these are
6 longstanding offices that have been in the Mayor's
7 office. You look at the Community Assistance Unit.
8 You look at the Public Engagement Unit, the Mayor's
9 Office of Ethnic and Community Media, Office of
10 Faith-based and Community Partnerships, NYC Service,
11 Civic Engagement Commission. So, the budget and
12 funding is determined about how we want to support
13 those efforts and enhance those efforts to reach New
14 Yorkers in their communities. So, all of those
15 offices that I just mentioned have been pre-existing
16 and have their own functions and valid functions to
17 be able to reach different portions of our
18 communities.

19 COUNCIL MEMBER HANKS: Thank you so much.
20 The fiscal 2027 budget includes \$594 million in OTPS
21 for waste disposal, representing 29 percent of DSNY's
total budget, the largest contractual expense.
Rising waste export costs continue to strain DSNY's
budget and understanding cost drivers and mitigation
strategies are essential. Beyond inflation and

1
2 contractual price adjustments, what additional
3 factors are contributing the increase in waste export
4 costs?

5 DIRECTOR SOLIMAN: Sure. So, I think
6 it's related to- so, first off, the spending is
7 expected to be in line with the FY 26 Preliminary
8 Budget at \$525 million. I think the Sanitation
9 Department will always say they're pursuing cost
10 efficiencies wherever possible, and that is true.
11 Work with vendors, for example, to right-size
12 staffing at transfer stations, that's one approach.
13 And that's really the most significant cost-savings
14 that can be accomplished. We obviously have to also
15 always be looking at the contracts and seeing how we
16 can achieve efficiencies in savings in what is a
17 significant, significant effort to- for waste
18 disposal in our city.

19 COUNCIL MEMBER HANKS: Thank you so much.
20 What alternative waste management strategies are OMB
21 exploring to mitigate rising export costs, and what
22 are the projected savings?

23 DIRECTOR SOLIMAN: Well, I think that
24 we're working with the Sanitation Department to see
25 what options there are. I think that we have a range

1
2 of things whether they're- that we're working on
3 including containerization, composting, etcetera.
4 And so we're looking at all different kinds of ways,
5 and we're working with the Sanitation Department on
6 that.

7 COUNCIL MEMBER HANKS: So, how do the
8 terms of DSNY long-term waste export contracts impact
9 current and future budget projections?

10 DIRECTOR SOLIMAN: Again, it's in line
11 with what we have and \$525 million for fiscal year
12 2026. We're looking at the out-years to have some
13 better certainty of whether those savings that we
14 talked about will begin to take hold in terms of the
15 staffing at the waste transfer stations and other
16 ways to look at our contract. Chief Savings Officers
17 will be looking at this as well. Sanitation
18 Department has undertaken a comprehensive review.
19 They're looking at this. This is clearly an area as
20 well where if there are efficiencies in savings to be
21 found, that is an area we want to focus on.

COUNCIL MEMBER HANKS: Thank you so much.
Thank you, Chair.

DIRECTOR SOLIMAN: Thank you.

1
2 CHAIRPERSON LEE: Thank you. We've also
3 been joined by Council Member Brooks-Powers and
4 Council Member Riley. Anyone I'm missing? No.
5 Okay. Next, we're going to go to Council Member Marte
6 followed by Council Member Avilés.

7 COUNCIL MEMBER MARTE: Thank you, Chair,
8 and thank you, Speaker Menin, and thank you for being
9 here. The Senate One House Bill provides an
10 additional \$20 million for an affordable housing
11 relief fund to help stabilize distressed properties
12 in the city that are facing rising insurance,
13 staffing and maintenance costs, and non-payment for
14 rent. The State Senate budget also proposed \$60
15 million in Mitchell-Lama preservation for the city.
16 How does OMB estimate the additional \$20 million in
17 the affordable housing relief fund will impact the
18 city's fiscal 2027 budget? Will additional
19 households be able to utilize this funding?

20 DIRECTOR SOLIMAN: We're looking at that
21 with the Senate as the One House's have been released
and looking at ways we can continue to work with them
in these last moments in the state budget or the last
weeks of the state budget, or week. Depends on when
the state budget will be enacted, but we're working

1
2 with them. But I think there's a subsection of City
3 of Yes funding that designates the \$20 million for
4 capital improvements to preserve affordable housing,
5 but we're looking at what's in the One House, and
6 seeing if that's something that's viable for the
7 negotiations in the enacted budget.

8 COUNCIL MEMBER MARTE: Yeah, and similar
9 question for Mitchell-Lamas. Does this potential
10 funding lower the cost for maintenance at
11 Mitchell-Lama if at all?

12 DIRECTOR SOLIMAN: I think that's part of
13 the conversation with the senate in terms of the
14 desired result from there. That could be that
15 result, but we're working with them to understand how
16 this can be advanced at the conference committee
17 tables.

18 COUNCIL MEMBER MARTE: Okay. I want to
19 ask a more local question. As part of the
20 borough-based jail plan, the Chinatown jail is now
21 estimated to cost \$4.1 billion. Are those- is that
the accurate estimate that you have right now, or do
you estimate it continuing to grow even further?

DIRECTOR SOLIMAN: Right now, the budget
is set. I believe it's all of the BBJ are about \$11

1 billion over the plan, over the Financial Plan. And
2 I'll turn it to Tara on specifically on Manhattan.

3 FIRST DEPUTY DIRECTOR BOIRARD: \$16
4 billion.

5 DIRECTOR SOLIMAN: \$16 billion overall,
6 but-

7 FIRST DEPUTY DIRECTOR BOIRARD: Yes,
8 overall.

9 DIRECTOR SOLIMAN: But the plan has the
10 \$11.5, but specifically on Manhattan.

11 FIRST DEPUTY DIRECTOR BOIRARD: I don't
12 know if we have China- I think you said Chinatown.

13 DIRECTOR SOLIMAN: Yeah, that's the
14 Manhattan.

15 FIRST DEPUTY DIRECTOR BOIRARD: We don't
16 have it specifically. We do know that it is fully
17 funded and we're currently looking at any
18 efficiencies that could be in the program.

19 COUNCIL MEMBER MARTE: I would just like
20 to suggest that the community has an alternative plan
21 that can save the city money as well as speed up the
potential development of a facility nearby, and I
hope that your team will be able to meet with the
communities who have worked on that plan.

1
2 DIRECTOR SOLIMAN: We're always happy to
3 engage in conversation. I think that, you know, we
4 are fulfilling the law to continue to move forward on
5 BBJ, but always sensitive to community needs and
6 happy to have conversations. But the projects have
7 commenced pursuant to the law.

8 COUNCIL MEMBER MARTE: And switching over
9 to NYCHA. We continue to see the legacy of this city
10 continuing to invest in RAD and PACT instead of
11 investing in Section 9 public housing developments.
12 And as we also with the Public Advocate's recent
13 report where vacancies are now up to 6,700 units that
14 can house thousands of families and New Yorkers who
15 are currently facing homelessness or housing
16 insecurity. Why hasn't the administration prioritized
17 those units in Section 9 and especially minimized the
18 days for those apartments to be converted to actually
19 be stable housing units? I think the timeline that
20 they gave us yesterday was more than 400 days for one
21 of those units to be repaired and to be turned
online.

DIRECTOR SOLIMAN: Yeah, sure. So, just,
you know, on a personal note, you know, my
appointment was at the NYCHA Pomenok [sp?] Houses

1
2 where I grew up. So NYCHA always has a place for me,
3 and I think vis a vis the budget, we've been added,
4 you know, \$148 million in capital funding for NYCHA
5 Section 9 housing. We know that we can do more. We
6 know that the Mayor has committed to doubling the
7 capital budget. We want to make sure we're looking
8 at the Executive Budget and understanding how debt
9 capacity we have to be able to invest in more
10 capital. So, that's a project- a process we're
11 undertaking for the Executive Budget to see how much
12 more, because those 6,000 units, we want to bring
13 them online. We know there is a substantial wait
14 list and we want to make sure that we're fixing the
15 stock and making sure that, you know, units are
16 available for New Yorkers.

17 COUNCIL MEMBER MARTE: Thank you. Thank
18 you, Chair.

19 CHAIRPERSON LEE: Thank you. Council
20 Member Avilés followed by Council Member Hudson.

21 COUNCIL MEMBER AVILÉS: Thank you, Chair.
Thank you so much. Good morning. Thank you for
being here. I'm going to ask a couple of different
questions on several different topics. So, first I'd
like to jump into immigration. The Preliminary Plan

1
2 includes additional city funds of \$6.6 million in
3 fiscal 26, \$21.2 million in 27, \$20.9 million in 28,
4 and \$19.2 million baseline starting fiscals 29 to
5 expand immigration legal services. Given, as you
6 know, the ongoing demand for various immigration
7 legal services, will the restoration of the
8 additional funding that Council secured last year for
9 legal assistance be included in the Executive Plan?

10 DIRECTOR SOLIMAN: I think that's
11 something we're looking at for the Executive Budget.
12 I think the overall budget is about \$19.6 million in
13 city tax levy in 26, \$19.6 million city tax levy for
14 27. Clearly there's a need and we want to make sure
15 we're working with the Mayor's Office of Immigrant
16 Affairs, which we are, on additional support. So,
17 we're looking at that for the Executive Budget to see
18 what can be added.

19 COUNCIL MEMBER AVILÉS: Great. Loss of
20 that funding would be catastrophic. As we know, even
21 the additional \$50 million, our providers are under
water and our families are terrified navigating very
complex and everyday worse system and attacks. In
terms of- you know, our immigration services are
spread across multiple agencies which makes it very

1
2 challenging, right, for oversight coordination. Has
3 there been any discussion around consolidating a
4 dedicated agency for immigrant affairs?

5 DIRECTOR SOLIMAN: We are working with
6 the Mayor's Office of Immigrant Affairs, the new
7 Commissioner, to make sure that there is that level
8 of coordination. We know a lot of these programs are
9 also in HRA and they're spread throughout. So,
10 clearly there is a need for central coordination, and
11 really out of City Hall there's been a lot of focus
12 and attention on this naturally. So, we want to make
13 sure we have a holistic whole-of-government approach
14 as we're seeking how to have immigration assistance
15 services to New Yorkers.

16 COUNCIL MEMBER AVILÉS: Great. And we
17 need- if we cannot consolidate, we need the- the
18 administration needs a way to sink some teeth into
19 making sure that agencies are doing the best they can
20 to meet the mandates and the needs of our immigrant
21 community which is 40 percent of New York City's
population. Switching now to SNAP benefits. I
represent a district that has been very impacted by
stolen SNAP benefits. We know that the state has a
\$3 million reimbursement fund that is in the One

1
2 House bills. What has the city done to prevent
3 stolen benefits to address this issue, and have you
4 had conversations with the state partners about this
5 issue?

6 DIRECTOR SOLIMAN: Yes, absolutely.

7 We're aware of the efforts going on in the state,
8 what the Governor put in the budget, and also in the
9 One Houses from the Senate and the Assembly. I think
10 we're supportive of the chip-enabled cards to be able
11 to have that extra layer of security. So, we're
12 looking at the funding that's been established,
13 working with the state to see what can come out of
14 this enacted state budget on that front.

15 COUNCIL MEMBER AVILÉS: Well, I think,
16 you know, we know food insecurity impacts many
17 communities, in particular older, vulnerable adults,
18 and if we cannot address the stolen benefits, we're
19 going to need to figure out how to make sure that
20 people get access to food. So, it's going to be a-
21 continues to be a serious issue. Can I ask in terms
of some of the other proposals that has put forward
in terms of savings, particularly your- the
possibility of drawing down on the rainy day fund-
are there other major proposals that you are

1
2 considering outside of drawing down on the rainy day
3 fund to address some of the shortfall?

4 DIRECTOR SOLIMAN: We are looking
5 constantly at all kinds of different
6 revenue-generating opportunities. We're looking
7 constantly at additional savings opportunities. What
8 we put in the Preliminary Budget is- was necessary to
9 meet the charter-mandated responsibility of balancing
10 both fiscal 26 and 27, and we're looking at
11 replenishing, and the Financial Plan includes the
12 replenishment of it. So, if we can avoid the use of
13 draw-down-

14 COUNCIL MEMBER AVILÉS: [interposing]
15 Sure.

16 DIRECTOR SOLIMAN: through savings or
17 revenue, we will be open to that.

18 COUNCIL MEMBER AVILÉS: In particular,
19 you have put- there's a lot of proposals on the
20 table. I think what I'm specifically wanting to hear
21 is are there other funds that are- you are looking
also to draw down on as a possibility in addition to
the rainy day fund?

DIRECTOR SOLIMAN: Well, there are- just-
there are- there's the rainy day. Our other reserve

1
2 is the Retiree Health Benefits Trust Fund which was
3 drawn down at \$229 million in fiscal 27. There was a
4 draw-down of the current end-year reserves for the
5 General and Capital Stabilization Fund. So, those
6 are essentially the four buckets of reserves that
7 exist and there was a mix of each that we included or
8 deployed to close- to help close the \$5.4 billion
9 gap.

10
11 COUNCIL MEMBER AVILÉS: And if I may
12 close that loop? Could you tell us what would happen
13 if these funds are not drawn down on from your
14 perspective?

15
16 DIRECTOR SOLIMAN: Well, I just think-
17 without engaging in hypotheticals, but I think that
18 at the end of the day, we have to have a balanced
19 budget. 45 years of consecutive balanced budgets,
20 and we're going to continue having balanced budgets
21 in the City of New York that are gap compliant. And
so, we are going to exhaust every opportunity,
savings and revenue, working with our state partners
to make sure we achieve the fiscal stability so that
government can work for New Yorkers.

CHAIRPERSON LEE: Great. Thank you. And
just really quickly following up on the savings part

1
2 of Council Member Avilés' question. One of the
3 things that I had actually asked a few of the
4 agencies about is whether they could look into
5 something like group purchasing, because you know,
6 with many things whether it's supplies, health
7 insurance, whatever it is, we have so much buying
8 power as a city. So is there a way- and this is
9 something that I asked at the education hearing as
10 well, and the Chancellor was smiling, because he's
11 like, actually we're having those conversations right
12 now. And I know that back when I was on the social
13 service side, DFTA actually used to do this and also
14 extend that same rate to their providers. I forget
15 how long ago this was now at this point. And so just
16 wondering if you were having those conversations to
17 look at that as a possibility?

18 DIRECTOR SOLIMAN: Yes.

19 CHAIRPERSON LEE: Okay.

20 DIRECTOR SOLIMAN: Yes, absolutely,
21 Chair. Just to elaborate, we have the- DCAS has this
Office of Citywide Procurement that essentially is a
central requirement contract for food, supplies,
fuel, all the things for goods and services that the
city agencies might need. So that's a central sort

1
2 of place that agencies can procure those kinds of
3 goods. But also, each agency- and especially with
4 the Chief Savings Officer effort. They're looking at
5 exactly those things, right? What contracts can be
6 negotiated? Can we get better pricing?

6 CHAIRPERSON LEE: Right.

7 DIRECTOR SOLIMAN: Can you partner with
8 city agencies to then basically do one procurement if
9 you have to do something? What are the
10 commonalities? All of those things are currently
11 being pursued.

11 CHAIRPERSON LEE: Got it. Okay. And
12 then just going really quickly back to the AI
13 question, because I know that there are AI and
14 technology companies that are actually working with
15 other municipalities across the country to look at
16 how they can partner with government to create more
17 efficiencies. And one example I was giving at the
18 NYPD hearing was how- I know a firm that worked with
19 CPD to actually create a system to modernize and
20 bring online their overtime as well as how they plan
21 out their shifts. And so it created this whole
transparent system that really saves a lot of dollars
because they're not, you know, doing multiple shifts

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2 at the same time, plus looking at overtime. And it
3 was actually very fascinating looking at the system
4 that they built. And so I'm just wondering if we
5 can- if we're looking at those kinds of options for
6 the city as well.

7 DIRECTOR SOLIMAN: Yeah, I think as AI
8 technology emerges, you know, our government just
9 like governments across the United States are
10 grappling with how to harness it in a way that could
11 be more efficient and could be- could help with sort
12 of data collection, etcetera, to make sort of, you
13 know, city employees be able to access data in a
14 faster way and do their jobs. It is not by any means
15 an approach, nor should it be, a way to eliminate the
16 valuable public servants that are working-

17 CHAIRPERSON LEE: [interposing] Oh no.

18 DIRECTOR SOLIMAN: for the City of New
19 York. So, we're looking to harness that in a way that
20 can help scrape data, put reports together, have that
21 analytical tool to be able to do that while
22 supporting the ability to have talented, dedicated
23 workforce continuing to do it.

24 CHAIRPERSON LEE: Definitely. And I
25 actually think it's an opportunity to sort of expand

1
2 and increase the workforce or actually give them
3 different types of skillsets. So, we'd love to have
4 that conversation at another time. But okay, sorry.
5 So, we're going to move on to Council Member Hudson
6 followed by Council Member Brewer.

7 COUNCIL MEMBER HUDSON: Thank you so
8 much, Chair. And hello, Director. The Council is
9 pleased to see that the Preliminary Plan addresses
10 the chronic underbudgeting for CityFHEPS and cash
11 assistance, increasing funding in the current year
12 and the baseline budget for both programs starting in
13 fiscal 2027. How does OMB forecast the growth of the
14 CityFHEPS program, and can you please provide a
15 breakdown of the primary factors driving the cost
16 increases projected across the plan period?

17 DIRECTOR SOLIMAN: Sure, absolutely. So,
18 what we've done, and I'm going to start, and I'll
19 turn it over to our Deputy Director Patrick DiStefano
20 here. We are looking at- with the underbudgeting,
21 first of all, about \$2.3 billion was added over two
years. So, in this year, it's about \$1.8 billion
growing to \$2.2 billion next year, \$500 million, and
pretty much as you see growing out at about that
clip, at about \$500 million through the plan. We see

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2 that there are drivers which is the coming out of the
3 need for stable housing, right? And we see that, and
4 we've talked about before how there have been
5 families with children that we've seen exit shelter
6 because of the vouchers, but we've also seen the
7 single adult population increase. And by the way,
8 the single adult population, the payment for that on
9 the shelter side of the cost is mostly city tax levy.
10 The State contributes \$70 million as a capped
11 appropriation when those costs are well over a
12 billion. So, we're seeing that projection throughout,
13 but out of the need we've seen growth rates, monthly
14 growth rates, of about four percent each month. They
15 start to dissipate as we're going into the out-years,
16 but they're off of higher bases. So, you're seeing
17 those numbers continuing to grow. Patrick, I don't
18 know if you want to add anything.

19 DEPUTY DIRECTOR DISTEFANO: Thank you.

20 So, I mean, that basically covers the point, but the
21 way we forecast it out, like you said we've
22 recognized the budget in the baseline in this plan.
23 We're looking at three to four percent growth month
24 over month. We're taking that into account when we
25 look outwards. The population that is leaving the

1
2 caseload is not very large. It's about 10 percent
3 year over year. And we are looking at the rental
4 standards when we factor these things. So, that's
5 where we've come up with what we've added in this
6 plan for the baseline.

7 COUNCIL MEMBER HUDSON: Great. Thank
8 you, and I appreciate all that. Then that's a
9 perfect segue into my next question which is when do
10 you believe the program may plateau?

11 DIRECTOR SOLIMAN: What we are trying to
12 do is look at ways- at the same time that we are
13 engaging in discussions about the expansion. What
14 we're looking at was ways that we are talking about
15 management of the program as it currently exists,
16 which could yield efficiencies, yield savings. We're
17 looking at things like rent reasonableness, for
18 example. We're looking at things like checking legal
19 rents against HER data. We're looking at ways of
20 perhaps finding different pathways. Maybe there are
21 rent arrears that could be applied as opposed, right?
So, all of those things could lead to a plateauing.
But they all have to take hold, and we're working
with the new Commissioner and her team to figure out
if we can introduce those management techniques.

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2
3 COUNCIL MEMBER HUDSON: Okay. So, no
4 explicit expectation in terms of date, time frame,
5 anything like that? I'm just clarifying for the-

6 DIRECTOR SOLIMAN: [interposing] Yeah,
7 with those we hope that we can start to get there in
8 fiscal 27.

9 COUNCIL MEMBER HUDSON: Right.

10 DIRECTOR SOLIMAN: And implementation of
11 all these things, we want to implement immediately so
12 we can start to see plateauing. Right now, the
13 Financial Plan does not show that.

14 COUNCIL MEMBER HUDSON: Okay.

15 DIRECTOR SOLIMAN: They have to take hold
16 for it to show.

17 COUNCIL MEMBER HUDSON: Okay, understood.
18 And then have any programs been implemented to help
19 long-term CityFHEPS voucher users reach
20 self-sufficiency?

21 DIRECTOR SOLIMAN: Yes. I think that
particularly for the cash assistance, those that are
also receiving cash assistance, there is employment
engagement opportunities, and so that is clearly
something we want to continue and replicate, because

1
2 we do have to have that engagement to ensure that at
3 some point, you know, after the voucher is no longer
4 available that there is that pathway to self-sustain.

5 COUNCIL MEMBER HUDSON: And then should
6 that pathway to self-sustaining or sustainability be
7 challenging, I would say, will OMB add funding in the
8 Executive Plan to support services for CityFHEPS
9 clients to help reduce the length of time people
10 remain in the program?

11 DIRECTOR SOLIMAN: That's something we
12 will look at and work with our new department of
13 social services on. We wanted to make sure that we
14 have a robust effort to make sure we're engaging
15 folks who need to be stably housed.

16 COUNCIL MEMBER HUDSON: Okay.

17 DIRECTOR SOLIMAN: So, it's something
18 we'll look at.

19 COUNCIL MEMBER HUDSON: Alright. I have
20 two quick questions on the same topic. How does OMB
21 forecast growth for cash assistance, and can you
provide a breakdown of the primary factors driving
the cost increases across the plan period?

DIRECTOR SOLIMAN: Sure. So in cash
assistance it's really driven by- and I'll turn it

1
2 over to Patrick in a second, but it's really driven
3 by caseload, and we've seen that particularly after
4 COVID continuing to increase. We've seen also some
5 recent reductions, but I think cash assistance was
6 also another place where it was significantly
7 underbudgeted, and Patrick, I don't know if you want
8 to talk about the forecast?

9 DEPUTY DIRECTOR DISTEFANO: Sure. So,
10 coming out of COVID, the cash assistance caseload
11 increased at a significant rate, but there's also an
12 important components to think about in-

13 COUNCIL MEMBER HUDSON: [interposing] I'm
14 sorry, do you mind just putting the microphone a
15 little bit closer to your mouth? Thank you.

16 DEPUTY DIRECTOR DISTEFANO: Is that
17 better?

18 COUNCIL MEMBER HUDSON: Yeah.

19 DEPUTY DIRECTOR DISTEFANO: There are
20 important components in the cash assistance caseload.
21 So we get reimbursed at different rates for different
case types. So, we look at the different case types,
the growth, and what's happened over time, and that's
how we forecast out. Like the budget director said,
in most recent two to three months, we're actually

1
2 starting to see a flat line and a slight declination
3 of the caseload.

4 COUNCIL MEMBER HUDSON: Okay, great. And
5 Chair, I have one last question, if I may? And I'd
6 like to be added to the second round. Thank you.
7 Does OMB anticipate needing more staffing to handle
8 the administration for the projected increase in
9 demand for cash assistance childcare vouchers? And
10 if so, will more positions be added in the Executive
11 Plan?

12 DIRECTOR SOLIMAN: It's something we're
13 looking at. We're looking at the State, and the
14 Executive Budget included funding that helps us with
15 the cost for child care vouchers now. We know that
16 there may be additional funding that may be coming.
17 So we want to make sure that needs are met so that we
18 can sort of reach families to avail themselves of
19 those vouchers. So, that's something we're talking
20 about for the Exec.

21 COUNCIL MEMBER HUDSON: Great. Thank you
so much, and thank you, Chair.

CHAIRPERSON LEE: Thank you so much.
Council Member Brewer followed by- oh, and we've been
joined by Majority Leader Abreu.

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2 COUNCIL MEMBER BREWER: Thank you very
3 much, and thank you for your clear testimony. It was
4 very clear. I have a question about the draw-downs.
5 Now, you've got the four different buckets. I know
6 them well. The retirees, I'm very supportive of the
7 current retirees. They're certainly very active in
8 my district and elsewhere. How are we projecting for
9 them? I obviously don't want to draw down if they
10 are going to be impact. We want their senior care.
11 That's my position. So, how are you impacting if you
12 are drawing down from that, or from any of the other
13 buckets? How would they be impacted or negatively
14 impacted? How are we going to draw with the
15 retirees?

16 DIRECTOR SOLIMAN: Sure. So, we feel the
17 same way about our retirees. The draw-down will not
18 impact retiree health benefits and the continuation
19 of that. It continues. Their pay-go in terms of
20 what's paid every month to pay that will continue,
21 and the draw-down does not impact that. And in fact,
we're looking at whatever's drawn down. The
Financial Plan includes that being replenished. So,
the \$229 million for the retiree health is being

1
2 replenished in 28. The draw-down of \$229 is
3 happening in 27.

4 COUNCIL MEMBER BREWER: Okay.

5 DIRECTOR SOLIMAN: And no impact
6 whatsoever on the payment of retiree health benefits.

7 COUNCIL MEMBER BREWER: Alright. Thank
8 you very much. The other question I have is just in
9 terms of making sure that our oversight agencies like
10 DOI and the Special Commission on- Commissioner of
11 Investigation at DOE, which people forget about.

12 Obviously, I'm concerned about 9/11. I want to make
13 sure that those informations that have been mandated
14 by the law that we passed get done in a correct span
15 of time. So are you committed to funding the \$3
16 million or whatever it takes at DOI? And I have to
17 say, the Special Commissioner of Investigation, it's
18 only a \$6 million agency and it's a \$40 billion
19 oversight job that they have at the DOE. So, are you
20 committed to funding these oversight agencies? There
21 are other ones, CCRB, etcetera.

DIRECTOR SOLIMAN: Yeah. I think that we
are actively talking about that now. I think you have
a highly competent nominee for DOI that I know has
been- that will before you- to be able to look at all

1
2 the various places that can be supported. You
3 mentioned the 9/11 records piece, that's something
4 we're actively talking about of how that can be
5 supported. And their needs just like other agencies
6 we'll make sure that they're evaluated for Exec and
see what is possible.

7 COUNCIL MEMBER BREWER: Okay. Because I
8 don't think that the DOI can do the work without the
9 funding, because they are so strapped. So, I
10 strongly urge that. In terms of the Law Department,
11 the plan as you know, \$5.3 million for 102 positions
12 I think you know that. And these are expected to save
13 \$125 million in tort liability. Can you explain how
14 the savings was calculated? Can you also talk about
15 how these new position factor into the number of
16 vacancies that the Law Department will be required to
17 eliminate as part of your, you know, basically
18 savings plan. And then also, we're always concerned
19 about targeting the amount for the Law Department as
part of the citywide savings mandate in terms of
torts since all of the wonderful people who sue the
city.

20 DIRECTOR SOLIMAN: Yeah, so a couple of
21 things on that, Council Member. So, we are putting

1
2 forward the plan for 200- once it's fully ramped up,
3 200 new attorneys in the Law Department, and when you
4 look at the judgement and claims budget, it was I
5 think six years ago it was about \$600 million, and
6 now is at about \$1.3-\$1.4 billion.

7 COUNCIL MEMBER BREWER: I see.

8 DIRECTOR SOLIMAN: Significant,
9 significant increase. So, one of the reasons- there
10 are many reasons why want to hire up at the Law
11 Department, but one of the main reasons is to be able
12 to introduce reforms that can help us- that can help
13 reduce the judgements and claims number. And so that
14 includes challenging more cases where appropriate,
15 right? It can also include de-risking by looking at
16 all of our agencies and working with them so that we
17 reduce tort liability. So there are a number of
18 different things that Corp Counsel Steven Banks is
19 looking to do to assist in reducing the judgment and
20 claims number. And they will not be subject to any
21 of the reductions. The 200 lawyers are there for a
reason, and we don't want that to be the subject of
any reduction.

1
2 COUNCIL MEMBER BREWER: Alright. So you
3 think it's going to work in terms of the numbers that
4 you're discussing.

5 DIRECTOR SOLIMAN: I think out of
6 necessity it must work, and I know we have a
7 committed partner at Corp Counsel to make that
8 happen.

9 COUNCIL MEMBER BREWER: Okay. Local Law
10 140 of 2023 requires that the City have an all
11 electric fleet by 2038. I think we know that and
12 there are certain requirements. So, I have a great
13 respect, as you do for the new DCAS Commissioner.
14 I've known her for a long time. But has DCAS
15 requested additional expenses? In other words, I
16 think they need it in order to accelerate the pace of
17 these EV purchases and how do you balance these legal
18 mandates, the Local Laws that have budgetary
19 constraints? We want a fleet, I guess, as long as
20 Mr. Trump lets us have what we need in terms of EV.
21 But how do we balance the need for the law and the
funding in terms of the fleet?

DIRECTOR SOLIMAN: Sure. I think we share
your desire and of course the commitments of the
Local Law. We have about \$10 million per year in the

1 plan for purchasing electric vehicles for light duty.

2 We want to be able to work- I agree, she is a
3 fantastic Commissioner. I've worked with her very
4 closely over the years in City Hall.

5 COUNCIL MEMBER BREWER: Not as many as I
6 have.

7 DIRECTOR SOLIMAN: You got me on that,
8 Council Member. You got me on that. Yes.

9 COUNCIL MEMBER BREWER: Not as long as I
10 have.

11 DIRECTOR SOLIMAN: Council Member
12 Restler, too, and all of us. But so yeah, I mean,
13 we're working together with her on that to make sure,
14 and really we want to make sure writ large, just big
15 picture, second largest greenhouse gas emissions,
16 right, is coming from cars, and so we want to make
17 sure we're electrifying and greening our fleet.

18 COUNCIL MEMBER BREWER: Okay. Thank you,
19 Madam Chair.

20 CHAIRPERSON LEE: Thank you. Okay, next
21 we have Majority Leader Abreu followed by Council
Member Epstein.

COUNCIL MEMBER ABREU: Thank you, Madam
Chair, and thank you, Mr. Director, for coming to

1
2 testify today. Local Law 195 of 2019, also known as
3 the Streets Plan or the Transportation Master Plan,
4 mandates expansion of the city's biking, bus and
5 pedestrian safety infrastructure. DOT's most recent
6 report released last week states that the agency only
7 built 20.8 miles of protected bus lanes in 2025, once
8 again, short of the 20 miles required annually. DOT
9 was also required to install transit priority signal
10 at 1,000 intersections but completed only 769. The
11 report noted that DOT installed roughly 18.2 miles of
12 protected bike lanes in 2025. At our Preliminary
13 hearing, DOT was hesitant to commit to meeting all
14 the mandated requirements for the Streets Plan,
15 though it is the law. The baseline \$5 million in
16 additional funding for bus and bike lanes is a good
17 start, but I believe more is needed. Will OMB
18 allocate additional funding beyond the \$5 million to
19 ensure that DOT has what it needs to meet the
20 requirements of the law?

17 DIRECTOR SOLIMAN: So, thank you, Council
18 Member, and for your strong advocacy for our transit
19 network. We really do appreciate that. As you
20 noted, in the Preliminary Budget we did add \$5
21 million. We have our significant budget challenges.

1
2 We would like to add more. We believe in creating
3 more bus lanes. We believe in creating more bike
4 lanes and all the things in the Streets Plan.
5 two-thirds of the DOT budget is pretty much dedicated
6 one way or the other to Streets Plan. We want to put
7 more in. We want to more in for Open Streets. We're
8 able to put in another \$2 million on the Preliminary
9 Budget for that. We need to be able to address our
10 fiscal challenges, understand how we can make those
11 investments which are important to New Yorkers. So,
12 as part of the Executive Budget, we're going to
13 evaluate what kind of additional investments we can
14 make. But clearly, what happens in the State budget
15 is going to be a main determinant of what we can do.

13 COUNCIL MEMBER ABREU: I mean, look, I
14 believe that the Streets Plan is also important and
15 my belief is important, but the law is also just as
16 important. And so are you committed to make sure
17 that by the Exec Budget DOT has what it needs to come
18 into compliance with a law passed by the City Council
19 in 2019?

19 DIRECTOR SOLIMAN: We're going to evaluate
20 the city's financial picture and work with the agency
21 to see what additional investments we can make.

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2 COUNCIL MEMBER ABREU: Alright. It
3 doesn't sound like the answer I would like for faster
4 buses in the city. I would like for there to be a
5 commitment by Exec so that Commissioner Flynn has
6 what he needs. I'll move on. We had just- we had
7 the 12th snowiest winter on record here in New York
8 city, assuming we don't get any spring blizzards.
9 So, needless to say, our roads are in need of a lot
10 of maintenance and resurfacing work. However,
11 according to the PMMR, the average cost to resurface
12 a single lane mile costs \$221,693, a substantial 15
13 percent increase in just two years. DOT has stated
14 that the cost of the petroleum and the fluctuating
15 cost of oil play a large role in the cost of
16 resurfacing lane miles. How will global tensions and
17 the recent spike in oil prices affect DOT's
18 resurfacing operations?

16 DIRECTOR SOLIMAN: It is a real concern.
17 I mean, we have to look at- there's still in the
18 budget the target of the 1,150 surfacing miles. We
19 want to make sure the total resurfacing budget is
20 about \$259 million in IFA, plus the \$12.3 million in
21 capital for a total of about \$271 million. We're
concerned that some of the oil price spikes may have

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2 on that number. We're watching it closely. Clearly,
3 we know- and there's been the pothole blitz and
4 everything that we are looking to do after a brutal
5 winter to make sure our roads are as smooth as
6 possible. So, we'll continue to watch it, and again,
7 with available funds if we need to replenish, we will
8 look at that and we'll do that.

9 COUNCIL MEMBER ABREU: Does OMB plan to
10 allocate more money to DOT in fiscal 27 to account
11 for the rising cost of resurfacing lane miles?

12 DIRECTOR SOLIMAN: That's something that
13 we're looking at as part of the Executive Budget.
14 Again, I think that if we're looking at price spikes
15 in certain things because of inflationary pressures
16 or because of oil cost drivers, then we'll look at
17 that as sort of what we need to do so they can meet
18 their goal of 1,150 surface lane miles.

19 COUNCIL MEMBER ABREU: So, Speaker Menin
20 and Minority Leader Carr, myself wrote a letter to
21 DOT last week from- basically back in 2017 under
Mayor de Blasio, he had funded enough to accomplish
1,300 miles in resurfaced lane miles. It seems that
the new targets are 1,150. I would like to see DOT
get back to resurfacing 1,300 lane miles a year. DOT

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2 stated during our preliminary hearing that to achieve
3 this they would need increased headcount and
4 resources. Would you like for this administration to
5 commit to 1,300 lane miles per year?

6 DIRECTOR SOLIMAN: We'd always like to do
7 more. The fiscal challenges that we have, we have to
8 evaluate how we could make room for that in addition
9 to all the other priorities that we have.

10 COUNCIL MEMBER ABREU: And I'll just
11 close with a statement. I would like to see OMB
12 commit more additional staff and resources needed so
13 the city can get back to resurfacing 1,300 lane miles
14 per year, and of course, that we have additional
15 resources for addressing potholes, more resources to
16 address the contracts with street light repairs which
17 have seen increased timing to getting basic street
18 lights getting done. And of course, the funding that
19 we need for the Streets Plan. Thank you so much,
20 Madam Chair.

21 DIRECTOR SOLIMAN: Thank you.

CHAIRPERSON LEE: Thank you. Okay, we
have Council Member Epstein followed by Council
Member Carr.

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2 COUNCIL MEMBER EPSTEIN: Thank you,
3 Chair, and thank you for being here. I want to talk
4 about DCWP budget. In the Preliminary Budget you
5 proposed an eight percent reduction in the agency's
6 budget. I'm wondering what the logic and
7 justification for that cut was?

8 DIRECTOR SOLIMAN: Well, I think a couple
9 of things. One was the adopt versus the prelim and
10 what we're looking at making sure that they have what
11 they need to comply with various core mission
12 updates, including recent legislative mandates. It
13 did add money for about nine heads to be able to do
14 that. And also, I believe there was a cancellation
15 of a contract that also was no longer necessary and
16 that's why it was brought down.

17 COUNCIL MEMBER EPSTEIN: Yeah. I do want
18 to talk about the laws we passed in recent years, and
19 I know OMB's made suggestions in additional
20 headcounts, and the reading I've read based on all
21 the laws the council's passed, DCWP would need about
321 additional headcounts to kind of keep up with
just the laws that we passed in the last couple
years. Does that seem like an accurate calculation
based on what OMB's estimates have been?

1
2 DIRECTOR SOLIMAN: We're looking at that
3 estimate. The laws that were passed are important
4 laws. We know that it really fits into the worker
5 protection pieces of the agency, and we need to make
6 sure we support that one way or another. Is 321
7 heads the right number? We're assessing that with
8 the new Commissioner and seeing what that number
9 should be.

10 COUNCIL MEMBER EPSTEIN: It does seem
11 like we need additional heads just to deactivation
12 laws- basically, the path- we will need additional
13 heads. Can you agree maybe 321 is the number, but
14 it's not a reduction, right?

15 DIRECTOR SOLIMAN: I think that we have
16 to look at that number and see what's needed. We
17 added nine. We know somewhere between nine and 321
18 will be probably the sweet spot.

19 COUNCIL MEMBER EPSTEIN: Can you say how
20 much revenue DCWP has raised for this city in 2025?

21 DIRECTOR SOLIMAN: I can get back to you
on that.

COUNCIL MEMBER EPSTEIN: How about in
2026? I know the Mayor just yesterday announced a

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2 settlement on the case brought in additional revenue
3 for the city as well.

4 DIRECTOR SOLIMAN: They're clear that
5 there's a lot that we can do with DCWP to include
6 fines and penalties and restitution from, you know,
7 companies that clearly violate Local Laws, etcetera,
8 and the Mayor's been very clear on his goal to make
9 sure we're working closely with the agency to
10 protect. Yeah, so look, I mean, I think from our
11 perspective it is an opportunity to see those fines
12 and penalties, but it's more also about the justice
13 part of it as well. And so we're committed to that.
14 The question is the resources that we're committing
15 to given the financial challenges.

16 COUNCIL MEMBER EPSTEIN: Yeah, I mean, I
17 appreciate that. Because investing in DCWP could not
18 only bring additional revenue into the city, but tens
19 of millions of dollars for New Yorkers who are being-
20 stolen wages and FIPS [sic] and other resources.

21 DIRECTOR SOLIMAN: Yeah.

COUNCIL MEMBER EPSTEIN: So, that could
bring additional revenue as well into the city. Would
you assess that to be correct? If people make more
money that they pay more taxes.

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2 DIRECTOR SOLIMAN: I think you're right.
3 It could-

4 COUNCIL MEMBER EPSTEIN: They contribute
5 to the economy.

6 DIRECTOR SOLIMAN: Certainly it could,
7 right? The extent of that we have to see and we have
8 to see what investment we can do to unlock that
9 potential for that additional revenue, right? And
10 whether or not 300 is the right number is something
11 we have to see with the budget.

12 COUNCIL MEMBER EPSTEIN: I know you, you
13 know, were aware that the Mayor proposed last year
14 before he got into office that he was going to double
15 the DCWP budget. Is that something still in the
16 conversation at this point?

17 DIRECTOR SOLIMAN: It's always a goal to
18 be able to meet the commitments, and we will
19 hopefully emerge from this financial challenge in the
20 capacity and have the ability to do so.

21 COUNCIL MEMBER EPSTEIN: I would encourage
us to look at those revenue raisers as options,
because I think while it's an investment in staff, if
you know,-- if you get a- I'm just making up a
number, a five to one return on the staff investment

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2 on revenues coming back to the city, you know, each
3 lawyer can bring in those additional revenues to help
4 improve the city coffer and that's what we've seen
5 really over the last couple of weeks of the
6 administration. The deep investment in DCWP could
7 result in additional revenues, and we're talking
8 about how we have opportunities to raise revenue.
9 This seems like a clear place where we could have
10 additional revenue sources coming into the city.

11
12 DIRECTOR SOLIMAN: Agreed.

13
14 COUNCIL MEMBER EPSTEIN: And just on
15 additional revenue, I know we talked about- they've
16 been floating the ideas of parking revenue. I'm
17 wondering where that conversation is at this point,
18 whether it's through residential parking or parking
19 permits or increasing metered parking?
20

21
22 DIRECTOR SOLIMAN: It's a good policy
23 question for discussion, and something that is being
24 discussed, but there are no immediate plans to move
25 forward on that.

26
27 COUNCIL MEMBER EPSTEIN: And you think
28 the city has the authority to do either residential
29 parking or parking meeting system under its own
30 authority?
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2 DIRECTOR SOLIMAN: As opposed to going to
3 state legislation?

4 COUNCIL MEMBER EPSTEIN: Yes.

5 DIRECTOR SOLIMAN: It's something we can
6 talk to the Law Department about.

7 COUNCIL MEMBER EPSTEIN: Alright. Thank
8 you, Chair.

9 CHAIRPERSON LEE: Right on time. Thank
10 you so much. And we have Council Member Carr
11 followed by Council Member Krishnan.

12 COUNCIL MEMBER CARR: Thank you, Chair.
13 Director, good to see you. Good morning. I wanted to
14 first associate myself with the comments of the
15 Majority Leader about our road resurfacing budget.
16 It's absolutely and imperative, particularly given
17 the combined state of the winter that we just had
18 with the reduction and the pace of resurfacing since
19 2020. And I think that it actually could long-term
20 mean better savings for us if we do this now, because
21 the worse our roads are, the more Comptroller claims
get filed, and that costs the city money. So, I
think we should absolutely have that in mind as we're
talking about resurfacing this budget cycle. But I
want to focus a little bit on, you know, wealth

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2 creation in the city and how important it is, and I
3 asked this question to our colleagues at IBO and also
4 the Comptroller the other week. According to the
5 Citizen's Budget Commission Report, the city share of
6 millionaires, the people who are very important for
7 the personal income tax collection the city has fell
8 31 percent 2010 to 2022. And they say that if we had
9 maintained that share nationally, we would have
10 collected \$13 billion more in personal income tax
11 revenue. So, given what the Mayor is pushing in
12 Albany with respect to these revenue enhancers, these
13 new taxes, how can we justify that when it may be
14 self-defeating to tax people who can just get up and
15 leave?

13 DIRECTOR SOLIMAN: So, thank you for the
14 question, Leader. We- our data shows that in 2023
15 there were about 36,000 millionaires filed in New
16 York City, and that in 2024 the latest data we have
17 available it increased to 42,000 millionaires. So,
18 we're seeing data that is actually showing growth in
19 the number of millionaires here. So-

19 COUNCIL MEMBER CARR: [interposing] Well,
20 it's not a question of there's no growth, right?
21 There's growth everywhere. Everyone's showing record

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2 numbers of wealth creation, but we're slowing down.
3 We're not growing as fast as other parts of the
4 country, and that's issue because people are taking
5 advantage of better situations with respect to
6 taxation.

6 DIRECTOR SOLIMAN: [interposing] So, to be
7 clear, we want our millionaires to be here. We want
8 our millionaires to stay here. We think that we are
9 pursuing an affordability agenda that lifts, you
10 know, quality of life here, affordability here that
11 makes the city a vibrant and diverse place to live
12 and to work and so on and so forth. So, we would
13 invite more millionaires here. The question is how
14 can we make sure that we address the significant
15 budget challenges that we have. The Mayor's put
16 forward a vision, very clearly, to say that for those
17 earning more than a million dollars, a two percent
18 increase in the city personal income tax rate could
19 help us there. That means someone who's earning \$1
20 million could pay \$20,000 to help address the various
21 core functions of government and the affordability
22 agenda.

COUNCIL MEMBER CARR: I think that, you
know, it's very clear that these folks are very

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2 mobile, right? They see a tax situation, it's
3 disadvantageous, they can leave, and the alternative
4 that was proposed, the 9.5 percent increase on
5 property taxes which I know the Mayor characterized
6 as something that he did not want to do is deeply
7 troubling to many people. You were a long-time
8 Staten Islander yourself. You understand the
9 perspective of those folks. So, I mean, isn't the
10 real thing that we have to do here not the tax more,
11 but to simply find more savings. And so do you
12 expect to find more than the \$1.7 billion that was
13 announced this morning with respect to the Chief
14 Saving Officer findings?

15
16 DIRECTOR SOLIMAN: The \$1.7 billion is
17 definitely something that's in the Preliminary Budget
18 and our goal long term is to continue to find savings
19 beyond that. So, that's the goal. But I think when
20 we come to the point of- to be very clear, we believe
21 in property tax reform, and that is what we want to
be able to push. I know it's very important to Staten
Islanders in your community, and so that is what
we're working on, a proposal there. The proposal to
increase the average tax rate from 12.283 percent to
13.45 percent is something that was included in the

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3 Executive Budget out of necessity to balance based on
4 the charter-mandated responsibility.

5 COUNCIL MEMBER CARR: Do you have an
6 expectation of a number, a figure that you'd find in
7 addition to the \$1.7 billion going into the Executive
8 Plan?

9 DIRECTOR SOLIMAN: The \$1.7 billion right
10 now we feel as though we've taken it as far as we can
11 go to make those savings without cutting critical
12 services that we all care about. So, we will take it
13 as far as we can go to find the efficiencies, to find
14 the contract redundancy, to find the program
15 effectiveness and make sure that that continues, and
16 if it's not- if it's not effective then we move away
17 from those and reinvest those dollars. So, all of
18 those things are being pursued. \$1.7 billion is what
19 we have now. We can go beyond that, but you're
20 really going to start talking about cutting services
21 at this point.

18 COUNCIL MEMBER CARR: And what is the
19 status of conversations with Albany about property
20 tax reform and other mandates like the classroom size
21 issue which is obviously also a major cost?

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3 DIRECTOR SOLIMAN: On property tax reform
4 we're working on a bill. We're working on
5 legislation that builds on the Advisory Commission on
6 Property Taxes form recommendations, and we're
7 looking at other pieces to put in there in terms of
8 targeting homeowner relief. Beyond that, on class
9 size, as the Chancellor alluded to the other day and
10 as has been reported, we're working with the state to
11 ensure that first we believe in class size. We
12 believe in what that can mean for educational
13 outcomes, but we also are in discussion to say what
14 can we do about the timeline? What can we do about
15 the compliance targets? What kind of exemptions that
16 may be existing, working very closely with our public
17 unison and also working with other stakeholders in
18 the Department of Education? So, working with the
19 state on that, and we'll see what the outcome will be
20 in the final enacted budget.

17 COUNCIL MEMBER CARR: Thank you,
18 Director. Thank you, Chair.

19 CHAIRPERSON LEE: Sorry. Can I just ask
20 a follow-up clarifying question? Because I know that
21 you had just mentioned to Council Member Carr that

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3 there was \$1.7 billion savings that was in the
4 Prelim, but I thought it was just the \$700 million in
5 savings in the Prelim, and then today or yesterday
6 was it, the Mayor had announced \$1.7. So, can you
clarify the difference?

7 DIRECTOR SOLIMAN: Sure. so, it's \$1.7
8 billion over two fiscal years, fiscal 26 and fiscal
27.

9 CHAIRPERSON LEE: Okay, got it.

10 DIRECTOR SOLIMAN: The FY 26 number is \$7
11 million. FY 27 number is a little over a billion.

12 CHAIRPERSON LEE: Was one?

13 DIRECTOR SOLIMAN: So, in total, \$1.7.

14 CHAIRPERSON LEE: Okay. And sorry, we've
15 also been joined by Council Member P. Sanchez,
16 Pierina Sanchez, as well as Council Member Ariola,
17 Council Member Mealy. And next we have Council
18 Member Krishnan followed by Council Member Wong.

19 COUNCIL MEMBER KRISHNAN: Thank you so
20 much, Chair and Speaker, and thank you, Mr. Director,
21 for your testimony today, too. I have a few
questions. You testified before about the Department
of Investigations, and as you mentioned as well, new

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3 leadership coming in. I had a good meeting with the
4 proposed, nominated Director of Investigation. We
5 had a good budget hearing last week or the week
6 before, too. But it's very clear that DOI is- it's
7 such a sacred and important mission that it has in
8 our city government. It's doing a lot and more and
9 more so with far less from attorneys, as Chair Lee
10 mentioned before, to investigators that are doubling
11 up and being pulled to different cases. And we've got
12 to do a lot to really correct the funding approach in
13 the past which saw them lose a lot of support they
14 critical need and support the work that they're
15 doing. Right now, in the Preliminary Budget, OMB had
16 proposed an OTPS PEG for DOI of \$664,000 in FY 26 and
17 \$1.1 million in FY 27. They already don't have a lot
18 of money to begin with, and I would argue not nearly
19 enough given the size and the importance of the
20 mandate they have. So, how does OMB see DOI being
21 able to fulfill this OTPS PEG while also addressing
its core functions. And I know you all support, too.
Has there been consideration of doing away with this
PEG and finding ways instead to increase the
Department's budget that's long overdue?

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3 DIRECTOR SOLIMAN: Sure. Thank you,
4 Council Member. So, I think we all agree that we
5 want to make sure that DOI's appropriately resourced
6 to root out corruption wherever it exists. We know
7 that the baseline budget is approximately \$50
8 million. We do have the fiscal challenge that we
9 have. We want to be able to make sure that the
10 agency is functioning and not only sort of supporting
11 the Inspectors General throughout the agencies, but
12 also on more centralized approaches. Again, the 9/11
13 records was one thing that was mentioned. So, we're
14 going to be talking to the nominee for DOI, whose
15 highly competent individual, and seeing what her
16 vision is and what her needs are and decide for the
17 Executive Budget what we can do.

18 COUNCIL MEMBER KRISHNAN: I appreciate
19 that. And my recommendation would be, you know,
20 given all the challenges we face to not balance it in
21 any way on DOI just because, you know, historically
we're in a new administration now, but the fact of
the matter is given the extent of corruption in the
last administration, the level it reached to at City
Hall was not seen since the Tammany Hall era.

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3 There's no coincidence. That was far more than
4 coincidental I should say that as these
5 investigations continued where DOI was a critical
6 part in making referrals to federal prosecutors,
7 standing with SDNY at the indictments, the budget of
8 DOI also saw a nose dive during that time, too. And
9 this is an agency whose independence has to be
10 protected. It cannot be compromised in any way. But
11 the fact of the matter is, over the last four years
12 we have seen the budget reduced substantially as it's
13 done more and at even much higher levels of
14 government. And my- stepping back for a second. You
15 know, how do you envision approaching this? I mean,
16 one thing that came up in the hearing, too, was other
17 cities tied their DOI budget to a percentage of the
18 city budget, which prevents any sort of political
19 interference which I will say it happened in the last
20 administration, but it prevents any of that and it
21 allows DOI to function and do its independent job of
rooting out corruption based on an objective measure
like the city budget. Have you all thought about
that? How do you see that, or are there other

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3 perspectives you've all adopted about how to increase
4 the DOI budget over time?

5 DIRECTOR SOLIMAN: Yeah, Council Member,
6 I think it's- we're happy to have, you know, further
7 discussions about that. I know it's a model that
8 exists here in the city and other offices that are
9 PEG'd to a percentage of X budget etcetera. So, it's
10 something that we're, you know, obviously happy to
11 talk to you more about, happy to meet with you and
12 talk more about that.

13 COUNCIL MEMBER KRISHNAN: I look forward
14 to that conversation, too. And then shifting gears,
15 I know that our incredible Parks Chair will focus
16 more on the details of this, too, but I'm
17 representing the least- the district with the least
18 amount of green space in all of New York City.
19 Obviously the Parks budget is very, very important to
20 me too. The challenge has been over the last four
21 years. You know, we've been in a world where the
Parks budget has not substantially or in any way
really increase since we got the highest budget for
parks four years ago. A lot of it relies on
one-shots, and that's as I always say, the Parks

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3 budget is a workers budget, and the one-shots
4 shouldn't be really funding core services, but really
5 building on baseline services. So, how have you all-
6 I know this is important to the mayor, too. How have
7 you all thought about, you know, there wasn't any
8 increase within the Parks budget in the Preliminary
9 Budget, but how can we increase that budget and move
10 away from a world of one-shots for core positions
11 like Rangers and things like that?

12 DIRECTOR SOLIMAN: Absolutely. The Mayor
13 has been very clear about his commitment to Parks,
14 and clearly the advocates called for the one percent
15 for Parks which we've looked at as certainly a goal
16 that we want to get to, and we will make more
17 investments in parks over, you know, over the course
18 of our term for sure. But we're looking at the
19 Executive Budget to see the financial challenges that
20 we have, what kinds of investments we can make in the
21 Executive Budget as we move forward. It is a goal
that we share to make sure the investments are there,
and we just have to make sure we emerge from the
fiscal challenges here, hopefully with the suite of
options and state support and the enacted state

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3 budget so we can start to make those investments
4 towards that one percent goal.

5 COUNCIL MEMBER KRISHNAN: HOpe to see us
6 get there. Thank you.

7 DIRECTOR SOLIMAN: Thank you.

8 COUNCIL MEMBER KRISHNAN: Thank you,
9 Chair.

10 CHAIRPERSON LEE: Thank you. Council
11 Member Wong followed by Council Member Brooks-Powers.

12 COUNCIL MEMBER WONG: Thank you, Chair.
13 Thank you, Director. I understand the Mayor wants
14 to- or he supports a rent freeze, but at the same
15 time that in this budget I'm hearing the property tax
16 increases, and I'm convinced that your increased
17 property tax, the property owners will just pass
18 these expenses to the tenants and small business,
19 hence increasing the rent. It seems to be obvious,
20 and then we cannot have any rent freeze if we want to
21 keep raising the property taxes. Is that something
you agree on, or?

DIRECTOR SOLIMAN: The goal that we have
is for property tax reform to provide the relief that
we need from a system that is universally understood

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3 to be unequal, to be opaque, to be regressive, and
4 that is really where we're focusing our efforts.

5 COUNCIL MEMBER WONG: Okay. Director, I
6 want to be very clear. New Yorkers simply cannot
7 afford another tax, not a property tax increase, not
8 an income tax increase, not a death tax, no new fees
9 to park on their own streets, and enough is enough.
10 At a time when the cost of living is already through
11 the roof, government should not be reaching deeper
12 into people's pockets to solve a problem it created.
13 This is not a revenue problem. It's a spending
14 problem. And my first question to you is that if the
15 property tax increase or income tax changes and other
16 proposals do not happen, what is the actual plan to
17 close this budget gap?

18 DIRECTOR SOLIMAN: So, our focus right
19 now is working together really alongside the Council
20 as well, to work with our state partners and make
21 sure that the suite of options that were presented
both on the revenue-raiser side, and also on the cuts
and cost shift reversal side are- make their way into
the enacted state budget. We are very, you know,
appreciative of the assistance in the Governor's

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3 Executive Budget and in the legislatures One Houses
4 already. That portends a solution, and so we want to
5 make sure that we emerge from the state budget
6 discussions on a more sound financial footing.

7 COUNCIL MEMBER WONG: Has the OMB
8 analyzed how property tax increases are passed
9 through to rents, commercial leases and everyday
10 costs?

11 DIRECTOR SOLIMAN: The Advisory Commission
12 on Property Tax Reform looked at this issue and they
13 looked at- ad they referred to the fact that the
14 incidents of the property tax on renters is difficult
15 to pinpoint, but there is an understanding that
16 leases, commercial leases especially that go to small
17 businesses, do have that. And so there is some level
18 of impact on renters that we have to look at as part
19 of overall reform.

20 COUNCIL MEMBER WONG: Okay. Do you
21 believe that increases taxes make New York City more
or less competitive?

DIRECTOR SOLIMAN: We think that the
suite of options that we put forth for revenue
raisers including tax increases on the most

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3 profitable corporations could help, for example,
4 achieve in addition to state funding already
5 committed. Universal childcare, for example, \$1.2
6 billion was committed. We thank the governor and we
7 thank the legislature for their commitment to child
8 care and employees would be- would welcome universal
9 child care to improve the talent pool here in the
10 City of New York, improve the quality of life. To be
11 able to draw on that talent pool for their
12 corporation. So, that is- those are the proposals
13 that we put forward, which we think could ensure to
14 the benefit of all who have a vested interest in
15 making sure that the city thrives.

16 COUNCIL MEMBER WONG: Thank you. I have
17 one minute left, so on more question. Does so-called
18 rental payment on water bills is essentially a
19 backdoor tax where money collected through the water
20 and sewer bills is diverted to the city's general
21 fund instead of being used for the system people were
paying for. Why- we reach out to the Water Board and
the DEP, and their answer was to ask the OMB. So, my
questions is why is OMB responsible for this policy

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3 and who ultimately decides how much is taken from
4 rater payers each year.

5 DIRECTOR SOLIMAN: it is true that the
6 rental payment is part of the revenue forecast, it
7 has been for the past several years and it is- we are
8 not- it is on impacting rates like. We don't know
9 what the direction correlation is with rates. We
10 would like to allow the Water Authority to keep those
11 rates at some point for the rental payment, rather,
12 at some point. But right now it's included in the
13 revenue forecast, and at some point when we emerge on
14 a more stable financial footing than that may change.

15 COUNCIL MEMBER WONG: Okay. Thank you.
16 Thank you, Chair

17 CHAIRPERSON LEE: Thank you.

18 COUNCIL MEMBER WONG: I have more for
19 round two.

20 CHAIRPERSON LEE: Round two, okay. We've
21 been joined by Council Member Nurse and next we have
Council Member Brooks-Powers followed by Council
Member Riley.

COUNCIL MEMBER BROOKS-POWERS: Thank you,
Chair and hello, Director Soliman. It's a pleasure.

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3 I'm going to try to race through my questions. So,
4 I'm going to just ask them and I could repeat
5 anything that you need me to. So, thanks to the
6 strong advocacy from the Rockaway community. We have
7 been able to secure \$50 million in capital funding
8 for the Far Rockaway Trauma Center. Does this
9 administration commit to further advancing this
10 project and committing additional capital dollars to
11 the trauma center in fiscal year 27. In the
12 administration's Preliminary Budget for fiscal year
13 27 there are funding cuts to critical alternatives to
14 incarceration and re-entry programs. Why is the
15 administration deciding to cut this funding? Given
16 the need to reduce the Rikers population ahead of the
17 transition to borough-based jails, does the
18 administration commit to increasing this funding in
19 the Executive Budget? This administration has
20 championed the need for more affordable
21 transportation. One of New York City's best tools to
make transit more affordable is via the Fair Fares
program. In this Preliminary Budget, the
administration does not include any additional
funding for Fair Fares. Can the administration

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3 explain why Fair Fares program has not been expanded
4 to the 150 percent poverty level today up to 200
5 percent of the federal poverty level and beyond?

6 Excuse me, expanded from the 150 today up to the 200
7 percent and beyond. How much funding is this

8 administration committing to affordable home
9 ownership opportunities, and does the administration
10 look to increase the funding in the coming fiscal

11 years? My last two questions: This is regarding the
12 insurance reimbursement state and federal issues.

13 So, the federal Home Rule One bill includes several
14 provisions that eliminate federal funding for

15 specific Medicaid recipients. As a result of the

16 bill, the Federal Government will no longer provide

17 funding for certain groups of legally present

18 non-citizens beginning on October 1st, 2026, nor will

19 they provide funding for those who are unable to meet
20 work requirements starting on January 1st, 2027.

21 Approximately how many insurance reimbursement

revenue do you anticipate Health + Hospital will lose

when these federal cuts take effect? And assuming

that the state will not be able to cover all lost

funding for Medicaid recipients, what is the

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3 administration's plan to support Health + Hospitals
4 to make up for the lost insurance reimbursement
5 revenue for its patients who lose their Medicaid
6 coverage? And again, I can repeat anything you need
me to.

7 DIRECTOR SOLIMAN: Thank you, Council
8 Member. So, a couple of things, let's take them in
9 order. The Far Rockaway Trauma Center, is- so as you
10 noted, there's \$50 million in capital that is there.
11 There's also \$300,000 in expense. We know it's
12 critical to your community, and we want to make sure
13 that we're looking at as part of the Executive Budget
14 ways that we may be able to go further than that.
15 With respect to alternatives to incarceration, don't
16 believe that we cut that. What we're just saying is
17 that the Preliminary Budget is the opening salvo. We
18 understand the connection and correlation with the
19 effort on borough-based jails. And so we have to
20 look at that with our respective agencies and see if
21 that's something as well we can fund in the Executive
Budget. The affordable transit options, obviously
Fair Fares- clearly this mayor has been very clear
about making sure transit is affordable and

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3 accessible. He's talked about Fair, Fair, Fair Fares
4 as a great legacy of the administration and Council
5 working together to make sure the program is
6 expanded. We're looking at that. Obviously, the one
7 time funding that was included at adopt, not the
8 opening salvo and Prelim, but we're looking at Fair
9 Fares to be able to do that while at the same time
10 pursuing fast and free buses. Homeownership, as
11 well, obviously we want to do what we can to assist
12 there. There's a lot going on at the state level, as
13 well, and look at what's been included in the One
14 House budgets, and so we're hopeful that there's also
15 a state component to this where we can help on that.
16 We believe it's important that we're helping,
17 particularly first time homebuyers- be able to
18 continue that. And then on HR1- so we've done a
19 number of things on SNAP. like I said, not only SNAP
20 eligibility specialists we added in the Preliminary
21 Budget. We also tripled the food connection program
at HRA at \$54 million. On the Medicaid piece, we
talked a little bit early in my QA session about the
CMS and how they approved on the Elisia [sp?]- is it
Eliesa- the Elisia population to make sure that the

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3 state isn't supplanting with its general fund those
4 costs. And that hopefully is going to lead to the no
5 trickle down effect on H+H when it comes down to the
6 impacts of HR1. So, we want to make sure Health +
7 Hospitals is fully funded. They're the, you know,
8 first line for many New Yorkers on health care. So,
9 we'll continue to hopefully work with the state and
10 make sure those impacts don't trickle down to the
11 city.

12 COUNCIL MEMBER BROOKS-POWERS: Thank
13 you, Director, for your-

14 DIRECTOR SOLIMAN: [interposing] Thank
15 you.

16 COUNCIL MEMBER BROOKS-POWERS: direct
17 responses. I really appreciate it. It was worth the
18 wait. Thank you.

19 DIRECTOR SOLIMAN: Thank you.

20 CHAIRPERSON LEE: Thank you. Council
21 Member Riley followed by Council Member- Council
Member Riley followed by Council Member- oh, he's not
here either. Okay. Council Member Riley? Sorry.

COUNCIL MEMBER RILEY: Good afternoon,
Director. Your testimony you highlight significant

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3 underbudgeting and the need to close fiscal gaps, but
4 we also know that housing production is one of the
5 most critical long-term cost drivers. So, how is OMB
6 ensuring that the Department of City Planning is
7 resourced both in staffing and capital planning to
8 accelerate rezoning and land use actions that are
9 happening right now within New York City?

10 DIRECTOR SOLIMAN: Absolutely. So, we
11 wholeheartedly concur with the goal on housing. I
12 mean, housing just runs the gamut. Obviously, for DCP
13 we funded a few things including sort of seed funding
14 from the previous rezonings, etcetera. We also
15 included some money there for some census work that
16 they need to do. With respect to the housing plan
17 writ large, we're looking at the Executive Budget to
18 see what investments we can make on the capital side.
19 We have also created internally a couple of
20 taskforces. We have the speed taskforce and we have
21 the lift taskforce. So, looking at ways for public
land so we can build on that, and also looking at
ways to cut through the red tape and the bureaucracy
so that we can get to, you know, buildings houses
sooner and get to the supply side of the equation.

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3 So, all those things are hope- are, you know, moving
4 forward. We hope that we can get through the budget
5 challenges so we can make those investments and
6 create debt capacity room so we can make the
7 investments in the housing capital plan.

8 COUNCIL MEMBER RILEY: Yeah. I'm really
9 looking forward to the housing plan and what you guys
10 come up with speed, but I also want to encourage you
11 guys to look at DCP's planners. DCP is losing a lot
12 of their planners to the private sector due to the
13 conversation that they're getting. There's a lot of
14 borough offices that don't have enough planners. I
15 know in the Bronx I have a neighborhood planning-
16 excuse me, a neighborhood plan, and currently right
17 now my borough office doesn't have enough
18 neighborhood planners to help me out. So just want
19 you guys to focus on that, because we do know DCP, a
20 third of their funding does come from the federal
21 government. So, want you guys just to put all of
that in perspective. Because we know the Mayor's
goal is for affordability. We have to produce
housing. We have to produce economic opportunities,
but if we don't have enough planners, if we don't

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3 have enough inspectors with DOB, you know, none of
4 this really matters. It's just policy on paper. Just
5 want to put that out there. Another thing is you
6 identify chronic underbudgeting in key areas. From a
7 land use perspective, how has the underbudgeting
8 affected the city's ability to move development
9 projects forward, particularly affordable housing
10 projects that depend on predictable financing and
11 timelines?

12 DIRECTOR SOLIMAN: Yeah, so I think- and
13 I'll turn it over to Tara as well to add. But the
14 less resources that you have to make those
15 investments, not only in HPD teams that need to go
16 through all the term sheets and go through the
17 closings and all of that, that's been highlighted
18 time and time again. So we have to make sure that the
19 housing apparatus is there to be able to do that.
20 But it really runs the gamut. Anything on the expense
21 side of the equation, if you have significant
underbudgeting, you don't have the certainty, you
don't have the de-risking in the budget that you need
to make sort of the long-term range approach and plan
appropriately to get to the supply chain that you

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3 need so that we can achieve our affordable housing
4 goal. So, it absolutely has an impact. Tara- okay.
5 I got it.

6 COUNCIL MEMBER RILEY: And we can talk
7 more about it-

8 DIRECTOR SOLIMAN: [interposing] Yeah,
9 certainly.

10 COUNCIL MEMBER RILEY: later on. Would
11 love to set up a follow-up meeting.

12 DIRECTOR SOLIMAN: Certainly.

13 COUNCIL MEMBER RILEY: And for the last
14 minute I have- we had a delegation meeting yesterday
15 in the Bronx. Currently right now we're experiencing
16 a lot of fires, a lot of fires, and we sent a letter
17 to request if the administration could help us out
18 with including an extra firefighter in each firehouse
19 or helping us with any capital repairs. So, just
20 wanted to hear if we could get any commitment from
21 you guys that you guys will actually look into this,
because we haven't heard anything back from you guys
as of yet.

DIRECTOR SOLIMAN: Yeah, one of the
things, I know that we have spoken to the union. The

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3 union president had reached out and had spoken to me
4 about it. Clearly it's something that we need to see
5 how we can have the, you know, best first response as
6 possible in the Bronx. We know that there have been
7 challenges there on response times as well. So,
8 we're looking at it. Clearly, this is a pilot that
9 has existed, and we're looking at making sure that we
10 have the redundancy and capacity that's there, and
11 potentially expand the pilot. So it's part of the
12 ongoing discussion. We, again, have to see what the
13 cost will be and how we can make that happen with the
14 budget challenges that we have. But safety has to be
15 paramount that is paramount. We want to make sure
16 how we can close any gaps that might exist.

17 COUNCIL MEMBER RILEY: Thank you so much,
18 Director.

19 DIRECTOR SOLIMAN: Thank you.

20 COUNCIL MEMBER RILEY: Thank you, Chair.

21 CHAIRPERSON LEE: Thank you. I think
now's a good time to pause for a five-10 minute break
hopefully quick.

DIRECTOR SOLIMAN: Sure.

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3 CHAIRPERSON LEE: Okay, because we want
4 to make sure, and then we'll come back five, ten
5 minutes. So, please don't go too far. Thank you.

6 DIRECTOR SOLIMAN: Thank you.

7 [break]

8 SERGEANT AT ARMS: Excuse me, sir, in the
9 balcony, thank you. Off the railing, please. Thank
10 you.

11 CHAIRPERSON LEE: Am I allowed to start?
12 Can I start? Okay. Everyone ready? You guys are
13 good? Okay. Alright, okay. So let's resume with
14 Council Member questions. And so next we have
15 Council Member Restler followed by Council Member
16 Morano.

17 COUNCIL MEMBER RESTLER: Thank you so
18 much, Chair Lee, for your wonderful leadership of
19 this committee, and Speaker Menin, for your
20 leadership. Director, it is good to see. I just want
21 to say on the record, you're one of the finest public
servants I've ever worked with, and I am very
grateful that you're in this role. I am unbiased, but
I want to congratulate on building a great leadership
team. Originally a Staten Islander. Important to

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3 note, but he moved out. The- I do want to highlight-
4 just try and go through as many topics as I can, so
5 I'm going to go fast, and appreciate brief answers if
6 you don't mind. What would be the real world
7 implications if we were to fail to spend down the
8 rainy day fund this fiscal year?

9 DIRECTOR SOLIMAN: So, first, thank you.
10 Good to see you, too. And the implications if we did
11 not draw down what we had to do is we wouldn't have
12 had a balanced budget for the first time in 45 years.
13 We would have broken the streak if we put up a budget
14 that wasn't balanced. And we included as many tools
15 as possible on the revenue side and on the expense
16 side, and recognize thankfully the state assistance
17 that was there. But at the end of the day, revenues
18 have to equal expenses, and that's how we balance.
19 So that was where we ended out of necessity to fulfil
20 our charter-mandated responsibility and our hope is
21 the product from the state. When the state budget is
concluded will allow us to see the picture in terms
of how we can move to adopt it with a balanced
budget.

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3 COUNCIL MEMBER RESTLER: Nobody wants to
4 see the rainy day fund spent down or drawn down, but
5 there's no question we need to balance the budget.
6 We need to maintain cash flow. We need to maintain
7 the essential services that our constituents depend
8 on. So, I'd like to shift to just some revenue
9 generation and savings ideas. Firstly on parking
10 meters- only 80,000 of the three million parking
11 spaces in New York City have meters. That's far
12 fewer than the number of parking spaces on commercial
13 corridors. That's 2.5 percent of any street parking
14 space in New York City has a meter. Do you support
15 expanding metered parking to more commercial
16 corridors across the City of New York? Has your team
17 conducted an analysis with DOT of how many additional
18 metered spots we could realistically add next year,
19 how much revenue that could add? And if not, is that
20 something that you could share with us by Exec?

21 DIRECTOR SOLIMAN: It is, as I mentioned
before, absolutely and important policy discussion
that we are willing to have with all stakeholders. I
mean, I think the fiercest competition is the
competition for curb space, as we know, right? And

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3 we need to rationalize our curb space policy working
4 with DOT, working with all stakeholders whether it's
5 commercial loading zones and, you know, deliveries,
6 and restaurants, and- right? So there's so many- so
7 much competition for space that we need to understand
8 how curb space should be used as a strategy, and
9 clearly there should be discussions about that which
10 then could have also revenue implications. So, it's
11 an important policy discussion to have writ large.

12 COUNCIL MEMBER RESTLER: Okay. We don't-
13 you know, it's March 25th, so we just want to make
14 sure that we're having it in a timely way if this is
15 an opportunity for us to help solve for some of the
16 gap for next year while also supporting our small
17 businesses because turnover on commercial corridors
18 means more people are coming to shop at the
19 businesses on our streets. Vacancy reductions, I
20 went very hard at the previous mayor over the number
21 of reductions that we saw during his administration.
We saw that the number of actual city employees
dropped to 280,000 during Eric Adams' tenure, over
25,000 positions lower than the peak before COVID.
And as Mayor Adams cut 10,000 budgeted, but unfilled

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3 positions, on top of that from the city's headcount.
4 This has had significant impacts on the quality of
5 services that we all depend on. We saw 40 percent
6 reduction on the part-time staff of the Parks
7 Department. We saw major increases in times to
8 process cash assistance and other essential benefits
9 at HRA. so, recognize there may be opportunities for
10 additional efficiencies. For example, the DOC
11 workforce where we've had high vacancy rates for a
12 long period of time, but it has to be done with a
13 scalpel. So I'm just trying to understand- and the
14 announcement of the Preliminary Budget, you all
15 announced that you were going to eliminate half of
16 the vacant positions. Do we have a breakdown of
17 where those positions are that have been eliminated?
18 How can we get a better understanding of how that
19 might impact services that our constituents depend
20 on?

21 DIRECTOR SOLIMAN: So, the scalpel is
out. Scalpel is out and is being used. As is
mentioned in the vacancy alignment exercise, yes, we
said that we're going to balance the equation. We're
going to say we're going to reduce by 50 percent

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3 vacancies with some exclusions, obviously, and then
4 say that for the other 50 percent we're going to
5 allow hiring up to a PS budget level by eliminating
6 the two-for-one exercise. To your point, and you've
7 heard very loud and clear from agencies on this, that
8 there has been too many vacant position that have
9 been remained open, that then affected city
10 operations and city services, right? And part of
11 that was from the constraint of the two-for-one, and
12 part of that was just frankly sort of if there's
13 budgeted positions, we're going to slow down, you
14 know, the approvals and the pars [sic], and if it's
15 budgeted, we want you to hire and get up to meet what
16 the operational goals and the mission of that
17 particular agency. So, that is what we're focused
18 on. What we've seen, and this has been a build-up
19 over years, there's been a misalignment between the
20 number of vacancies that have been there and the PS
21 budget available and attached to those vacancies.
That is what we're looking at to rationalize it,
understand where there is no PS budget, but we may
need to invest, because those are critical
operations. We don't want to impact health and

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3 safety. We want to make sure we're not going to cut
4 positions that are going to generate revenue because
5 that just is a defeating purpose.

6 COUNCIL MEMBER RESTLER: Sure.

7 DIRECTOR SOLIMAN: We're doing all of
8 that in the approach. So, the scalpel is out, and we
9 hope to have more updates on that soon.

10 COUNCIL MEMBER RESTLER: Could I ask one
11 more question, Chair- second round? One question
12 very briefly. We have nearly 10,000 vacant NYCHA
13 units and supportive housing units across the city of
14 New York. We saw 12-fold increase in the vacant
15 NYCHA units under Eric Adams. It was disgraceful.
16 There's over 6,100 vacant NYCHA units today. There's
17 over 1,000 of the supportive housing units that are
18 in city control, controlled by HRA and DOHMH
19 contracts. These are units that most- the people who
20 most desperately need housing in New York City should
21 be living in. Can we get a commitment to actually
put a taskforce together to activate this housing and
make sure that the people who desperately need it are
able to move in next fiscal year?

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3 DIRECTOR SOLIMAN: Definitely something
4 on our radar screen, Council Member. We have 144
5 million capital funding for upgrades and repairs
6 between 26 and 28. There's always more to do. In a
7 previous question and answer session we talked about
8 the 6,000 vacant NYCHA units. We want to make sure
9 that they're fixed so that we can make sure that we
10 address the needs of those who are on the waiting
11 list.

12 COUNCIL MEMBER RESTLER: This is a
13 management question and a resource question. There
14 was no management in the previous administration that
15 cared about this. We need leadership from City Hall
16 and OMB, NYCHA, and HRA and DOHMH to actually
17 activate every single one of these homes so that
18 people who are otherwise homeless would have quality
19 places to live. Thank you so much.

20 DIRECTOR SOLIMAN: Thank you.

21 CHAIRPERSON LEE: Thank you. Council
Member Morano followed by Council Member Narcisse.

COUNCIL MEMBER MORANO: Thank you.
Director, it's always nice to see a native Staten
Islander sitting at that table. Thank you for your

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3 testimony. Your testimony makes clear that this
4 underbudgeting was chronic and inherited, and I know
5 Council Member Riley asked you a bit about the
6 underbudgeting as well. Now that your office is
7 responsible for the financial plan, why are we still
8 seeing budgets that come in below known or
9 highly-predictable expenses?

10 DIRECTOR SOLIMAN: Well, Council Member,
11 thank you. Always good to see a fellow Staten
12 Islander, of course. We believe we've accounted for
13 all of the known expenses that are there. There is
14 an ebb and flow to the budget. There are needs that
15 come up. For example, the budget- the blizzard that
16 we had came after the Preliminary Budget was out.
17 So, there are probably going to be increased snow
18 costs that are there, something that we didn't know,
19 right, would happen. So, there are known expenses
20 that we believe have accounted for with the addition
21 of \$14 billion in expenses which is unprecedented for
the Preliminary Plan, and keep in mind, that was on
top of the \$4.7 billion existing gap for \$18.7
billion, right, that was included in terms of
expenses. So, we believe we've accounted for

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3 everything, and to the extent that there are anything
4 that exists that would be unknown, we'll have to find
5 a way to address those.

6 COUNCIL MEMBER MORANO: You're proposing-
7 assuming we don't get the tax increase on income and
8 corporate income taxes that we need from Albany,
9 you're proposing to close the gap in part through
10 property tax increases. Can you break down how much
11 of that burden will fall on outer borough homeowners,
12 particularly Staten Island versus large commercial
13 properties? Before you mentioned property tax reform
14 which you know I support. I'd appreciate it if we
15 could look at it in a pre-tax reform mindset.

16 DIRECTOR SOLIMAN: So, I can't talk about
17 property tax reform?

18 COUNCIL MEMBER MORANO: Well, we can talk
19 about it, but also answer the question as it is now.

20 DIRECTOR SOLIMAN: Well, I think- look, I
21 mean, I think on property tax reform just quickly- I
22 certainly want to answer your question. The property
23 tax reform proposal that we have under every model,
24 every model that comes out, we know that Staten
25 Island has among the highest effective tax rates,

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3 right? So the one- to three-family homes in Staten
4 Island under reform, those effective tax rates will
5 improve. So, that's just number one. Number two,
6 with respect to the increase itself. We don't move
7 forward with the increase, just to be very clear. We
8 did it out of necessity to fulfil the
9 charter-mandated responsibility. I believe for an
10 average one- to three-family home it would be a \$700
11 increase per year. So, that is sort of what the
12 impact will be. We don't want that to be the impact.
13 We do not want to strain the household budgets any
14 further. So we're looking- hopefully it would be a
15 positive result in the enacted state budget so that
16 we don't have to consider the average tax rate
17 increase.

18 COUNCIL MEMBER MORANO: You noted only
19 four percent of new spending goes to actual
20 programmatic needs. Does that mean 96 percent of
21 this budget is just back-filling past under-estimates
rather than improving services.

DIRECTOR SOLIMAN: It goes towards
programs that deliver important services to New
Yorkers. So, it's not to suggest that the 96 percent

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3 is waste. It's not. It goes towards making sure
4 there are critical services like making sure that
5 folks can be stably housed, like making sure the
6 shelter system is operating, so on and so forth. So,
7 the problem that we had with it was that we took a
8 new approach. Budgeting plan by plan doesn't serve
9 anyone well, right? We need to make sure it's out
10 there. It's reflected. It's transparent and
11 certainty and de-risking of the budget is important
12 for all of us to determine what the resources are so
13 we can plan to make priority investments, to
14 understand what programs are rising, what units of
15 appropriation are seeing that macro level, right?
16 And we're looking at a layered approach. Units of
17 appropriation, budget code, object code, looking at
18 KPIs and metrics, that's what we need to do to see
19 are they reaching New Yorkers in the most effective
20 efficient way, and if they're not we need to
21 reinvest.

18 COUNCIL MEMBER MORANO: Can you walk us
19 through the timeline of when OMB first determined the
20 budget gap was materially larger than previously
21 reported and when the council was informed of that?

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3 DIRECTOR SOLIMAN: I came into office-
4 even before that, in my- at my appointment
5 announcement there had been reports that were out
6 there and there were questions that were asked about
7 the fiscal monitor. The fiscal monitors are saying
8 the gap is actually more than what it was reported,
9 right? And so immediately the Mayor tasked me with
10 doing an assessment. I met with this great team here
11 and started to unpack everything in these major cost
12 driver and understand so I can deliver an assessment
13 to the mayor. The mayor, to his credit, as soon as
14 he started to understand the extent of the
15 under-budgeting, he felt compelled to publicly
16 discuss that what we had said was the under-budgeting
17 was in line with what the city and state comptrollers
18 had said that the budget gaps were, and that's why we
19 were very open about that. Then, in the state budget
20 hearing- so-called Tin Cup Day- we went there. We
21 testified. After we started to aggressively look and
manage what that budget gap would be if we put in the
savings plan, if we took standard budget actions to
reduce it, etcetera. That thing got us to the \$7
billion when we went to the State Legislature and

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3 testified before the joint fiscal committees. Then,
4 next came the Preliminary Budget. The day before the
5 Preliminary Budget, the governor committed \$1.5
6 billion and there was an additional \$100 million from
7 a school aid run that gave us additional funds,
8 right? So that is, what, February 17th. We came out
9 with a Preliminary Budget. So, in a matter of a
10 month and a half, basically, we assessed the problem.
11 We were frank with New Yorkers about the problem,
12 frank with the state legislature about the problem,
13 and then we came to that gap that we had to close,
14 \$5.4 billion, in the Preliminary Budget. That gives
15 you a general sense of the timeline.

16 COUNCIL MEMBER MORANO: Thank you.

17 DIRECTOR SOLIMAN: Thank you.

18 CHAIRPERSON LEE: Okay, great. Next we
19 have Council Member Narcisse followed by Council
20 Member Maloney.

21 COUNCIL MEMBER NARCISSE: Thank you,
Chair, and thank you, Madam Speaker, and thank you,
Mr. Director. We going to go- I'm not going to ask
you those questions, but I want you to process it and
think about. Last Monday, I have a child that got

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3 killed, right, in our community in Sheepshead Bay,
4 and previously we have more problem with that. I want
5 to sit down with you to see what's the plan, what can
6 we do to make sure our children, our youth in our
7 city not killing each. I know it's a difficult one,
8 but we have to come up with community centers. We
9 have to make sure they have something. Idle hands,
10 idle minds, you know what happen. It's the devil end
11 I heard, but I'm not repeating that. Anyway, thank
12 you. So, there's a study with the State Comptroller
13 Dinapoli [sp?]. Just revealed that New York City is
14 now spending \$81,000 per street homelessness person
15 in a town where average take-home pay is about
16 \$40,000. And Mayor Mamdani want to spend more now,
17 right? City Hall projected it will hit nearly
18 \$97,000. So, I will call it in the business world
19 penny wise/dollar foolish, because we can home folks.
20 Do we have to continue doing shelter, Mr. Director,
21 based on the numbers?

18 DIRECTOR SOLIMAN: So, Council Member, we
19 are obli- we have a legal obligation to shelter the
20 unhoused through the Callahan case. And so that is
21 really what drives the shelter operation and the

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3 shelter cost here in the city. At the same time we
4 can focus on managing that operation to the best of
5 our ability, but also focus on the affordability
6 agenda. The mayor has been very, very clear about
7 the need for more housing and affordability writ
8 large through a multitude of different policies. And
9 so that is really where the focus needs to be,
10 housing supply and housing preservation.

11 COUNCIL MEMBER NARCISSE: Housing
12 supplies.

13 DIRECTOR SOLIMAN: Housing supply and
14 housing preservation. And we need to manage the
15 existing legal mandate and obligation to the best way
16 we can working with our operational agencies to
17 reduce shelter costs. And By the way-

18 COUNCIL MEMBER NARCISSE: [interposing]
19 Too expensive.

20 DIRECTOR SOLIMAN: shelter- well, yes.
21 Well, you also want to make sure that city tax levy,
that there's a share that we have with the state.
One of the things that we put out there were the cuts
and cost shifts that existing in the One House
budgets. It used to be for the single adult shelter

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3 shelter population in the 1990s, it was a 50/50
4 split, right? State/city. It was capped in the 1990s
5 and then was reduced further in the 2010s. So, \$70
6 million that's it, capped.

7 COUNCIL MEMBER NARCISSE: Okay.

8 DIRECTOR SOLIMAN: For single adult.

9 COUNCIL MEMBER NARCISSE: Okay. Summer
10 Rises, right now- in Summer Rises we serve over
11 100,000 students citywide with significant demands
12 still unmet. How is OMB thinking about the long-term
13 funding structure for this program, and if there is a
14 plan to move it forward and more stable with current
15 budget line?

16 DIRECTOR SOLIMAN: We believe in what the
17 program offers which is summer enrichment activities
18 and programming for our youth. We have monies in the
19 DOE budget that was added, \$16 million in fiscal 26
20 to round out the cost there. So, we went from 90 to
21 106 in fiscal 27, and then the DYCD piece of it as
well I think brings it up to about 146 or
thereabouts. So, that is where we want to make sure
that we're investing in the program and we want it to
be as effective as possible by drawing as many

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3 children as possible there. We know we'll continue
4 on surveys. I know the Department of Education has
5 done surveys, what we can do better, how we can make
6 sure attendance is to its full maximum potential, but
we've made those investments.

7 COUNCIL MEMBER NARCISSE: Thank you. I
8 went to get in public school enrollment, but I have
9 B-HEARD that I want to ask question around. Last
10 week, the administration proposed moving B-HEARD
11 under a new jurisdiction which is created by the
12 Mayor, community safety. Thank you for that. But
13 the proposal include a funding increase of 150
14 percent. Funding will reach a record of \$112.5
15 million in fiscal 2026, and \$135.6 million in fiscal
16 2027. This increased budget will cover a B-HEARD
17 team in every borough, and two to three B-HEARD teams
18 in 20 neighborhoods with the highest need. What will
19 B-HEARD's funding structure be under this proposal?
20 How will funding be distributed between H+H and FDNY?
21 And what will the Office of the Community Safety's
oversight role be for the B-HEARD? Will this 150
percent funding increase be reflected in fiscal 2027
Executive Budget? I know it's a lot.

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3 DIRECTOR SOLIMAN: Yes, we are happy to
4 see that we've launched the Office of Community
5 Safety and we're uniting many offices under that
6 umbrella for central policy coordination so that we
7 can deliver mental health services to New Yorkers.
8 That's about the- \$260 million for that central
9 apparatus, and as you mentioned B-HEARD is part of
10 that, is part of the policy piece of this which is
11 \$36 million in fiscal 26 and 35 million in fiscal 27.
12 With respect to H+H and FDNY, it is a joint
13 responsibility to manage the B-HEARD program. We
14 know that- I believe the previous administration has
15 shifted the budget to H+H completely. So, we are
16 looking at breaking off the EMS portion and making
17 sure that comes back to the FDNY to make sure that
18 they are appropriately resourced to be able to
19 fulfill the program's mission. So, it is very
20 important work. This administration is committed to
21 it. Office of Community Safety is a great start.
We'll continue to build on that.

19 COUNCIL MEMBER NARCISSE: Thank you, and
20 thank you, Chair.

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3 CHAIRPERSON LEE: Thank you. We've been
4 joined by Council Member Feliz on Zoom as well as
5 Council Member Ossé. So next we'll go to Council
6 Member Maloney.

7 COUNCIL MEMBER MALONEY: Thank you, Chair
8 Lee. One opportunity for cost savings is leveraging
9 rapid advancements in technology which we touched on
10 a little bit so far in this hearing. The city's made
11 prior efforts to modernize and integrate service
12 delivery, but coming from the tech sector I can say
13 there's a lot of work left to be done. Systems are
14 fragmented across agencies. Processes are archaic.
15 Individuals that are accessing benefits like Cash
16 Assistance, SNAP, housing support are navigating
17 through multiple different agencies. HPD and other
18 city departments have capacity and process backlog
19 problems and so on and so forth. So, it not only
20 hurts constituents but also contributes to rising
21 costs in administrating our government services.
What concrete steps has the administration taken or
can they take to use technology to streamline and
unify processes across agencies, as this is a real

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3 opportunity to save money, but also improve services
4 and business and growth.

5 DIRECTOR SOLIMAN: Sure, absolutely. So,
6 first I want to say that we're happy to engage with
7 you and leverage your expertise. Always love to see
8 when someone comes from the tech sector and has
9 ideas, and so we're happy to sit you and understand
10 what your ideas are and explore them. I'm going to
11 turn it over as well to Nathan Gusdorf to talk about
12 some of the work that's been happening through the
13 Chief Savings Officer's efforts which really look at
14 a core level as well, looking at the opportunities
15 you speak of, Council Member, right? It's looking at
16 IT not only to negotiate with one voice on those
17 pricey IT contracts, right, but to see sort of what
18 can we do on the licensing contracts going forward,
19 but also looking at some of our legacy systems across
20 the city that don't communicate with one another and
21 don't have platforms that are compatible with one
another, and how can we find efficiencies, long-term
efficiencies, and compatibility over time without
breaking the bank on too much IT costs, right? So,
I'll turn it over to Nathan to speak some about the

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3 cost reduction side that we're starting to see,
4 including what we highlighted today.

5 DEPUTY DIRECTOR GUSDORF: Yeah. Thank
6 you. Thank you, Council Member. One of the
7 categories of savings that the Budget Director named
8 in his initial testimony was technology
9 modernization, and its consistent with the policy
10 initiatives of EO12, both in terms of in-sourcing and
11 increasing city government capacity, reducing
12 contracting inefficiencies, and modernizing
13 technology to figure out where we can get agencies to
14 rely less on contractors and update their own IT
15 systems and use that to bring down costs. While the
16 details that we can speak about on actual concrete
17 savings initiative are limited to what was in this
18 morning's press release, that already captures a
19 number of agencies where we have identified
20 opportunities to rely less on outside contractors and
21 instead use in-house capacity, and that is generating
savings. That's true at the Department of
Corrections. It's true at H+H, Emergency Management,
OTI. So even just in the five days since we
released- or since we received those CSO reports,

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3 we've already made some meaningful progress on this
4 prong of the initiative.

5 COUNCIL MEMBER MALONEY: And is there any
6 work done being on the unifying benefit eligibility,
7 and both for individuals and also as we think about
8 permitting and licensing for businesses?

9 DIRECTOR SOLIMAN: Yeah, I think that's
10 all going to be part of the project, both from now to
11 the Exec as we continue to examine agency
12 submissions, then beyond because this is supposed to
13 be a permanent exercise in terms of finding long-term
14 operational efficiencies. And I think there's been a
15 lot of attention drawn to both the importance and the
16 potential of cross-agency work to find meaningful
17 efficiencies, especially on the IT side.

18 DIRECTOR SOLIMAN: And also, just on the
19 business side, I would add, you know, in SBS we added
20 funding in Prelim for the best teams. So there's
21 also this engagement component as you mentioned,
streamline whatever interactions with government
there are, and part of that is sort of engagement
though programs like that.

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3 COUNCIL MEMBER MALONEY: I'm glad to hear
4 there's thought and investment in this space. I
5 think it's a huge opportunity. In terms of vending,
6 how much money does the city lose each year by having
7 vendors work through CEW as a contracting vehicle
8 rather than direct contracts, and is that something
9 that you've looked at shifting?

10 DIRECTOR SOLIMAN: It's something we've
11 looked at- will look at. I mean, it's something we
12 are looking at I should say, and we'll be happy to
13 follow up with you on that.

14 COUNCIL MEMBER MALONEY: Thank you very
15 much, and thank you, Chair.

16 DIRECTOR SOLIMAN: Thank you.

17 CHAIRPERSON LEE: Thank you. Just as a
18 follow-up, because sometimes I joke, I'm like oh my
19 God, I feel like the city still operates on DOS,
20 right? Like old school, old school computer systems.
21 I don't know. The head shake made me think is that
true? I don't know. But looking at IT, because this
has been one of my biggest pet peeves is that, you
know, in terms of thinking about how we're being
impactful to the city in terms of how we use our

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3 dollars, because if- and this is the example I use
4 all the time is, if I'm a whole person, but I'm
5 struggling with- I have a severe mental health
6 illness. I'm homeless, in and out of shelters, plus
7 I have a drug addiction, right? So, one day, I may
8 open the shelter system and DHS has my information
9 there, and then another month after that I may have a
10 serious mental health break and then I'll end up in
11 the H+H hospital system, and they have my information
12 there. So, I guess just in terms of not just from
13 cost-savings, but how do we be better in terms of
14 data and transparency and better serving our city?
15 Is that something that you all are looking into?
16 Because obviously we need to protect identity, all of
17 the things with HIPAA, but is that something the
18 city's looking into? Because what I would be curious
19 to look at is how many unique clients do we have
20 utilizing multiple services, and then what would that
21 tell us in terms of how to better meet their needs
and make sure they don't fall through the cracks?

19 DIRECTOR SOLIMAN: Absolutely, Chair. I
20 think that's something we need to look at, and in
21 fact, you know, I think our predecessors as well have

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3 looked at that, many administrations really looked at
4 to see what can we do in terms of the holistic view
5 in serving New Yorkers, right? The examples that you
6 gave are real example that can happen, and how can
7 that information be at the fingertips of those who
8 are serving those individuals, right, so that it can
9 be more effective in terms of delivery of those
10 services. We need to focus on that at the same time
11 as understanding that we have in some of these legacy
12 systems, we have programmers that have been trained
13 on these programs for many years and they're
14 retiring, right? So, how do you have the expertise
15 that you need to serve those needs in terms of those
16 systems, right? So that's also another piece.

17 CHAIRPERSON LEE: Some of it can't
18 migrate, so-

19 DIRECTOR SOLIMAN: [interposing] Yeah.

20 CHAIRPERSON LEE: Got it.

21 DIRECTOR SOLIMAN: Yes. But yes, it's
something we want to work on.

CHAIRPERSON LEE: Yeah, and I just- it's
interesting, because have you also on the- I know
this is not really budget per say, but it impacts the

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3 procurement system. Have you looked into or has the
4 city looked into some of the laws related to why
5 MOCS, for example, is doing things the way in the
6 procurement system the way it's been done? And I ask
7 this because back when Michael Oh [sp?] was the MOCS
8 Director, a few folks ago, he and I would talk about
9 this, and he's like, you know, there's some of these
10 laws that were put in place in the 70s because of the
11 financial crisis that are not necessarily needed
12 anymore, but they're still in place. So, how do- is
13 anyone in the city looking at some of that stuff to
14 see how we can get rid of these sort of red tape
15 barriers to improve our processes?

16 DIRECTOR SOLIMAN: It needs to be looked
17 at, and it's something that clearly we want to
18 undertake, and I know you want to as well with your
19 colleagues. So, it's something we need to undertake
20 with our agencies.

21 CHAIRPERSON LEE: Yeah. And that's
something that I've spoken to Director Kim Yu about
as well, because I know she really wants to look into
that as well. So, I would love to partner with you
guys on that. And then just really quickly following

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3 up on Council Member Nurse's comments about B-HEARD.
4 So, for the \$260 million- and by the way, as former
5 Chair of Mental Health, I really appreciate the
6 Mayor's efforts on looking at mental health
7 holistically, and so just wanting to know a little
8 bit more about the numbers because I remember when
9 B-HEARD first rolled out- if I'm remembering this
10 correctly, the budgeted amount was like \$50 or \$55
11 million, but the first year they only spent about \$25
12 million and that was because of the issues around
13 trying to find staff to fill a lot of these
14 positions, because it is a very difficult job to do.
15 And so just wondering two things really which is what
16 is the breakdown of the \$260 million? How much of
17 that are already existing programs that you're just
18 sort of rejiggering, and then what's the deal with
19 OCMH, because they were supposed to be the ones
20 overseeing this?

21 DIRECTOR SOLIMAN: Yeah. So, on the \$260
million, to be clear, there's 116 headcount. Those
are the offices that are moving under the umbrella
Office of Community Safety under the new Deputy Mayor
for Community Safety. So-

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3 CHAIRPERSON LEE: [interposing] So, not
4 just B-HEARD, right?

5 DIRECTOR SOLIMAN: No.

6 CHAIRPERSON LEE: Okay.

7 DIRECTOR SOLIMAN: So, it's the
8 operations for those offices including the Office of
9 community health.

10 CHAIRPERSON LEE: Mental health.

11 DIRECTOR SOLIMAN: Mental health. So, we
12 can follow up with you on the actuals vis a vis the
13 people- employees at H+H working on B-HEARD versus
14 budget.

15 CHAIRPERSON LEE: Yes.

16 DIRECTOR SOLIMAN: So, actuals versus
17 budgeted.

18 CHAIRPERSON LEE: Okay.

19 DIRECTOR SOLIMAN: We can follow up with
20 you on that.

21 CHAIRPERSON LEE: Okay.

DIRECTOR SOLIMAN: So that we know are we
still having these challenges in hiring in this title
with- that is really noble, challenging work.

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3 CHAIRPERSON LEE: Right. Because I think
4 between that program plus the IMTs and also the state
5 programs that are out there trying to get people
6 housed and in services, it's been challenging with
7 the staffing. So, that'd be great.

8 DIRECTOR SOLIMAN: Certainly.

9 CHAIRPERSON LEE: Okay. So, next we have
10 Council Member Aldebol followed by Ung and then
11 Stevens.

12 COUNCIL MEMBER ALDEBOL: Good afternoon.

13 DIRECTOR SOLIMAN: Good afternoon.

14 COUNCIL MEMBER ALDEBOL: And thank you,
15 Chair. So, the Preliminary Plan included a \$550
16 million reduction in the budget for labor reserve in
17 fiscals 26 and 27. Over one-third of the total amount
18 budget in the November Plan for these two years.
19 This reduction was based on a re-estimate. This is
20 not the first time we've seen a re-estimate. At
21 last year's budget adoption OMB also included a \$375
million reduction in the labor reserve due to
re-estimates. These re-estimates are different than
changes that occur when contracts are subtle and
funds are allocated to agency budgets for a wage

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3 increases. The Mayor stated that the labor reserve
4 has enough aside to pay for annual wage increases of
5 1.25 percent, starting in 2026, when the existing
6 contracts begin to expire. Why was this such a large
7 re-estimate in the labor reserve, and it has to do
8 with the more accurate estimate of headcount? Would
9 we not also assume that there would be savings
10 related to the salaries of the over-budgeted
11 headcount?

12 DIRECTOR SOLIMAN: So, a couple of things
13 on that Council Member. So, number of these savings
14 that were taken in the Preliminary Budget are
15 reflective of the way the labor reserved essentially
16 works which is when there is a pattern established.
17 In this case, let's take the civilian pattern at 16
18 percent or the uniform pattern at 18.98 percent.
19 Those reserve funds are put into the labor reserve to
20 then pay for those contracts. We're at about
21 98.-something settled contracts in the last round,
and so the labor reserve has funding for also
unsettled contracts that are there, right? Also, at
the same time, monies that are parked in the labor
reserve, according to the pattern to then be able to

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3 fund those settled contracts. There are changes
4 in, you know, actual experience. They could be
5 headcount changes, etcetera, that then change and
6 goes to savings that can be taken because they were
7 initially budgeted, but data has changed, etcetera.
8 Going forward for settled contracts, as you alluded
9 to, yes, the Mayor said there's one quarter percent
10 that is in the labor reserve for future collective
11 bargaining contracts. Where they will end up is
12 obviously the subject for collectively bargaining.
13 It's a need that the City has to work on to
14 understand that we could give a fair contract to our
15 talented and dedicated public sector workforce.

16 COUNCIL MEMBER ALDEBOL: There are also,
17 you know, pay disparities for specific job titles
18 that have been maintained and, you know, exacerbated
19 over the year- years by pattern bargaining. And you
20 know, historic structures that have solidified
21 inequities that are often the legacy of gender and
22 racial bias. This is particularly apparent in the
23 cases of the paraprofessionals in the DOE and EMTs in
24 the FDNY. Para professionals who work for the DOE
25 both represented by UFT and DC37 continue to make

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3 about \$30,000 a year, and the pay- they're- they play
4 a crucial role in the public education system, and
5 there'll be an even higher demand as universal 2K and
6 3K are made a reality. And, you the DOE is really
7 having a difficult time both retaining and, you know,
8 hiring paraprofessionals to meet the need. And in
9 the Fire Department, EMTs continue to make \$18 an
10 hour which is a fraction of what firefighters earn
11 despite significant overlap in their roles, the high
12 rate of medical 911 calls, and EMTs are also critical-
13 are a critical part of the Mayor's agenda for
14 overhauling 911 response through B-HEARD and the
15 Department of Community Safety. And you know, there
16 is a- there's a push to, you know, elevate those pay
17 rates and, you know, the paraprofessionals are, you
18 know, pushing for a \$10,000 you know retention
19 payment so they could stop the bleeding essentially.
20 And just want to know where you are in terms of
21 budgeting for these- uplifting these job titles and
eliminating this pay disparity that we've seen.

DIRECTOR SOLIMAN: Sure. We're sensitive
to the enquiry concerns. There have been other-
there have been equity panels that have been

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3 established to look at these types of things. I think
4 that these types of issues are best preserved for the
5 bargaining table, and also we understand there are
6 significant costs as well that are associated with
7 these. So, we have to figure out how we can balance
8 that with the financial challenges that we face. But
9 we are sensitive to the equity concerns that have
10 been raised.

11 CHAIRPERSON LEE: Okay, great. Council
12 Member Ung, Stevens, and then Banks.

13 COUNCIL MEMBER UNG: Thank you, Chair. A
14 recent report issued by State Comptroller DiNapoli
15 showed that New York City is lagging behind the rest
16 of the country in small job creation due to the cost
17 related to starting up a business. SBS as an agency
18 that's charged with assisting small business
19 development, but currently the agency has a extremely
20 high vacancy rate of 23 percent which hinders its
21 ability to provide adequate assistance. Does OMB
vacancy reduction program exempt positions to SBS
that will be able to assist in spurring the economic
development?

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3 DIRECTOR SOLIMAN: So, thank you for the
4 question, Council Member. So, SBS is subject to a
5 lot of the savings initiatives that we have. We're
6 looking at what their headcount is relative to what
7 the savings targets are. We did make several
8 investments in small business services. I would say
9 that a couple of them I mentioned before. The
10 Business Express Service teams, we added \$2 million
11 in fiscal 26, \$4 million in the years out. So,
12 that's an opportunity to engage small businesses.
13 There are a slew of other programs that we've done
14 here including some of the rezoning commitments that
15 were made on Jamaica, Jamaica Workforce Small
16 Business Program. So there have been investments in
17 Prelim for SBS. We're looking at what their total
18 needs will be in terms of headcount so that they can
19 fulfill their mandate. That's part of the Executive
20 Budget process.

21 COUNCIL MEMBER UNG: So, OMB have been in
discussion with SBS on what could be done to
jumpstart SBS ability to assist small businesses?

DIRECTOR SOLIMAN: Yes, and in fact, on
that to assist small businesses, again, the

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3 investment in the BEST program, \$2 million in fiscal
4 26 and \$4 million in 27 and out is a prime example of
5 how we've invested in small business services to
6 reach small businesses and support them in any way
7 possible.

8 COUNCIL MEMBER UNG: Thank you.

9 DIRECTOR SOLIMAN: Thank you.

10 CHAIRPERSON LEE: Is that it, Council
11 Member? Okay, Stevens?

12 COUNCIL MEMBER STEVENS: Good afternoon.
13 How you guys doing?

14 DIRECTOR SOLIMAN: Good afternoon.

15 COUNCIL MEMBER STEVENS: I just have a
16 couple of questions. Obviously, I'm [inaudible], but
17 my first question is just around like as we know
18 Raise the Age was passed in 2017, and we know that
19 New York City hasn't seen any money from the state to
20 fund Raise the Age, and this is due to Section 54 of
21 the State Finance Law, the provision which states
counties must either adhere to a two percent tax cap or
submit state- a waiver showing hardship. At the
Preliminary Budget, ACS leadership said that it was
not up to them to decide whether applying for a

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3 hardship waiver, but it was MOB's [sic] decision.
4 Given the financial is MOB planning on applying for
5 this waiver this year? If not, why? And is MOB are
6 of the requirement of the waiver or might consider us
7 being in financial hardship currently? I have a
8 couple more- I'm going to ask all the Raise the Age
9 questions and you can just answer after. Has OMB
10 considered applying for a waiver? Does the
11 administration believe that Raise the Age
12 reimbursement process should be considered at the
13 state level? If so, has the Mayor been working with
14 state partners to pursue this? And is OMB aware of
15 the current recommendation included in one of the
16 house bills to eliminate the re-appropriation
17 authority to state fiscal 2018 to 2019 through 2023
18 to 24, as permitting localities to submit prior year
19 claims against the remaining reappropriation
20 authorities of Raise the Age appropriation? And do
21 you believe that the recommendation means we could
impact the city's ability to recoup the past
expenses?

DIRECTOR SOLIMAN: Thank you, Council
Member. The Raise the Age- New York City was

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3 inexplicably left out of the assistance other
4 localities have been getting. It was clearly- has
5 been a hardship in terms of our ability to implement
6 what the state law mandate was, and so there has been
7 this hardship waiver. We are very happy and we
8 commend and thank the Governor that as part of the
9 \$1.5 billion commitment that she committed the day
10 before the Preliminary Budget- there was an
11 additional \$300 million and that's on a recurring
12 basis for youth programming, and that runs the gamut
13 from, you know, prevention to programming, etcetera.
14 And we- that doesn't preclude us at all from applying
15 for the waiver, right?

16 COUNCIL MEMBER STEVENS: Yeah, that's why
17 I'm asking, because-

18 DIRECTOR SOLIMAN: [interposing] Yeah,
19 and-

20 COUNCIL MEMBER STEVENS: I'm saying I
21 want the \$300 million and I also want the money from
that, too.

DIRECTOR SOLIMAN: Yeah, we want the \$300
million and we want the-

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3 COUNCIL MEMBER STEVENS: [interposing] I
4 want all the things.

5 DIRECTOR SOLIMAN: So, we're in constant
6 conversations with the state about that. Obviously,
7 if we could get to a point where we don't even have
8 to apply, we know we have a budget crunch, and we
9 know that we have these needs. That's an ongoing
10 conversation with the state. If we can get there
11 without having to go through the application, sure.
12 It is in state law. If we need to do it, we'll do
13 it.

14 COUNCIL MEMBER STEVENS: Okay. Well, I
15 just wanted to make sure that we're considering this,
16 because you know, we are saying we're in financial
17 hardship. We're having hard times now. So why
18 wouldn't we apply for the waiver to get the
19 additional money?

20 DIRECTOR SOLIMAN: Yeah.

21 COUNCIL MEMBER STEVENS: I'm happy that
you brought up the \$300 million, because in the
Preliminary hearing with ACS we also asked about that
\$300 million, and they were saying they were waiting
on OMB to give them a plan around what that funding

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3 looks like. So, can you talk to us a little bit
4 about what that budget is going to look like? How is
5 it going to work? You know, we know that that money
6 can go to ACS, the Law Department, the DOP, and all
7 these different things. So, have you already started
8 to think about where this money is going to be placed
9 and how it's going to be allocated?

10 DIRECTOR SOLIMAN: Yeah, so we are- this
11 is a very active conversation that's going on,
12 because we want to make sure that we can draw down
13 the funds that the state has put in in these buckets
14 and so we're actively looking at this is a youth
15 programming, what are the programs that we have
16 ongoing right now that then we can work with, the
17 state agencies responsible to be able to draw down
18 that funding. So, that is an active conversation. We
19 don't want to leave any funding on the table, and the
20 programs that would qualify, the buckets are pretty
21 broad to begin with, and that was a product of going
back and forth with the state to understand there's a
maximum flexibility, and we thank the state to allow
us to be able to access what was committed. So, that
is an ongoing conversation that we're having with the

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3 state division of budget and with the state agencies
4 to be able to make sure, and then we'll work with ACS
5 to make sure that the claims are submitted to draw
6 down those funds.

7 COUNCIL MEMBER STEVENS: Yeah. And just
8 even to think about- going back to Raise the Age.
9 When we talk about- I know you said you're in active
10 conversations. When will you decide if we're
11 applying or not, and you know, I don't think that we
12 should just continue to have active conversations. I
13 think we have to start to moving on this, and so when
14 will you start to decide and make these decisions?
15 Because you know, there is a sense of urgency, I
16 mean, as we're talking about budgets. So, just
17 trying to make sure that we have clarity and what is
18 that- and so I can continue to follow up, because I-
19 you know, you know me. I will be following up.

20 DIRECTOR SOLIMAN: Yes. No, absolutely.
21 I mean, all of it is imminent and we're working with
the state on all the moves that we make on this front
and in all fronts. So, it is an active conversation
with the state about-

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3 COUNCIL MEMBER STEVENS: [interposing] So,
4 you don't have an idea on when you'd be making a
5 decision on it? I mean-

6 DIRECTOR SOLIMAN: [interposing] It's all
7 part of the discussions about state budget, and we're
8 moving forward on that.

9 COUNCIL MEMBER STEVENS: Okay, great. So
10 when would you like me to follow up?

11 DIRECTOR SOLIMAN: Anytime you wish,
12 Council Member.

13 COUNCIL MEMBER STEVENS: Okay, great.

14 DIRECTOR SOLIMAN: I'm always happy to
15 talk to you, Council Member.

16 COUNCIL MEMBER STEVENS: Because you said
17 that you were going to follow up, so I'll be in
18 contact. Thank you.

19 DIRECTOR SOLIMAN: 100 percent.

20 CHAIRPERSON LEE: Two weeks. Just
21 kidding.

COUNCIL MEMBER STEVENS: No, not two
weeks. It's a week. I'll be calling next week. Thank
you.

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3 CHAIRPERSON LEE: Okay, awesome. Council
4 Member Banks followed by Council Member Louis.

5 COUNCIL MEMBER BANKS: Thank you, Chair,
6 and thank you, Director and to your team.

7 DIRECTOR SOLIMAN: Thank you.

8 COUNCIL MEMBER BANKS: Pertaining to
9 NYCHA, I just want to get my questions out and then
10 you can answer. Hopefully we'll get a clear response
11 from you. The State One House budget proposals
12 included an additional \$1.25 billion in capital
13 funding for NYCHA to support maintenance needs and
14 additional \$100 million for Mitchell-Lama and the
15 Housing Authority Assistance. NYCHA buildings
16 require nearly \$80 billion to be able to reach the
17 state of good repair. The Council's appreciative of
18 the House's inclusion of funding to start the needed
19 budgetary needs for the repairs in NYCHA. My
20 questions are directed to as- has the administration
21 pushed the Governor to increase spending for NYCHA?
One. Has there been any discussion of which
developments or NYCHA programs where these funds
would be applied to? And has the administration
added the \$661.6 million for Section 8 conversions

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3 like PACT in the Preliminary Plan, and why did the
4 administration not support traditional public
5 housing, Section 9 with similar investment? Does
6 this allocation for conversions mean the
7 administration is doubling down on the Adams
8 administration approach to partially privatize public
9 housing? And five, what investments does the
10 administration plan to make in traditional Section 9
11 housing? And just to also back track on the capital
12 needs when it comes to PACT impact- NYCHA has a
13 capital needs- I'm sorry, NYCHA's capital needs have
14 been estimated at over \$78 billion for years. We've
15 been seeing that number thrown out. But despite more
16 than 31,000 units undergoing RAD/PACT conversions and
17 billions of dollars benign invested, why hasn't the
18 overall capital need decreased? And has the
19 administration considered a baseline funding for
20 NYCHA? Is the administration considering a baseline
21 funding for NYCHA in this city budget, and rather
than continuing to rely on a one-time or a
project-based capital investment? And when it comes
to infills, infill development revenue, is the city
generating revenue from the infill development within

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3 NYCHA land, and if so, how much revenue has been
4 generated to-date, and how has this money been
5 allocated specifically in being reinvested back into
6 NYCHA developments? And hopefully we can get some
7 clear answers from you, because I didn't get them
8 from NYCHA yesterday.

9 DIRECTOR SOLIMAN: Thank you, Council
10 Member Banks. So, first, as I said before, I grew up
11 in NYCHA. I know the impact, what it could be. So,
12 we are looking at a number of different avenues. So,
13 number one, current budget, \$4 billion currently
14 exist on the Section 9 part, right? That's from
15 fiscal 26 to fiscal 35. There is- the mayor has made
16 very clear his commitment to being able to double the
17 capital commitments to NYCHA. It's not only about
18 PACT and RAD. It is about Section 9. We want to
19 make sure that we're making those investments. The
20 Preliminary Budget was the opening salvo, right? We
21 know for the Executive Budget we're looking very
closely at our debt capacity to make room for
priorities like housing, and NYCHA is part of that.
Excuse me. I'm going to turn it over to Tara in a
second. But what I also wanted to say is we are

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3 heartened by what the state legislature put in their
4 One House budget. Deputy Mayor Bozorg is in constant
5 communication with state partners about additional
6 investment, additional revenue from the state and
7 NYCHA, and over the years there have been some level
8 of capital commitments that have come down from the
9 state that then matched city commitments that had
10 been put up. We hope to continue that and I have a
11 real partnership with the state so we can make those
12 investments. Tara, do you want to?

13 FIRST DEPUTY DIRECTOR BOIRARD: Sure,
14 just a few things to add. To your first question,
15 the \$661 million was added at the Preliminary Plan
16 for the Section 8 conversions, but there were also
17 Section 9 investments made in this Prelim in capital
18 as well that included-

19 COUNCIL MEMBER BANKS: [interposing] \$148
20 million.

21 FIRST DEPUTY DIRECTOR BOIRARD: Correct.
So, that was heat pumps and then funding for the One
Long Island City zoning, specifically to Section 9.

COUNCIL MEMBER BANKS: Yeah, but it's far
less than what you're putting in Section 8.

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3 FIRST DEPUTY DIRECTOR BOIRARD:

4 Understood. Understood, and it's a plan that we're
5 working on.

6 COUNCIL MEMBER BANKS: Hopefully, we can
7 get some more clarity, and when it comes to the NYCHA
8 developments that have been converted over to
9 RAD/PACT or the 31,000 units, we need to get clarity
10 as to what those units- what has been the revenue
11 created from that, or why hasn't the capital needs
12 been decreased, the \$80 or \$78 billion. We would
13 love to get more clarity on that.

14 DIRECTOR SOLIMAN: Certainly. Happy to
15 follow up with you.

16 COUNCIL MEMBER BANKS: Thank you.

17 CHAIRPERSON LEE: Thank you. Okay, so
18 now we have Council Member Louis followed by Nurse,
19 and then Pierina Sanchez.

20 COUNCIL MEMBER LOUIS: Thank you, Chair.
21 Thank you, Director, and to your whole team. I have
four quick questions. I hope I can belt it out.
Alright. Given there are opportunities to leverage
existing city-owned infrastructure, including
libraries and other one-story municipal properties

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3 for mixed-use development that includes affordable
4 housing, is OMB actively evaluating these
5 opportunities, and what level of funding and
6 interagency coordination, particularly with DCP, for
7 zoning modifications is being planned to advance
8 these types of projects. And if OMB could detail
9 what funding has been allocated in the Preliminary
10 Budget to support site identification, feasibility
11 analysis, and eventual capital construction once
12 sites are identified?

13 DIRECTOR SOLIMAN: Thank you, Council
14 Member. So, yeah, the-

15 COUNCIL MEMBER LOUIS: [interposing] I
16 have two more questions after this.

17 DIRECTOR SOLIMAN: Oh, okay. So I'll be
18 quick.

19 COUNCIL MEMBER LOUIS: Thank you.

20 DIRECTOR SOLIMAN: Land Inventory Fast
21 Track, or LIFT, taskforce is doing exactly that,
looking at areas of public where public- land, public
spaces, public sites across the city that could
potentially be redeveloped for housing. The LIFT
taskforce is hopefully going to release a preliminary

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3 report by July 1st that is going to lay out the
4 pathway for getting to developing 25,000 units on
5 public sites over the next decade. So, that's
6 something we look forward to. I think when you
7 mentioned the libraries upfront, aside from the
8 recent projects at Sunset Park and Inwood, we're also
9 moving forward on Green Concourse, the Bloomingdale
Library, and the health clinic on the upper west
side, and the new Utrecht [sp?]

10 COUNCIL MEMBER LOUIS: [interposing] So,
11 all of that's in FY 27?

12 DIRECTOR SOLIMAN: All of this I don't
13 know if it's FY 27, but we're actively working on it
with the LIFT taskforce.

14 COUNCIL MEMBER LOUIS: Okay. We can
15 actively talk about this after the hearing. I would
16 love to hear more. Alright. New York City has taken
17 an important step in establishing a national model
18 for community-centered approach to studying
19 reparations thanks to the Commission on Racial
20 Equity. Yet, as core transitions from research into
21 implementation, it's now facing a structural funding
gap due to absence of previously anticipated outyear

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3 commitments. Initially, they were told \$2 million in
4 fiscal year 26 and \$4 million in the out-years. I
5 wanted to know if OMB could commit to baselining the
6 funding in the financial plan. And I'll ask my last
question quickly.

7 DIRECTOR SOLIMAN: We're looking at it as
8 part of the new needs for Exec. Obviously the core
9 functions are significant and important work,
10 critical work, and so we want to be able to support
11 them as much as possible to complete their work, and
12 we are evaluating their needs for the upcoming
Executive Budget.

13 COUNCIL MEMBER LOUIS: It would be
14 important to know the likeliness of the evaluation,
15 so I look forward to following up on that. And
16 through the City Council City of All initiative, \$5
17 billion was added for housing and infrastructure
18 investments to complement the rezoning passed by City
19 of Yes. I wanted to know how much City of Yes
20 funding is allocated to the city that has been spent
21 already, and can you provide a breakdown of this
spending for both expense and capital programs with
DEP, HPD, NYCHA, HRA, and CCHR?

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3 DIRECTOR SOLIMAN: I'll turn it over to
4 Tara Boirard to address that.

5 FIRST DEPUTY DIRECTOR BOIRARD: Sure.
6 So, for the most part, the funding for City of Yes
7 that was added to HPD's capital budget was put in
8 lump sums in terms of the programs that they would be
9 doing to support all of the additional units. In
10 total in capital \$4.9 billion has been spent. In
11 terms of spending to date in these U of As, we're at
12 \$1.3 billion. And we can give you the details for
13 CCHR as well as DEP and some of the other agencies.

14 COUNCIL MEMBER LOUIS: Okay, I look
15 forward to following up. Alright, thank you, Chair.

16 CHAIRPERSON LEE: Thank you. Next we have
17 Council Member Nurse followed by Council Member
18 Sanchez and then Ariola.

19 COUNCIL MEMBER NURSE: Thank you, Chair.
20 Good afternoon.

21 DIRECTOR SOLIMAN: Good afternoon.

COUNCIL MEMBER NURSE: My questions are
around civil and human rights. I'm a little concerned
that the Preliminary Plan doesn't have as much
funding to follow up on the commitment that the

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3 administration has said they have to civil and human
4 rights. Specifically CCHR, CORE, EEPC all are
5 currently underfunded and understaffed. EEPC and
6 CORE have just started to fill their vacancies. I
7 think EEPC doesn't even have wifi which is kind of
8 sad, you know. And so for CCHR, the average wait
9 time for closing their cases is over 600 days, and we
10 understand some cases are complex, but even after
11 intake, with the eight people it has answering these
12 calls, it could be about two months before New
13 Yorkers who have been discriminate against or had
14 their rights violated to get a response. So, do you
15 think that's an acceptable wait time for New Yorkers?

16 DIRECTOR SOLIMAN: No. I think we need
17 to do all we can to make sure that those missions are
18 fulfilled and those important agency operations are
19 continued and supported and well-resourced. I think
20 that we have to look at ways that we could add money
21 and- to their budgets to be able to accomplish their
goals. It's not okay if there's no wifi and things
like that, for example.

COUNCIL MEMBER NURSE: Yeah, agree.

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3 DIRECTOR SOLIMAN: Those are like basic
4 functions. So, we have to see even if there are
5 other agencies that are lending a hand, right, to be
6 able to produce that. So that's something we'll look
7 into.

8 COUNCIL MEMBER NURSE: Okay. I have some
9 other questions.

10 DIRECTOR SOLIMAN: Sure.

11 COUNCIL MEMBER NURSE: So, it sounds like
12 you agree they need more resources so that the eight
13 people-

14 DIRECTOR SOLIMAN: [interposing] And we'll
15 evaluate at the Executive Budget.

16 COUNCIL MEMBER NURSE: who are doing
17 15,000 calls a year can respond faster than two
18 months. So, will you be cutting- EEPC has I think
19 one vacancy. Will you be cutting that?

20 DIRECTOR SOLIMAN: We're looking at- when
21 we're doing the vacancy alignment exercise, we're
looking with a fine-tooth comb to see in cases like
that where you have a very small agency-

COUNCIL MEMBER NURSE: [interposing] It's
just one.

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3 DIRECTOR SOLIMAN: and you have one
4 vacancy, like it's diminishing returns, right?

5 COUNCIL MEMBER NURSE: Right.

6 DIRECTOR SOLIMAN: So, that's exactly the
7 kind of example where it doesn't make sense to
8 achieve this goal, right? So, we're looking at that,
9 and yeah, I mean one vacancy-

10 COUNCIL MEMBER NURSE: Yeah, I mean,
11 especially since they're supposed to be helping our
12 city workforce. So, I think we should not-

13 DIRECTOR SOLIMAN: [interposing] Yeah.

14 COUNCIL MEMBER NURSE: So, that sounds
15 great. It sounds like we're in alignment. One of
16 the other things that came up at Preliminary Budget
17 hearing is a lot of these commissions are burdened
18 with a lot of administrative tasks that maybe they
19 could be sharing or pooling such as like HR, staff,
20 any other kind of requirements that they need to do.
21 Maybe there could be some staff that is taking care
of a bunch of these commissions where we can have
some savings rather than each one have to have that.
Is that something you're looking at?

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3 DIRECTOR SOLIMAN: Yeah, a shared
4 services model is something in general we'd like to
5 approach and look at. And part of really central to
6 the work of the Chief Savings Officers as well,
7 right? Were are those commonalities? Where can we
8 come together on a shared services model that can
9 achieve the same results, but can save at the same
10 time.

11 COUNCIL MEMBER NURSE: Okay, that's
12 great. And I mean, every year for this particular
13 hearing- and this was something I asked Jacques every
14 single year. The rainy day fund is not defined, and
15 every administration can decide how to define when
16 it's raining or not. I personally disagree with
17 that. I think we should have some clearer definitions
18 on how and when we're using this. Do you think that
19 is something that we should be working on?

20 DIRECTOR SOLIMAN: So, the general
21 municipal law has very clear guidelines of when the
second 50 percent can be tapped into, right? The
\$980 that was drawn down here was 50 percent of what
the total was. But the law is pretty clear on the
circumstances and the determinations that need to be

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3 made before any additional draw is done. Part of an
4 ongoing dialogue, obviously. We don't want to be in
5 a position to draw down any reserves. We're hopeful
6 that the result from the state budget will get us
7 there.

8 COUNCIL MEMBER NURSE: Yeah. I still
9 think we should be- we should have more conversations
10 collectively between the two sides of the hall and
11 really get on the same page about what it means to
12 draw down, even before we get to that 50 percent.

13 DIRECTOR SOLIMAN: Sure.

14 COUNCIL MEMBER NURSE: I think New Yorkers
15 deserve to know what that means. When is it actually
16 raining or not? Okay, thank you, Chair.

17 CHAIRPERSON LEE: Thank you. Council
18 Member Sanchez followed by Ariola, and then Council
19 Member Ossé is our last one for round one.

20 COUNCIL MEMBER SANCHEZ: Thank you,
21 Chair, and good morning, Director. Congratulations,
first.

DIRECTOR SOLIMAN: Good morning. Thank
you.

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3 COUNCIL MEMBER SANCHEZ: Just want to echo
4 Council Member Restler's remarks of my deep respect
5 for you and the team that's surrounding you.

6 DIRECTOR SOLIMAN: Thank you.

7 COUNCIL MEMBER SANCHEZ: I want to start
8 with thanking Speaker Menin for being firm in the
9 need to expand the CityFHEPS program in a responsible
10 manner, to keep vulnerable families housed and move
11 out of shelter, help them move out of shelter faster,
12 and for being really leaned in on good faith
13 discussions that we have been having as you
14 mentioned. But I want to use this moment to read a
15 text message that I received last night at the very
16 same time that I learned that the appeal had been
17 filed. This is from an expecting mother of three in
18 her third trimester. She lives in my neighborhood-
19 who is working full time. I've been doing everything
20 I can. I'm just so worried. I just don't want to be
21 evicted from my home. This expansion could remove
that stress from her life. I know that we share that
belief. I just want to echo the Speaker's remarks
that the administration is making a choice to
continue Mayor Eric Adams' appeal. You could drop it.

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3 We could just continue negotiations without that
4 looming. We remain at the table. Conversations have
5 been ongoing, and I hope that we can reach a
6 responsible resolution. So, the question is would
the city drop the suit?

7 DIRECTOR SOLIMAN: Thank you, Council
8 Member. We want to continue to have the good faith
9 discussions that we have been having. I think the
10 court deadline, the court timeline required that we
11 confront the issue of having to file the instrument
12 or not to preserve sort of the continuation of those
13 good faith discussions. It was filed. But our intent
14 is to continue to have the discussions and be at the
15 table and see how we can come to an agreement on any
16 such expansion. At the same time as looking at the
17 current program and looking at ways we can
18 effectively reasonably manage some of the pieces
19 there, whether it's on rent reasonableness, rent
arrears, legal rents, different things that I know
the Commissioner is committed to looking at so we
could, you know, stabilize the current program.

20 COUNCIL MEMBER SANCHEZ: Thank you,
21 Director, and I look forward to those continued

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3 conversations. The November 2025 Environmental
4 Control Board report showed that between fiscal 18
5 and 25, the Department of Buildings was owed more
6 than \$300 million in fines and accrued interest
7 accounting for one-third of all outstanding ECB
8 judgement debt. Similarly, at yesterday's
9 preliminary hearing with HPD, the Commissioner
10 testified that they're only collecting about 20
11 percent of lienable charges issued between fiscal 24
12 and 25. That's 80 percent of the fines and fees that
13 HPD is issuing are not collected. First, are these
14 numbers correct? If not, can you correct me?
15 Second, given the multi-billion dollar funding gap
16 we're talking about, what steps could the city take
17 to recoup this uncollected revenue? Can you work
18 with us to ensure that as many fines and fees as are
19 reasonable can be indeed lienable against properties.
20 And relatedly, can you work with us to ensure that
21 fine levels are appropriately serving as deterrents?

18 DIRECTOR SOLIMAN: So, thank you, Council
19 Member. So, first, I want to say the mayor has been
20 committed to and has taken action as you know against
21 bad landlords, right? And so we are making sure that

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3 we are doing all we can to ensure a humane living
4 conditions across the board for the rental stock. So
5 there have been key actions taken there. We have
6 been working with the Department of Finance and with
7 our housing team to make sure that unpaid ECB
8 violations, that there can be liens placed against
9 those buildings, right? And that is one of the most
10 effective tools to make sure that the ECB violations
11 are indeed paid. So we're doing everything we can
12 use. But also we're using other things like the
13 normal collection efforts that you have in the
14 Department of Finance, whether through collection
15 agencies or etcetera to try to drive these to a
16 conclusion, because that is the way that we hold
17 landlords accountable for, you know, the upkeep of
18 their building is so essential to tenants and living
19 conditions.

20 COUNCIL MEMBER SANCHEZ: Thank you. And
21 my last second, and I'll have questions about street
vending in the next round. But I just wanted to
clarify. Yesterday, HPD testified that some \$130-odd
million were being reduced from their expense budget
in connection with HERRC funding for the migrant

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3 shelters. Is that going to show up somewhere else in
4 the budget, or is that a reduction that the city is
5 going to see, period.

6 DIRECTOR SOLIMAN: I'll start and then
7 I'll kick to Patrick to see what that was. I think
8 just speaking in general about the asylum-seeker
9 population, obviously we have the budgeted amounts
10 that are in there based on about a third- I would say
11 about like 30,000 I think asylum-seekers that are in
12 the census we're seeing more exits than we are seeing
13 entries. And so some of the funding was allocated in
14 different agencies. I just want to check on whether
15 or not HPD had that.

16 DEPUTY DIRECTOR DISTEFANO: So, I think
17 what we're talking about is not necessarily a
18 reduction. It's that we don't place it in those
19 agencies in the outyears. So, it's- what is there
20 now is for this year, and then we look at the
21 following years for asylum-seekers and budget at that
time.

COUNCIL MEMBER SANCHEZ: Okay. so, any
reductions we should be seeing in the outyears, or we
will not be seeing in other agency budgets.

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3 DEPUTY DIRECTOR DISTEFANO: The way it
4 works is the asylum funding is in DHS and then we
5 allocate it as necessary. We forecast the current
6 year and the next fiscal year and then we allocate
7 that funding as necessary. So, it's a not a cut, per
8 say. It's just the funding is there this year, and
9 then as we get to next year we'll evaluate and move
10 it of the census are there.

11 COUNCIL MEMBER SANCHEZ: Okay. I'm not
12 totally following because this is HPD funding for the
13 HERRCs. So, I'd love to just follow up and thank
14 you, Chair, for the time.

15 CHAIRPERSON LEE: Great. And I have you
16 for round two. Okay, Council Member Ariola and then
17 Council Member Ossé.

18 COUNCIL MEMBER ARIOLA: Thank you so
19 much, Chair. Thank you, Director. I heard you
20 testify in the very beginning that there's a \$5.4
21 billion short all. That needs to be closed, correct?

DIRECTOR SOLIMAN: Correct.

COUNCIL MEMBER ARIOLA: I heard you
answer Council Member Aldebol's questions regarding
EMS and paras and kick it to collective bargaining

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3 which we've heard for the last four years which is
4 why this body is currently discussing legislation to
5 make the City of New York and the administration do
6 what we know they can do which is give a living wage
7 to people who deserve it. I heard you listen to
8 Council Member Wong's reasoning why we cannot have an
9 estate tax. We cannot have people paying to park in
10 front of their homes. We cannot have additional
11 taxes put on our homeowners. It's just an absolute
12 hard no. people are having a hard enough time living
13 here as-is. Yet, I didn't hear you say anything
14 about how you can justify that we have a Chief
15 Savings Officer in every agency, including the Fire
16 Department, which has been stagnant with funding for
17 the four years that I've been the Chair of the
18 Committee, and have rigs that are falling apart,
19 ambulance bays that are falling apart, firehouses
20 that are falling apart, and yet there's nothing in
21 the budget that says they're getting extra money to
fix those- to remedy those issues. However, the Mayor
is funding new Departments within the Mayor's Office
with hefty budgets to make good on his campaign
promises, some of which you could say- one of which

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3 you could say is a political arm of the body which
4 should not be paid for by taxpayer's dollars. So why
5 are we taking taxpayer's dollars and not giving them
6 to our EMS, our paras, our municipal workers who were
7 promised their jobs back and submitted all their
8 applications to get their jobs back, and lines were
9 created for them to come back, and yet, they've
10 fallen into limbo with no one to contact anymore to
11 see where they are with that paperwork, and yet, the
12 other agencies which are vanity projects for the
13 mayor and campaign promises are being funded amply
14 while all other agencies are under the knife? And
15 you say scalpel, but I say it's more like a huge
16 knife.

14 DIRECTOR SOLIMAN: Well, a couple of
15 things, Council Member. So, first, I think that we
16 are attuned to the equity issues with respect to EMS.
17 You've heard the Fire Department Commissioner testify
18 to that effect, and we know that there are real
19 issues that are there. The question is whether or
20 not at the bargaining table we can understand how we
21 can reach an agreement, and that is an ongoing
conversation, right? So, we know that that exists.

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3 We also know that the Fire Department, particularly
4 on the civilian side, has taken significant PEGs,
5 previous PEG rounds, etcetera. So we know that there
6 are limited opportunities that we have to basically
7 go and do what we can with respect to cutting more.
8 We're not looking to cut more. We're not looking to
9 impact those services. We want to make sure that
10 there are sufficient mechanics, for example, to
11 service the rigs and so on and so forth. So, that is
12 what we're looking at. There are other things that
13 the Chief Savings Officer from the Fire Department
14 actually stepped forward with. One of them was listed
15 on the examples that we have today, treatment in
16 place. Common sense kind of approach where you can
17 bill Medicaid or you can bill commercial insurance
18 when treatment is done on the spot, right? And so
19 there's state and federal approval for that. That's
20 one of the examples that's listed on the list. So,
21 those are the kinds of things we're looking at. Not
trying to squeeze more out of what we know has been a
hit on the civilian side. With respect to talking
about the Office of Mass Engagement, as I mentioned
earlier, the Office of Mass Engagement is made up of

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3 a collection of offices that have existed in many,
4 many administrations, and those administrations have
5 included a Community Affairs Unit. That's very
6 important to reaching out to communities all over the
7 city. Public Engagement Unit, very important. Civic
8 Engagement Unit, so many offices that reach New
9 Yorkers where they are, and as any incoming
10 administration, there's an office that has new needs,
11 and we're looking at fulfilling those new needs so we
12 can fulfill the vision. But it's not like we're
13 creating new offices that haven't existed in previous
14 administration as well, and it's for community
15 engagement, making sure government is connecting
16 better with those communities. So, I would just say
17 that on that. So very clearly we understand
18 affordability as well, to your first point as well,
19 is an issue. That's why we have an aggressive
20 affordability agenda. Plan by plan there's been
21 significant chronic underbudgeting. The expenses are
outpacing the revenues in the City of New York. We
have to find a way to be able to achieve that fiscal
balance.

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3 COUNCIL MEMBER ARIOLA: Chair, just to
4 close out? So, how will you address the municipal
5 workers who should have been rehired, our EMS workers
6 who deserve a pay raise so that they can have a fair
7 living, our paras to have a pay raise so they can
8 make a fair living wage? And also, having worked for
9 CAU, I can tell you that the Office of Community
10 Engagement is doing nothing the same as what was CAU.
11 We were engaging with community groups with Community
12 Boards. We were not a community organization with
13 political people who were campaign managers coming
14 and building a workforce, an army so to speak, to go
15 out and promote an agenda.

16 DIRECTOR SOLIMAN: Government agencies
17 cannot participate in political activities, and
18 that's not-

19 COUNCIL MEMBER ARIOLA: [interposing] That
20 is absolutely my point.

21 DIRECTOR SOLIMAN: what this is about, and
this is engagement in communities, Council Member.

COUNCIL MEMBER ARIOLA: Well, we shall
see. Thank you.

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3 CHAIRPERSON LEE: Okay. Council Member
4 Ossé?

5 COUNCIL MEMBER OSSÉ: Good afternoon,
6 Director and folks from the administration. Thank
7 you, Chair. You know, I join the admin as well as a
8 majority of New Yorkers who have been advocating to
9 tax the wealthiest New Yorkers in terms of creating a
10 new revenue stream here in the city. You know, what
11 I really appreciate, and I saw this- mayor posted a
12 video today announcing some of the cuts that you're
13 making in terms of waste in our government. I agree
14 there is waste within our government. You guys are
15 kind of like the woke DOGE, which I really appreciate
16 and I have some more woke DOGE ideas for you. I know
17 that the mayor has made a commitment to promise to
18 disband the NYPD's Strategic Response Group. Since
19 its inception in 2015, the SRG's budget has
20 ballooned, and this is the same budget that has
21 allowed the SRG to become a militarized force that
continues to show up at protests and uses force to
curtail the first amendment rights of New Yorkers.
Additionally, this is the same group that led the
city to paying out millions in settlement fees due to

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3 the unconstitutional use of force that brutalized
4 protestors in Motthaven. It seems like continuing to
5 balloon the budget of this unit while running the
6 risk of the unit continuing to use harmful tactics
7 that could potentially lead to lawsuits is a fiscal
8 risk. I know that the mayor has recently committed to
9 disbanding the SRG, but I wanted to ask you
10 specifically how much has the city spent on the SRG
11 both on the budget level and through settlement
12 payments since its inception in 2015?

13 DIRECTOR SOLIMAN: Thank you, Council
14 Member. So, the SRG budget is \$66 million in 26 and
15 \$66 million in 27. That is the budget. We can get
16 you- we can follow up on the second part of your
17 question, but I think the Mayor's positions on the
18 SRG are clear, and that's an ongoing conversation
19 between him and the Police Commissioner.

20 COUNCIL MEMBER OSSÉ: And I don't have a
21 calculator in front of me, but what's 66 plus 66?
I'm bad at math, I'm sorry.

DIRECTOR SOLIMAN: 66 plus 66 equals 132.

COUNCIL MEMBER OSSÉ: We just cut \$132
million from the city budget. Thank you very much

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3 for the answer to that question. And I can't wait to
4 stand with the mayor on that announcement and
5 disbanding the SRG.

6 CHAIRPERSON LEE: I was going to do some
7 mathing, but nevermind. Okay. Okay, we're going to
8 go round two, and we're going to start with Council
9 Member Hudson.

10 COUNCIL MEMBER HUDSON: Thank you so
11 much, Chair. Okay, so as follow-up to my previous
12 line of questioning, I just want to clarify that
13 people receiving cash assistance should be receiving
14 stated-funded rental assistance, or StateFHEPS, is
15 that correct? This is for cash assistance,
16 specifically.

17 DIRECTOR SOLIMAN: That people receiving
18 cash assistance should also be receiving- they could
19 be eligible for the housing assistance voucher
20 program from the state if that's what you're talking
21 about.

18 COUNCIL MEMBER HUDSON: Yes.

19 DIRECTOR SOLIMAN: They could be.

20 COUNCIL MEMBER HUDSON: Okay. because I
21 just want to-

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3 DIRECTOR SOLIMAN: [interposing] Yeah.

4 COUNCIL MEMBER HUDSON: make a clear-

5 DIRECTOR SOLIMAN: [interposing] The HAVP
[inaudible].

6 COUNCIL MEMBER HUDSON: Right.

7 DIRECTOR SOLIMAN: For sure.

8 COUNCIL MEMBER HUDSON: So, for people
9 who are in the CityFHEPS program and aren't receiving
10 cash assistnace- I'm just trying to make a
11 distinction between CityFHEPS and StateFHEPS. So,
12 for the people who are in the CityFHEPS program and
13 are not receiving cash assistance, what are you doing
14 to achieve self-sufficiency, because I think the
15 answer you provided earlier maybe included the folks
16 who are receiving cash assistance.

17 DIRECTOR SOLIMAN: Got it. Understood.
18 I'm going to turn it over to Patrick to address that.

19 COUNCIL MEMBER HUDSON: Thank you.

20 DEPUTY DIRECTOR DISTEFANO: So, there are
21 a number of different facets in sort of what you're
asking. So, you are specifically eligible for
CityFHEPs- sorry, for cash assistance when you're on
CityFHEPS, but you don't necessarily have to be on

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3 it. So when the budget director was talking about if
4 you're on CityFHEPS, you know, there are those
5 engagement programs. I think some of the things that
6 we're trying to do is increase that level of
7 engagement, even for those that are not on cash
8 assistance, to make sure they can get that
9 self-sufficiency to eventually roll off.

10 COUNCIL MEMBER HUDSON: Okay. So, then
11 it addresses everyone I would say?

12 DEPUTY DIRECTOR DISTEFANO: I mean, the
13 goal is to have everybody get this type of, you know,
14 workforce training or other engagement, yes.

15 COUNCIL MEMBER HUDSON: Okay. Thank you.
16 And then Urban Resource Institute or URI launched its
17 People and Animals Living Safely, our PALS program in
18 2013, to provide a co-living environment for people
19 in domestic violence shelters and their pets.
20 Research shows 50 percent of survivors cannot leave
21 an abusive situation unless they could bring their
pets. For the first time since the program launched
more than a decade ago, the city agreed to provide
\$250,000 to support PALS at the recently opened
Magnolia Garden shelter and support PALS experts and

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3 supplies for pets on site. However, URI was informed
4 that OMB cut the funding line and DSS was not
5 involved in the cut according to their testimony.
6 Why was this funding cut and is it planned to restore
in the Executive Budget?

7 DIRECTOR SOLIMAN: Council Member, it is
8 true that the prior administration made a commitment
9 in this regard for the 450,000. There was- it was
10 never funded at the time. So, it's not a matter of a
cut. Don't believe it was funded in the first place.

11 COUNCIL MEMBER HUDSON: I see.

12 DIRECTOR SOLIMAN: We will evaluate it,
13 obviously. Knowing it's a priority for you, but also
14 knowing the benefit that it can provide for the
Executive Budget.

15 COUNCIL MEMBER HUDSON: That's right.
16 Great. Thank you so much. And I also want to echo
17 the sentiments earlier of just the- and I have, you
18 know, deep respect former Director Jacques, but the
19 tone with which you're answering the questions I
20 think has not gone unnoticed, and I just want to say
21 that we appreciate for you and your whole team. So,
thank you.

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3 DIRECTOR SOLIMAN: Thank you.

4 CHAIRPERSON LEE: Thank you.

5 COUNCIL MEMBER HUDSON: And thank you,
6 Chair, appreciate it.

7 CHAIRPERSON LEE: Oh, yeah, no, of
8 course. I forgot for round two we're doing three
9 minutes. So, but obviously, if you guys have other
10 questions, just let me know. And so we're moving to
11 Deputy Speaker Williams.

12 COUNCIL MEMBER WILLIAMS: Thank you.
13 Which questions to ask based off of what people
14 already asked? Okay. How many agencies have
15 submitted savings reports pursuant to the Executive
16 Order, and which if any are outstanding?

17 DIRECTOR SOLIMAN: All agencies that
18 have- and I'm looking at Nathan- all agencies that
19 have received targets have submitted proposals.

20 DEPUTY DIRECTOR GUSDORF: Yeah, I would
21 just say there are a few different streams. So,
every agency has a Chief Savings Officer. We have
reports from every agency consisting of the reports
that were directed to be issued under the guidance of
accompanying Executive Order 12 as well as various

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3 work streams that they put together with their
4 respective OMB taskforces to identify savings
5 options.

6 COUNCIL MEMBER WILLIAMS: What guidance is
7 provided to Chief Savings Officers in identifying and
8 structuring savings proposals? What criteria will
9 the administration use to determine which savings are
10 incorporated into the Executive Budget? And then if
11 you could summarize the types and total value of
12 savings proposed to-date, including how much is
13 recurring versus one time.

14 DEPUTY DIRECTOR GUSDORF: So, let me sort
15 of go in reverse order. In order to meet the most
16 urgent objective which is balancing the budgets for
17 fiscal years 26 and 27, the agencies were prescribed
18 the targets that you're familiar with. All agencies-
19 well, nearly all agencies submitted proposals that
20 either meet or approach those targets, depending in
21 some cases a little bit on how you account between
the years. We are now in a stage of evaluating the
viability of those proposals which is a fairly
painstaking process. But all the agencies are doing
their parts in terms of trying to meet the targets.

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3 The guidance that they were given directs them to
4 consider the sorts of functional opportunities that
5 the Budget Director mentioned earlier in terms of-
6 that are consistent with this administration's policy
7 priorities, right? So, insourcing, minimizing
8 contracting expenses, finding program efficiencies,
9 technology modernization, even things that are
10 seemingly sort of anodyne like lease consolidation,
11 those are all driving the process. We've gotten a
12 lot of comments on those kinds of opportunities, and
13 it is honestly a mix of short-term and long-term
14 savings, again, because of the dual objectives of
15 meeting the current targets and finding long-term
16 efficiencies, but a lot of the opportunities
17 identified would create permanent savings once fully
18 vetted and implemented.

19 COUNCIL MEMBER WILLIAMS: Yes. And then
20 what criteria are you all going to use to evaluate
21 what they submitted to make a determination on what
actually gets incorporated into the Exec Budget?

DEPUTY DIRECTOR GUSDORF: There are a few
different kinds of criteria. So, the first set of
criteria so to speak is just viability, and that's

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3 really a technical assessment on whether the
4 proposals can be implemented and how much they will
5 actually achieve in savings, and then there are more
6 policy-driven criteria, and these tie back to the CSO
7 reports looking at, you know, each agency's
8 respective key performance indicators, looking at the
9 constituencies served, the success and relative
10 utilization of programs and other sorts of indicators
11 that are somewhat more qualitative and evaluative.

12 COUNCIL MEMBER WILLIAMS: Yeah, but what
13 are the qualitative metrics, though, like
14 specifically. Like, I know you listed them, but like
15 what about them? Like, what about utilization?
16 Like, what about, like, constituency served? Like-

17 DEPUTY DIRECTOR GUSDORF: [interposing]
18 So, that's- so it's agency by agency, but if an
19 agency comes back to us and says-

20 COUNCIL MEMBER WILLIAMS: [interposing]
21 So, agency by agency you're making a different
determination on how to evaluate whether or not their
cost savings will be adopted into the Executive
Budget?

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3 DEPUTY DIRECTOR GUSDORF: The agencies
4 report back. They all have their own key indicators,
5 right, because they have-

6 COUNCIL MEMBER WILLIAMS: [interposing] I
7 know, but like you all- they have to submit it to you
8 and then OMB ultimately will review and make a
9 determination on what gets included in the Exec, and
10 so I'm trying understanding specifically like what
11 criteria, whether it's qualitative or quantitative,
12 and then like what type of metrics within the
13 qualitative, I guess, criteria are you using to make
14 a determination. Like if I'm said agency, and I
15 produce something to you and I say I'm going to save
16 money in, I don't know, some particular program, how
17 is OMB evaluating whether or not that particular
18 program should in fact be cut and included- that
19 particular cost saving be included in the Exec
20 Budget? How are you all evaluating that?

21 DIRECTOR SOLIMAN: Well, we're looking at
it from a number of different perspectives. Number
one, when we look at KPIs and metrics, we're looking
at how many New Yorkers are served and for what
purpose, right? For example, we're looking at are

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3 there other programs that actually perform the same
4 service? Is there redundancy? We're looking at
5 other impacts. Are there state or federal mandates,
6 for example, that are mandating this program to move
7 forward? Are there opportunities for grant
8 opportunities from state or federal government,
9 right? What has been the success or lack thereof in
10 the Mayor's Management Report that has gone out? So,
11 it is a range of different looks that we are asking
12 the agencies and part of the engagement to say,
13 bottom line question, is this program effective
14 because of all those things? And if it's not, then
15 can it be canceled for reinvestment elsewhere?

16 COUNCIL MEMBER WILLIAMS: Okay. It would
17 be helpful if you guys can send that information.
18 Like, I really want to know specifically what are you
19 using to evaluate each agency's cost-savings
20 proposals? And you just mentioned like whether or
21 not they could apply to grants, but then I think
someone testified that you defer to the agencies to
apply to federal grants. So, then, what is that? Is
it that OMB goes to the agency and say hey, apply to
this grant, or- I don't understand that. If OMB

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3 technically is not a part of the grant's process, but
4 then you're assessing. That's confusing.

5 DIRECTOR SOLIMAN: Yeah, I don't- perhaps
6 we did not explain it as clearly enough as we could
7 have.

8 COUNCIL MEMBER WILLIAMS: That typically
9 happens at hearings.

10 DIRECTOR SOLIMAN: When it comes to grant
11 opportunities, it is a sort of an overall joint
12 effort, yes. Omb has more of the centralized role
13 when something is budgeted and we're making sure that
14 there are claims against it. But if we have this
15 engagement with the agencies, and we know that there
16 are grant opportunities that are not being pursued,
17 then that is a conversation with the agencies to say
18 how can we then pursue those to get you the financial
19 support that you need for those particular- so, it is
20 a joint effort, even if the effort lies with the
21 agencies to actually do the grant applications and do
the grant writing, right? So, but if there's an
opportunity to pursue that, sure, we're going to talk
to the agencies about that and OMB's involved in
that.

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3 COUNCIL MEMBER WILLIAMS: Chair, if I
4 just ask one more question? And be added to round
5 three. The Racial Equity Plans that are overdue,
6 although I appreciate the mayor's willingness to
7 commit to releasing something within 100 days. I know
8 that something hopefully will be released soon.
9 However, my continued concern about the Racial Equity
10 Plans maybe over the last two-plus years at this
11 point. Is that- they are supposed to be attuned to
12 the budget and other cities like Chicago- I hate to
13 say it- our good friends in Chicago are doing so much
14 better than us. They have the exact same office,
15 Mayor's Office of Equity and Racial Justice. They
16 have the same exact same office, Mayor's Office of
17 Equity and Racial Justice. They have the exact same
18 OMB type of style office, and what they do is that
19 their racial equity plan- the MOERJ Director in
20 Chicago and the OMB Director are literally sitting in
21 a room together talking about the racial equity plans
as it pertains to looking at the city's revenue and
expenses and making sure that there's some type of
equity analysis that gets conducted before we even go
into prelim or exec. And so, again, I know those

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3 plans are not released. So, even though you guys have
4 plans behind the scenes, but would love to understand
5 what equity analysis are conducted before you propose
6 any new revenue streams and/or how you intend to
7 allocate and appropriate funds across various
8 agencies, specifically from an equity lens. Is there
9 any type of analysis that you're currently using?
10 And if you're not currently using a specific
11 analysis, do you plan to to use an analysis of this
12 type of kind, maybe using the racial equity plans to
13 sort of guide your decision in the future?

14 DIRECTOR SOLIMAN: Yeah. So, thank you
15 for touching on these very important points, because-
16 so, number one, the mayor committed that we're going
17 to release in the first 100 days the Preliminary
18 Plan. So, we're coming up on that soon. We are
19 looking at and OMB is oriented and will be even more
20 oriented with more specificity. As these plans are
21 released and plans are coming from the agencies to
build in the equity lenses we're evaluating,
especially on the new need front, right, because
that's coming in. It's a new need. We want to
understand how is this advancing equity. So that is

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3 something that will- is going to be built into the
4 structure in a more formulaic way to understand how
5 the investments are being made. The- and it can run
6 the gamut. I mean it's things- you look at sort of a
7 recent announcement on the community parks benefit
8 initiative, \$50 million, right? Inherently those go
9 to fund open space in underserved communities. We
10 saw a lot of this during COVID where there was not-
11 you know, an equitable distribution of services
12 across, right? And there was an effort by the de
13 Blasio administration to do that and make progress on
14 that. And so now that we're seeing that embedded in
15 the racial equity plans, it's incumbent on OMB to
16 make sure we're doing that and have it on our list of
17 things that we're looking at, but working with the
18 agencies on the existing flow. That's the key,
19 right? The existing budget and where things are
20 allocated now, that back and forth and how do we
21 address it that way. New needs is one thing.
Existing resources we have to manage that together
and understanding that in a world of dwindling pot,
that task becomes a lot harder to figure out. But we
can get there. We will get there working together

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3 with agencies, and frankly with you and your
4 colleagues, because you've championed this and we're
5 willing to be partners on this.

6 CHAIRPERSON LEE: Okay. Thank you, and
7 thank you, Deputy Speaker, because your work and
8 dedication nationally I will say to a lot of the
9 budget equity pieces is extremely important for New
10 York City. so, I appreciate that so much. And then I
11 forgot to ask these questions on the first round.
12 This is on behalf of Council Member Tiffany Cabán who
13 is not able to be here in-person. So, there's just a
14 few questions that she had wanted me to ask on her
15 behalf. So I'm going to read these. Last week, the
16 Mayor officially appointed Ranita Francois [sp?] to
17 lead the newly-created Department of Community
18 Safety. Her first question is: The Department of
19 Community Safety introductory report proposes
20 tripling the funding of mobile crisis teams such as
21 ACT and IMT. What is the exact dollar amount
corresponding to the tripled funding?

19 DIRECTOR SOLIMAN: So, on ACT and IMT,
20 the funding is sort of- the OCS budget first is \$260
21 million as we talked about. We could follow up with

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3 the Council Member and you on the exact amount for
4 ACT and IMT.

5 CHAIRPERSON LEE: Okay. I think it's
6 under DOHMH, so-

7 DIRECTOR SOLIMAN: [interposing] Yes.

8 CHAIRPERSON LEE: Okay. And then the
9 second- if you could get back to us on that, that'd
10 be great. And then the second question that she had
11 was how much is anticipated to be added in the
12 Executive Plan for this department for PS and OTPS?

13 DIRECTOR SOLIMAN: So, we are looking at
14 that now, and in terms of right now the first step
15 was to create the office which has happened, move
16 over the existing offices. That's the \$260. Looking
17 at then what the Deputy Mayor needs for her team to
18 manage and coordinate policy across, and that's
19 something we're evaluating for the Executive Budget.

20 CHAIRPERSON LEE: Okay. And then her
21 third question is, is the administration planning to
move all the mobile crisis teams funding from DOHMH
to this Department? If yes, when will the change be
reflected in both agency's budgets?

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3 DIRECTOR SOLIMAN: Something we're
4 looking at and make sure that the Deputy Mayor has an
5 opportunity to get settled and understand what the
6 central policy coordination should be.

7 CHAIRPERSON LEE: Okay. And I guess my
8 follow-up question to Council Member Cabán's question
9 is- I'd be curious to see what the answer to that
10 question is, because I know that there's certain
11 licensing and other things that are required that are
12 sitting with DOHMH. So, I'd be- it'd be interesting
13 to see if you have clarity around that. Okay.
14 Perfect. So, next I'm going to go to Council Member
15 Wong.

16 COUNCIL MEMBER WONG: Thank you, Chair.
17 I would like to start with a CUNY question on their
18 infrastructure. Many of CUNY's buildings have
19 extensive capital needs, including leaky roofs and
20 broken elevators. These maintenance issues severely
21 impact the safety and accessibility of the campuses,
which in turn impacts the students' success in higher
education. My question is what investment has the
administration made to address the structural
maintenance and accessibility issues?

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3 DIRECTOR SOLIMAN: Sure. So, I think,
4 you know, my time at CUNY as well, I was able to
5 understand full-well that you invest in our community
6 college, that helps you improve in so many different
7 ways. It attracts enrollment. It improves morale
8 and boosts morale for faculty and for students alike,
9 and CUNY is an engine of upward mobility, and we have
10 to find a way to support it. They are asking for and
11 have PEG through their state of good repair analysis
12 \$200 million that would be needed on an annual basis
13 for state of good repair. We are looking at that
14 within the confines of the budget challenges that we
15 have, and we hope to invest in CUNY, because honestly
16 it's a great investment for the city and state of New
17 York.

18 COUNCIL MEMBER WONG: Okay. I understand
19 that the \$200 million is split evenly between the
20 city and the state, is that right?

21 DIRECTOR SOLIMAN: Well, typically what
would happen is investment in the community colleges
is put up by the city and then the state matches on a
reimbursement schedule. So, the city is looking for
the- CUNY's looking for community colleges \$200

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3 million for state of good repair which is calculated
4 based on a percentage of the replacement value of the
5 actual building stock itself. And so they're asking
6 for \$400 million from the state for the senior
7 colleges, so together hopefully we can meet those
8 needs and they're for critical system upgrades, you
9 know, chillers, building systems, HVAC, windows, lab
10 improvement. So, all those things are critical to
11 make sure that we boost enrollment which will help
12 CUNY continue to fulfill its mission.

13 COUNCIL MEMBER WONG: Is this in the
14 Executive Plan for these capital needs?

15 DIRECTOR SOLIMAN: We're working on it
16 for the Executive Plan. We haven't made any final
17 decisions. All things capital, we're trying to keep-
18 we're trying to make room in our debt capacity limit,
19 because there's a constitutional limit on how much
20 debt we could incur on the capital side. So we want
21 to make sure we leave room for housing. We want to
make sure we leave room for CUNY, etcetera. So,
we're figuring all of that out.

COUNCIL MEMBER WONG: Okay. Thank you.
My second question is: the city's budget has grown

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3 \$42.8 billion over the last decade. It is now \$16
4 billion higher than has grown at the rate of
5 inflation, and revenues remain strong. Given how
6 much we spend and the strength of revenues, why isn't
7 the city able to provide critical high-quality
8 services without raising taxes?

9 DIRECTOR SOLIMAN: That's exactly the
10 kind of effort we're undertaking with the Chief
11 Savings Officers to say what kind of savings can we
12 achieve without cutting services, looking at
13 redundant contracts, looking at ways to root out
14 ineffective programs, looking at ways to do more
15 insourcing. All of those things are trying to get
16 exactly at that. Can we have some savings that are
17 produced so that the expense and revenue imbalance
18 comes greater into line.

19 COUNCIL MEMBER WONG: Thank you. Thank
20 you, Chair.

21 CHAIRPERSON LEE: Thank you. Council
Member Stevens?

COUNCIL MEMBER STEVENS: Hi, I'm back. I
just have two quick questions. And just thinking
about- I now CMS was brought up a couple of times,

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3 but organizations- CMS organizations rely on like
4 legal aid, CGI legal services to meet the needs of
5 eradicating gun violence. And the last
6 administration PEG'd them at \$1.5 million which
7 basically eliminated this program. And I know that
8 we're in the process of transferring a lot of these
9 services over from DYCD to the Office of Public
10 Safety. I just wanted to- one, just say are you
11 aware of that, and is there any talks about restoring
12 this PEG that was put in by the last administration
13 that pretty much took away the legal services part of
14 this work of the CMS groups?

15 DIRECTOR SOLIMAN: Yeah. They do
16 important work, and we're trying to figure out in the
17 Executive Budget how we can make sure they're
18 well-resourced for that effort. It is an ongoing
19 conversation based on the budget challenges we have.
20 I hope we can get there.

21 COUNCIL MEMBER STEVENS: I know we have
22 challenges, but like, you know, if we have programs
23 and we're not fully funding them, we know that we're
24 setting them up to not be successful. My next
25 question is one that, you know, for me has been- I've

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3 been really disheartened, us to hear so much talks
4 about affordable- an affordable city, but we really
5 haven't been talking about affordable city for young
6 people. The unemployment rate for young people is at
7 an all-time high of about 21 percent. And for Black
8 youth New Yorkers between ages 16 to 21, I believe
9 we're at like 24 percent which is extremely high.
10 And you know, we keep talking about affordable city,
11 but honestly we're not talking about affordable city
12 for young people. And especially programs like the
13 Cornerstones and Beacons which are typically holistic
14 programs that support families and young people from
15 a wide range of ages. We haven't really seen any
16 investments in this, and I know we're in tight
17 budget, but I like to say this all the time, if we
18 invest in our young people on the front end, we won't
19 have to invest in them on the back end, which we are
20 now seeing because we have tripled the number of
21 young people in secure detentions. So, how are we
looking at this budget to ensure that it's affordable
for all people, including young people who often feel
like they're not part of this conversation?

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3 DIRECTOR SOLIMAN: Yes, definitely. I
4 mean, we concur with everything that you've said
5 there. We need to be able to create more jobs for
6 youth. We know- and aside from the Summer Youth
7 Employment Program which we know the investment in,
8 so on and so forth. But what is it systemically,
9 structurally that we can be doing not only on the
10 educational front, but also to make sure that we're,
11 you know, working with our corporate community to be
12 able to see what kind of availability there are and
13 jobs there. This is coming back to CUNY another huge
14 priority for the Chancellor of career-connected
15 learning and curriculum. So, we have to see how we
16 can boost that so that we're making sure that
17 students that are flowing through CUNY are getting
18 internships, apprenticeships, connections with
19 private sector employers. So that is something in
20 the CUNY Beyond program that we're looking at to be
21 able to-

18 COUNCIL MEMBER STEVENS: [interposing] And
19 we also have to be thinking about young people who
20 might not be in CUNY and people who-

20 DIRECTOR SOLIMAN: [interposing] True.

21

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3 COUNCIL MEMBER STEVENS: are not there.

4 And so how are we meeting them where we at? I bring
5 this up just in the sense of like I want us to make
6 sure as we're thinking about equity in the budget,
7 we're also talking about young people and having them
8 be a part of the conversation.

9 DIRECTOR SOLIMAN: 100 percent.

10 COUNCIL MEMBER STEVENS: And although it
11 is a very tight budget currently, I do not want us to
12 not invest in our young people, because in that
13 mistake which we've already done we have seen that we
14 have over 300 young people in secure detention every
15 night, and we're expanding our secure detention every
16 night and we're expanding our secure detention
17 centers because of our lack of investment. So, thank
18 you.

19 DIRECTOR SOLIMAN: Thank you for lifting
20 that up.

21 CHAIRPERSON LEE: Thank you, Council
Member Stevens. And next we have Council Member
Aldebol.

COUNCIL MEMBER ALDEBOL: HI. Does- I
guess I'm going to ask the same question in a

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3 different way. But you know, with the initiatives
4 that the mayor announced, our depend- you know,
5 they're dependent on, you know, a municipal workforce
6 that already has existing challenges with vacancies
7 and funding. And there's nothing in the Mayor's
8 Preliminary Budget to address these challenges which
9 make these initiatives, you know, underfunded or
10 unfunded mandates. What plans are in place to
11 present- and I've been bargaining contracts for 36
12 years, so I know how collective bargaining works, but
13 if there isn't a commitment from the mayor, from the
14 administration, to create equity, pay equity in the
15 municipal workforce, there's no amount of collective
16 bargaining that's going to get us there. Because you
17 know, pattern bargaining does not deal with those
18 just those structural pay disparities. There has to
19 be funding for it. And I want to know what plans are
20 in place to rectify that and prevent further
21 vacancies and retention issues, and some of these
22 jobs that I mentioned, paraprofessionals, EMTs- there
23 are others.

24 DIRECTOR SOLIMAN: Sure.

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3 COUNCIL MEMBER ALDEBOL: But those are
4 just two examples of where we've had real
5 difficulties in retaining EMTs, recruiting EMTs and
6 paraprofessionals with an expanding now, you know,
mandate for them, you know, to do this work.

7 DIRECTOR SOLIMAN: Sure, absolutely. And
8 as someone who, as you noted, you've done decades in
9 collective bargaining, so you know what can happen at
10 the bargaining table, and I think you can look
11 through examples just in this round of bargaining
12 where there have been equity funds that have been
13 established through the collective bargaining process
14 and through the table within the overall framework of
15 the pattern. We understand pattern bargaining is not
16 perfect, right? And we understand that. And there
17 are way- but it's been the way that collective
18 bargaining has gone. There are bespoke equity issues
19 that we have to look at through the collective
20 bargaining process. We also know that we have the
21 budget challenge so that doing things outside the
collective bargaining process exacerbates the funding
challenge. So we have to be sensitive to that and
figure out how to move forward. As I noted, the

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3 equity issues in EMT, we're attune to that. We're
4 attentive to that. We understand the Fire
5 Commissioner has come out with her position on it
6 very strongly and we hope at the bargaining table we
7 can come to a conclusion.

8 COUNCIL MEMBER ALDEBOL: But are you
9 going to budget for- it's a budget question. You
10 know, I mean, the- you have the budget for potential,
11 you know, increases or pay equity, you know, toa
12 address those pay equity issues?

13 DIRECTOR SOLIMAN: That's unfortunately
14 the challenge, and we know- for example, I know that
15 there's significant costs associated with both EMT
16 and the paraprofessionals, and we have to see how we
17 can make it all work within the budget constraints we
18 have.

19 COUNCIL MEMBER ALDEBOL: You know, again,
20 in order for these programs to work, B-HEARD,
21 Community Safety, you know, you need to have this
workforce in place that's going to be able to, you
know, perform those job duties, and in you know,
areas that are underserved, you know, response times
for EMTs, you know, it just continues to grow

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3 creating also disparities in many communities. So, I
4 just want you to really- I just want to know what the
5 plan is to deal with that.

6 CHAIRPERSON LEE: Thank you. Okay. Next,
7 we have Council Member Louis followed by Restler and
8 then Sanchez.

9 COUNCIL MEMBER LOUIS: Thank you, Chair.
10 I just have two follow-up questions for some folks in
11 my community. So trauma recovery center was
12 previously discussed and was told was effectively
13 earmarked for the East Flatbush section in Central
14 Brooklyn. That this continues- this particular area
15 continues to face significant needs related to
16 community violence and trauma, yet, there does not
17 appear to be a clear commitment reflected in the FY27
18 Preliminary Budget. Can OMB clarify whether funding
19 for this project has been included, and if not, why
20 has it not been prioritized, and can OMB share for
21 the Council and the public if we could rely on OMB's
out-year commitments, and will OMB commit to greater
transparency and accountability in how these
commitments are reflected and maintained in the
future financial plan?

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3 DIRECTOR SOLIMAN: We're happy to follow
4 up with you, Council Member, on the specific location
5 that you are referencing. I mean, obviously, I know
6 it's important to you, you know, and your community.
7 So-

8 COUNCIL MEMBER LOUIS: [interposing]
9 Well, central Brooklyn is all-

10 DIRECTOR SOLIMAN: [interposing] Well,
11 certainly, and this is important- a priority for us,
12 too. We have to see what we can do in the Executive
13 Budget going forward. So we're happy to follow up
14 with you on that. And as the whole, you know- I
15 mean, Office of Community Safety takes hold and
16 obviously the other pieces as well on the community
17 safety front.

18 COUNCIL MEMBER LOUIS: Right.

19 DIRECTOR SOLIMAN: We are looking at all
20 those opportunities for funding hopefully if we get
21 to a more stable budget situation as well. So, we're
happy to work with you on that. And then in terms of
transparency in the out-years, I mean, that's really
what we're trying to do with all of the recognition of
the unfunded or the under-budgeted needs is to really

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3 introduce transparency, certainty, de-risking in the
4 budget. If we can see the numbers in the out-years,
5 we can effectively plan for it. You can effectively
6 see how you're bending the curve, and how-

7 COUNCIL MEMBER LOUIS: [interposing]

8 Right.

9 DIRECTOR SOLIMAN: policy interventions
10 are getting at the crux of what is a higher
11 trajectory on some of these programs.

12 COUNCIL MEMBER LOUIS: Alright. Thank
13 you so much. Thank you, Chair.

14 CHAIRPERSON LEE: Thank you. Okay, next
15 we have Council Member Restler, Sanchez, Brewer, and
16 then Epstein.

17 COUNCIL MEMBER RESTLER: Great. Thank
18 you so much, Chair Lee. Five plus hours in, how we
19 feeling?

20 DIRECTOR SOLIMAN: Great.

21 COUNCIL MEMBER RESTLER: We lost Tara?
Hopefully she's-

DIRECTOR SOLIMAN: [interposing] We did,
but she'll be back moment-

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3 COUNCIL MEMBER RESTLER: [interposing]

4 You'll be okay?

5 DIRECTOR SOLIMAN: Yeah, sure.

6 COUNCIL MEMBER RESTLER: Alright?

7 DIRECTOR SOLIMAN: I'm in your hands.

8 COUNCIL MEMBER RESTLER: [interposing] Do
9 you want me to wait until Tara comes back?

10 DIRECTOR SOLIMAN: I'm in your hands,
11 Council Member.

12 COUNCIL MEMBER RESTLER: There we go. If
13 you say so. So, I wanted to just highlight a few
14 things as we continue to focus on some savings
15 opportunities. Firstly, city agency leasing. As I
16 mentioned in my previous remarks, we saw dramatic
17 headcount reduction under the Adams administration
18 that is continuing, and yet, we saw the amount of
19 space that the city leased actually increase, despite
20 more remote work efforts expanding across the
21 workforce. That makes no sense. I think there were a
number of corrupt real estate deals that Eric Adams
and Jesse Hamilton and others advanced during the
previous administration that explains some of that

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3 lease space, but there are real opportunities for
4 savings. How do we maximize efficient, expeditious
5 savings opportunities and incentivize agencies to
6 want to reduce their footprint when I think generally
7 they don't receive the savings in their own budgets
8 when there are reductions in space?

9 DIRECTOR SOLIMAN: Yes, thank you so much
10 for that. The effort of the Chief Savings Officers is
11 looking exactly at that. There is a particular focus
12 on that and some of the examples that were
13 highlighted in the mayor's press release this
14 morning-

15 COUNCIL MEMBER RESTLER: [interposing]
16 There were small amounts of money.

17 DIRECTOR SOLIMAN: There was one
18 Sanitation Department one-

19 COUNCIL MEMBER RESTLER: But Sanitation
20 was a couple hundred thousand.

21 DIRECTOR SOLIMAN: We'll get there, but
we're looking at that office print. We're also
looking in fact, you know, OMB. We had-

COUNCIL MEMBER RESTLER: [interposing] I
saw that.

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3 DIRECTOR SOLIMAN: Yeah, so we had that,
4 too. So, we are looking at that, and lease space
5 looking at other areas in consolidation and trying to
6 figure out what's needed, what's not needed for those
7 savings, writ large, that what we need. I know, you
8 know, whether it accrues to the agency budget versus
9 not, but overall as a city we need those savings.

10 COUNCIL MEMBER RESTLER: I think that we
11 need- I'm hopeful that the Chief Savings Officers
12 will help, but I think we need centralized
13 coordination between your team and DCAS to actually
14 bring the hammer down, because there's- this is an
15 area where we can absolutely achieve consequential
16 savings if there's some more aggressive management.

17 DIRECTOR SOLIMAN: In you may we trust.

18 COUNCIL MEMBER RESTLER: In you may we
19 trust, agree. No argument there. Although maybe
20 Gale claims she knows her longer than we do. So, I'd
21 like to shift to a couple other savings
opportunities, contract savings. Speaker raised
this. It's been a- you know, as the Contracts Chair,
we've been looking at a lot of this, too. We saw- we
often see- appreciated highlighted in this morning's

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3 announcement included a number of efforts to insource
4 consulting contracts that don't- that are
5 unnecessary, that we can bring that capacity
6 in-house. Wondering if there's a broader more
7 comprehensive review happening from OMB in
8 consultation with MOCS and potentially others to
9 evaluate whether some of these consulting contracts
10 that are just not the best use of resources and are
11 costing us a lot of money. I mean, DOE spent
12 \$760,000 on that magical 3K report about the future
13 of 3K that we waited on for two years that taught us
14 nothing. Department of Sanitation spent \$1.6 million
15 on a Deloitte contract to teach us that trash should
16 go in bins. I mean, like, I'd like us to be a little
17 bit more aggressive on this, and wondering if there
18 is a comprehensive review taking place?

19 DIRECTOR SOLIMAN: There's absolutely a
20 comprehensive review taking place, and that is
21 through the Chief Savings Officers and we're making
sure we're getting that holistic view, but we have
talked to MOCS, for example, to your point and looked
at- for example, let's look at the categories of
these different contracts, right? Professional

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3 services, you have a bucket of contracts that I think
4 is in excess of billion dollars, right? But within
5 that you have a multitude of different contracts. You
6 mentioned some, management consultants that put out
7 reports, okay? We look at that, but under
8 professional services you're also getting engineers
9 and architects that are looking at things that are
critical to scoping and capital projects and so on
and so forth.

10 COUNCIL MEMBER RESTLER: We're not
11 abolishing all of them. It's just an opportunity for
12 savings.

13 DIRECTOR SOLIMAN: [interposing] Exactly.
14 But that is exactly right. Looking at that as a
15 methodical view to say what's under professional
16 services, and by the way, there are some requirements
17 contracts with some of the big management consultant
18 firms that you can have cost avoidance. Don't- like,
19 let's stop and look at even if you have a rpogrma and
20 you have a management consultant contract. Can you
21 do this in-house? Not only in your agency, but can
other agencies within the city framework lend those
particular services or other adjacent city

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3 organizations or covered entities? Can they be able
4 to provide value there, too. So, I hope that shows
5 that we are 100 percent looking at that, and the
6 Chief Savings Officer getting to it with a more
granular focus.

7 COUNCIL MEMBER RESTLER: I really
8 appreciate it. Could I ask one savings question, one
9 more? Which is DOC headcount- 80 percent of DOC
10 headcount is in uniform which seems unnecessarily
11 high. We have corrections officers in the bakery at
12 Rikers Island when we should have civilians that
13 would cost a whole lot less for the City of New York
14 and probably have higher retention as well. I
15 believe freedom- right now, we're- it's 7,000 out of
16 the 8,800 positions, our uniformed headcount. Is
17 there a broader review or analysis happening- we have
18 great new leadership at DOC- to revisit whether
there's a better calibration between a civilian and
uniformed headcount that should be happening at that
agency that might be able to save us resources?

19 DIRECTOR SOLIMAN: Commissioner Richards
20 is taking a fresh look at that, and obviously, we
21 have the remediation manager as well. So, that has

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3 to be a joint conversation there, but that's exactly
4 the kind of thing he's looking at to see if there are
5 ways to improve sort of overall the functionality of
6 the agency and understand where we are and what we
7 need in terms of fixed posts and other needs within
8 the Department of Corrections.

9 COUNCIL MEMBER RESTLER: Thank you very
10 much, Director.

11 DIRECTOR SOLIMAN: Thank you.

12 CHAIRPERSON LEE: Thank you. Sorry. Next
13 we have Council Member Sanchez, Brewer, and then
14 Epstein.

15 COUNCIL MEMBER SANCHEZ: Thank you,
16 Chair. Lost my question. I was like, no. Hello,
17 again. Back for round two. Okay. on street vending,
18 in January this Council overrode the previous Mayor's
19 veto and enacted sweeping street vending reforms,
20 including dramatically increasing access to both food
21 and general vendor licenses and permits at the
Department of Health and Consumer and Worker
Protection respectively, and ensuring sufficient
enforcement capacity at the Department of Sanitation,
and at SBS expanding outreach and education. As

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3 candidate, then mayor-elect and then as mayor, Mayor
4 Mamdani committed to supporting the critical work of
5 implementing these reforms and ending halal-flation
6 [sic] and while an Executive Director for Street
7 Vending Services has been identified- very excited
8 about Karina [sp?], the proposed Preliminary Budget
9 does not include new needs in any of the other
10 agencies in connection with implementing these
11 reforms. We think that- well, DOHMH has four lines.
12 We think we need 12 more. DCWP's fiscal impact
13 statement on this bill said they needed 26 more
14 lines. DCNY [sic], we think we need 30 more
15 enforcement agents, and then even at SBS Karina's
16 going to need three more staff. So, recognizing that
17 my colleagues at the Council are very good at
18 highlighting all the places where we should do more
19 and spend more. I do want to note that IBO estimates
20 that licensing these vendors could bring \$60 million
21 in revenue to the City of New York. So, one, on the
stafflines, do you agree with these numbers? And
two, how does the administration plan to comply with
Local Law 54 of 2026?

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3 DIRECTOR SOLIMAN: Yes, absolutely. So,
4 thank you. I know this issue is near and dear to your
5 heart, and I know that, you know, the enactment of
6 the Local Law was a couple of weeks, I believe,
7 before Prelim came out. So it was sort of like, you
8 know- it was a tight window to try to evaluate the
9 full needs, and we're going to evaluate those needs
10 as we have Exec that's coming up, and you know,
11 street vending is part of the fabric of our
12 streetscape and of our culture really in New York
13 City. So, we want to find a way to- obviously, we
14 have to find a way to comply, number one, with the
15 law, right? But also to support the effort in a way
16 that, you know, uplifts the sort of vibrant street
17 vending community. So, we look forward to working
18 with you on that.

19 COUNCIL MEMBER SANCHEZ: Thank you so
20 much. I look forward to seeing more reflected in
21 Exec. And then my second set of questions is, you
know, again talking about this moment of transition-
the mayor has said that he would honor prior
commitments made through rezonings and those kind of
discussions. So, I just wanted to check in on

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3 updates, first on the Kingsbridge Armory
4 redevelopment that we voted to affirm in October.
5 There- one of the commitments in there that's most
6 important to me given community violence in my
7 neighborhood is 100 afterschool seats through the
8 COMPASS programs and small business supports for the
9 businesses that are feeling pressure because of the
10 Kingsbridge Armory redevelopment. Wanted to check on
11 that status. And if I may finish the question,
12 Chair? In City of Yes 2024, there were 200 lines
13 added for DCP buildings and HPD staff lines. I heard
14 from Buildings and HPD yesterday, but can you update
15 on us the DCP lines? And then just got off the phone
16 with DCP, Harlem River North study is happening, so
17 thank you. And then the last question is on Jerome
18 rezoning 2018, there were some unfulfilled
19 commitments regarding small business supports.

20 DIRECTOR SOLIMAN: We're happy follow up
21 with you on all of that. I think that in the
22 Preliminary Budget we did put in just in terms to
23 show sort of commitment on previous points of
24 agreement memos and we did seed investment. I think
25 it was Jamaica and for Long Island City. So, as a

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3 general rule we know that in order for these
4 rezonings to occur, there were agreements, and those
5 agreements, you know, are important to you and your
6 colleagues. So, we're trying to figure how we can
7 honor those. Again, we did that for seed. We'll
8 continue to do that for these others, but I do want
9 to talk to you more closely about Kingsbridge and all
10 the other things you raised. Happy to.

11 COUNCIL MEMBER SANCHEZ: Excellent.

12 Thank you. This is- we're going to get it done.

13 Thank you, Chair.

14 DIRECTOR SOLIMAN: Thank you.

15 CHAIRPERSON LEE: Okay, go ahead Council
16 Member Brewer.

17 COUNCIL MEMBER BREWER: Thank you very
18 much. You're very impressive sir, because you
19 haven't moved one of those pieces of paper. It's all
20 in your head, and you have a big book and none of
21 those damn pages have moved. I hope these questions
weren't asked, because I had to go to Immigration.
But I did with IBO a few years ago a report that said
\$2 billion uncollected fines and fees. And then just
recently, the Amazon was brought to light by Streets

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3 Blog owing \$10 million. So, I guess my question is-
4 I know some of it is uncollectable, but it's hard for
5 people to hear uncollectable when they're paying. So
6 what are we doing? I know Finance, OATH, everybody's
7 involved. But how are we making sure that we have
8 more collecting than what is- \$2 billion a year is a
9 lot not to collect.

10 DIRECTOR SOLIMAN: It is a lot, and I
11 know that you've highlighted this many times, Council
12 Member, and we take that to heart that that is an
13 opportunity that we don't want to leave, you know,
14 unexplored. And so we've been working with the
15 Department of Finance to make sure that they are
16 upping their communications with all of the entities
17 or all of the respondents, if you will, to the ECB
18 violations with the understanding- what was raised
19 before about buildings and violations on those
20 buildings and being able to place liens, but there's
21 a whole other sea of other uncollected debt, and we
want to make sure we're using either payment plans or
ways first to try to understand how people can pay,
and pay, you know, on a plan. But then we also have
collection agencies, obviously, you know, on contract

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3 there and they're at different levels of getting
4 there. So, we're exploring that as well, how to
5 improve that, perhaps using AI and other things to
6 improve those collections. I think at the same time,
7 one of the things that included in the Preliminary
8 Budget is an ECB amnesty program.

9 COUNCIL MEMBER BREWER: Right.

10 DIRECTOR SOLIMAN: We've done it before.
11 We think we can do it again, more targeted approach
12 to generate that kind of revenue and make a dent
13 against that \$2 billion.

14 COUNCIL MEMBER BREWER: So you are
15 suggesting an amnesty program depending on how it
16 work?

17 DIRECTOR SOLIMAN: Absolutely, we are,
18 and we want to be careful about the breadth and
19 approach to it, because again, we don't want to- we
20 want to hold folks accountable, too. So those, you
21 know, dilapidated buildings that we're looking at to
place liens so that, you know, tenants have livable
humane conditions. Like, we don't want to just give
them a free pass either, right? So we want to make
sure we're being methodical about it.

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3 COUNCIL MEMBER BREWER: I mean, you think
4 Amazon could pay.

5 DIRECTOR SOLIMAN: Well,--

6 COUNCIL MEMBER BREWER: [interposing] I
7 know, I'm just saying they owe \$10 million.

8 DIRECTOR SOLIMAN: Yes. No, we-

9 COUNCIL MEMBER BREWER: [interposing] That
10 would be an example.

11 DIRECTOR SOLIMAN: We have to- I think we
12 have to engage with them-

13 COUNCIL MEMBER BREWER: [interposing] I
14 don't think they need amnesty.

15 DIRECTOR SOLIMAN: on a different level,
16 yes.

17 COUNCIL MEMBER BREWER: They need to pay.

18 DIRECTOR SOLIMAN: They need to pay, 100
19 percent.

20 COUNCIL MEMBER BREWER: So, that would
21 be-

DIRECTOR SOLIMAN: [interposing] We have
to look at engaging with them on a different level.

COUNCIL MEMBER BREWER: Exactly.
Insurance, I know this came up previously. It's

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3 happening on the state discussion, local discussion.

4 How are you looking at this? I know the speaker has
5 a bill to try to make it more transparent in terms of
6 what's out there. How are we looking at the issue of
7 insurance in terms of less having to be paid.

8 Obviously-

9 DIRECTOR SOLIMAN: [interposing] You mean
10 health insurance.

11 COUNCIL MEMBER BREWER: Yes, health
12 insurance. No, just generally. I know the
13 indemnified, I know that.

14 DIRECTOR SOLIMAN: Yes.

15 COUNCIL MEMBER BREWER: But I'm just
16 saying, when you build a building you got to have
17 these high insurance rates.

18 DIRECTOR SOLIMAN: Oh, yes, yes.

19 COUNCIL MEMBER BREWER: It's like
20 everything you do is caught up with the insurance
21 companies, and in one way or another, the city is
paying. Is that something that's on your radar, or
that's not OMB?

DIRECTOR SOLIMAN: Absolutely on our
radar, and actually talking about it in the housing

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3 context, because we want to make sure that we're
4 firing on all cylinders when it comes to supply and
5 on preservation. So we want to make sure that any of
6 these loans or any of these projects have the ability
7 to do that. There's some interesting ideas about how
8 to do it-

9 COUNCIL MEMBER BREWER: [interposing] Yes.

10 DIRECTOR SOLIMAN: that our housing team
11 has. Those conversations are going on. We're not
12 settled yet on approaches, but yes, it's on our
13 radar.

14 COUNCIL MEMBER BREWER: Alright. One
15 other quick question. So, the- I think the state's
16 going to come up with \$5 billion, I believe that.
17 Not through any of the situations that you have
18 today. Although, Syracuse, Buffalo, and Rochester are
19 worrisome for the governor, having spoken about them.
20 Because you know, New York has money and then what
21 about those cities? Those are also in- so maybe you
could give some money to them a little bit, and then
they would be happy and the Governor would be happy.
It's an idea. Something to think about. But what
I'm saying is, if they don't come up with the \$5

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3 billion, are you thinking you're going to have to do
4 a PEG program? I know your suggestion is to try to
5 do the borrowing here and there. But would you have
6 to so some expense cuts do you think, or you would
stick with what your program is?

7 DIRECTOR SOLIMAN: So, Council Member-

8 COUNCIL MEMBER BREWER: [interposing] I do
9 think they're going to come up with the five, but
we'll see.

10 DIRECTOR SOLIMAN: I am equally
11 optimistic that we're going to get there, and I think
12 that we've been having positive conversations
13 throughout and between the Executive Budget and the
14 One House budget, significant, significant progress
15 has been made. Obviously, the final analysis is what
counts.

16 COUNCIL MEMBER BREWER: Right.

17 DIRECTOR SOLIMAN: And you know, we then
18 have to work really closely together to figure out
how we'll balance if we don't get there.

19 COUNCIL MEMBER BREWER: Social adult
20 daycare centers, you know what they are? They're
horrible. They have taken people's blood pressure
21

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3 every minute and then they charge their Medicaid and
4 they don't go to social support with regular centers.
5 I'm just saying look at them. It's a state issue,
6 but they charge Medicaid every day, and it seems to
7 me- we pay part of that. I would look at that as a
8 revenue enhancer just to get rid of them, and the
9 state and the city would save money. Thank you.

10 DIRECTOR SOLIMAN: Thank you.

11 CHAIRPERSON LEE: Okay, Council Member
12 Epstein.

13 COUNCIL MEMBER EPSTEIN: Okay. I know
14 you've been here a long time. So, I just wanted to
15 go back through the revenue. I know we've heard a
16 lot about this, like, unrealized revenue, taxes, like
17 you know, almost a billion dollars from HPD, DOB
18 fines, parking fines. What of that do you think is
19 potentially realized in the next fiscal year?
20 Although, you know, people say it's up to \$4 billion
21 in arrears at this point that's owed to the city.

DIRECTOR SOLIMAN: I mean, we- I'll turn
it over to Joshua Goldstein [inaudible].

DEPUTY DIRECTOR GOLDSTEIN: In terms of-
right, ACB we've talked about and we all know the

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3 challenges in collecting, and we- I think the number
4 that one of your members said is something like 45
5 percent or something, and it's really- it is low, and
6 it's a challenge we are constantly working on. In
7 terms of parking, right, that's another- most of that
8 money actually gets collected. It just takes time,
9 right? You have- since you do actually have
10 enforcement mechanisms like the marshaling program,
11 the booting program, you actually do get most of that
12 money in-

13 COUNCIL MEMBER EPSTEIN: [interposing] So,
14 I only get- just a little left time. So, you're
15 representing here that on the parking side you're
16 collecting most of the money, but you're making some
17 deals with big companies so they can get unlimited
18 parking, and you're giving them some kind of deals.
19 Is there an attempt to re-evaluate that? Because
20 basically the Amazons of the world, the- you know,
21 the FedEx's of the world, you have these deals that
they pay a portion of it. So,--

DEPUTY DIRECTOR GOLDSTEIN: [interposing]
Yeah, that was- I know what you're talking about.
It's a stipulated fine program with-

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3 COUNCIL MEMBER EPSTEIN: Yes.

4 DEPUTY DIRECTOR GOLDSTEIN: the DOF. So,
5 as former DOF Commissioner, yes, I know that. The
6 issue is one of is it diminishing returns, right? The
7 reason why this program is in place because of the
8 administrative apparatus needed to adjudicate those.

9 COUNCIL MEMBER EPSTEIN: Yeah.

10 DEPUTY DIRECTOR GOLDSTEIN: It's no so
11 much letting them off the hook. It's what the best
12 deal for the City of New York to be able to-

13 COUNCIL MEMBER EPSTEIN: [interposing] I
14 hear you, but just think about that impact that it
15 has on the City of New York. If they're- if people
16 continue to double park and there aren't
17 implications- so I think-

18 DEPUTY DIRECTOR GOLDSTEIN: [interposing]
19 Fair.

20 COUNCIL MEMBER EPSTEIN: Thinking about
21 those fines and those impacts that it has on a daily
life, the ECB fines, DOB, those like- people just
don't feel like the city is doing anything to deal
with all these arrears, and if there's an opportunity
here, if there's legislative changes or we need

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3 something from Albany to be able to utilize these
4 tools in your toolbelt, I think it's really
5 important. And I don't- I just feel like we're not
6 using enough tools, and we need to figure out what we
7 can do. And then we've heard a lot from nonprofits
8 around outstanding money that's being- that they're
9 owed, and that OMB is holding up a lot of their
10 contract, years back contracts, like tens of millions
11 of dollars for small nonprofits. Can we commit to
12 kind of moving that process forward for them to help
13 them? Because they're having budget problems now,
14 because they're not getting paid from 2022 or 2023
15 contracts, and we're, you know, 2026 and going to
16 2027.

17 DEPUTY DIRECTOR GOLDSTEIN: Yeah. We've
18 made some progress on advance payments. We know
19 there's more to do. We know that these organizations
20 provide very essential services on tight budgets. We
21 need to make sure we do more, but we have done some
on advance payments. There have been previous
commissions and working groups on this. We know the
Council's very passionate about this. So, we'll
continue to work on it to get them the resources.

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3 COUNCIL MEMBER EPSTEIN: We can't really
4 on these groups to do the work we need in our
5 communities-

6 DEPUTY DIRECTOR GOLDSTEIN: [interposing]
7 If we can't pay them. That's right.

8 COUNCIL MEMBER EPSTEIN: At some point,
9 they're just going to go under, and it's going to be
10 worse for all of us.

11 DEPUTY DIRECTOR GOLDSTEIN: Understood,
12 yeah. Great.

13 CHAIRPERSON LEE: Thank you. And we've
14 been joined by Council Member Schulman and I'm going
15 to pass it over to our Deputy Speaker.

16 COUNCIL MEMBER WILLIAMS: Okay, I'm back.
17 I feel you kind of answered this question today, but
18 how's the administration accounting for the fiscal
19 impact if federal policy changes are already
20 affecting New Yorkers including SNAP eligibility,
21 reductions in essential plan coverage, declining
vaccination rates, federal student loan caps, and
declining international student enrollment, expanding
work requirements for public benefits and cuts the
climate and infrastructure funding. Where in the

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3 budget are resources allocated to respond to these
4 impacts, and how is the city planning to absorb or
5 offset them?

6 DIRECTOR SOLIMAN: Sure. So, one of the
7 things that we did- so, on food, and mentioned before
8 we did- we increased the number of SNAP eligibility
9 specialists in the Preliminary Budget. We also
10 tripled the food budget to \$54 million for the HRA
11 community food program. We also included I think \$3.1
12 million for the Get the Good Stuff food program. So,
13 on food that's what we've been able to do. On health
14 care and Medicaid, again, it flows through the state
15 and we were, again, happy to see the decision by CMS,
16 Center for Medicaid and Medicare Services, that they
17 will not require on the Aliessa [sp?] population to
18 be removed from the Essential Plan so that the state
19 doesn't have to incur that cost from its general
20 funds, which obviously helps present the trickle down
21 effect to Health + Hospitals on sort of pass-along
cuts and impacts. You mentioned, too, some of the
stuff on our students, on CUNY for example, and the
stuff- the provisions that are coming from, you know,
HR1 with respect to loan caps and so on and so forth.

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3 And thankfully the worst of that bill was avoided
4 which was Pell hits, right? So, Pell grants are
5 there, but on the student loan side we know the
6 payments are going to become more restrictive and
7 less affordable. So, we have to be able to find a way
8 to help with the apparatus at CUNY to help with that
9 loan counseling so that outstanding debt doesn't just
10 accumulate and accumulate.

11 COUNCIL MEMBER WILLIAMS: So, in the
12 Exec, those things will be reflected?

13 DIRECTOR SOLIMAN: We're looking at
14 through the Executive Budget given the fiscal
15 challenges, you know, along with other needs in all
16 of these other areas. But we have made progress on
17 SNAP and food in the Preliminary Budget and we hope
18 to build on that in concert with the state. As the
19 state fell a lot here too on food [sic].

20 COUNCIL MEMBER WILLIAMS: Thank you. Why
21 does the administration continue to project lower
costs for waste export and organics processing than
IBO estimates? And then given the rising costs, why
are out-year projections flat or declining,
effectively creating a funding cliff?

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3 DIRECTOR SOLIMAN: Yeah. It's something
4 we're actively looking at, and I think the reason is
5 we're looking with DSNY to actively manage what those
6 savings ideas that were out there, right? So, the
7 Chief Savings Officers are looking at that, but also
8 savings that have already been in place about
9 staffing needed at the export facilities. So, it's
10 something that we have a policy intervention to
11 actively manage. It's not like we know the expenses
12 are going to increase. We're trying to manage them
13 and have it plateau.

14 COUNCIL MEMBER WILLIAMS: Okay. I did
15 not have this question already written down. But
16 Department of Sanitation budget, like, it's the lack
17 of transparency and I think this goes back to the
18 hill that I'll die on for the next four years, which
19 is around like budget equity and how inequitable our
20 budget process is at the City. It's so hard to even
21 figure out how or even allocating money from a
user-friendly average New Yorker perspective. As you
know, OMB's perpetually not in compliance with the
Charter that mandates way more units of appropriation
then you all ever do budget to budget, which really

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3 doesn't even allow us to make an assessment on
4 whether or not you are truly allocating or generating
5 revenue in equitable ways, because we can't even see
6 it or see it in real ways. Obviously, through coding
7 and a whole bunch of other weird things that people
8 have to do behind the scenes and spreadsheets, some
9 things can be ascertained, but it's just really not
10 transparent ways. So, to the Sanitation budget, is
11 there a way for you to disaggregate the budget by way
12 of garages, garage to garage? Like, can you share,
13 like, how much a particular garage is getting in
14 Midtown Manhattan versus South Bronx, versus Staten
15 Island? It's a question that the former Deputy
16 Speaker actually asked many times. And Department of
17 Sanitation nor OMB could ever really provide clear
18 information on how money gets spent from garage to
19 garage, and clearly we can't see it, because that is
20 now how the budget looks visibly to us, because
21 there's no specific units of appropriation by
geographic location.

19 DIRECTOR SOLIMAN: Yeah. We're happy to
20 look into that specific area. I know I think- I think
21 there was a brief conversation that we had about

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3 this. I think it's the deployment, the nature of the
4 deployment of the uniformed sanitation personnel that
5 I think that the results of that may be skewed,
6 because you can move around the various pieces, but
7 let me come back to you on that. I think that was a-

8 COUNCIL MEMBER WILLIAMS: [interposing]

9 Yes, and equally to that point around the metric for
10 like regular cleaning. So know Department of
11 Sanitation has a metric to determine tonnage when
12 like a new building comes, regular trash pick-up, and
13 resources do get allocated to adjust if you have more
14 population in a particular community. There is like
15 some type of methodology that they use, but they're-
16 as far as I know, given my many conversations with
17 Chiefs in Department of Sanitation, there's no metric
18 to determining how to allocate resources by like just
19 regular clean-up. There's no way. Like, if you have
20 a community that has more people in the community
21 outside of like the regular trash pickup that you
have to do, the Department doesn't have a way to even
make an assumption on whether or not a garage should
get more money or not for regular- regular just
cleanliness. There's no particular metric that

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3 Department of Sanitation uses. So, it would be great
4 if that could also be figured out, because I think
5 it'll help to address a lot of concerns that members
6 have around cleanliness in their communities which
7 again is different from a regular trash pickup, from
8 a regular trash pickup from a building or from
9 someone's house. And there's no metric for them to
10 determine whether or not more resources should be
11 allocated to particular communities.

12 DIRECTOR SOLIMAN: Yeah. I totally hear
13 you on that. We are looking- I mean, it's
14 interesting because you do see some instances where
15 there are- there have been specific deployments to
16 address acute cleanliness issues in particular areas.
17 It's been done on an ad hoc basis. It hasn't been
18 done across the board. But if I'm- what I'm hearing
19 is that there should be a more systematic way to rate
20 and to look at conditions,--

21 COUNCIL MEMBER WILLIAMS: [interposing] I
22 think so.

23 DIRECTOR SOLIMAN: and allocate.

24 COUNCIL MEMBER WILLIAMS: it's based off
25 of, like-

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3 DIRECTOR SOLIMAN: [interposing] So, it's
4 an interesting concept.

5 COUNCIL MEMBER WILLIAMS: one day the
6 Chief, you know, calls whoever in central and says,
7 hey, I need an extra garage.

8 DIRECTOR SOLIMAN: Yep.

9 COUNCIL MEMBER WILLIAMS: Extra truck for
10 trash pickup, and then based off of whatever
11 resources are available in the city, then whomever
12 higher up makes the decision. Okay, fine, for
13 garage- for Queens South you get two trucks today to
14 extra cleanup, but it's like- it's no specific way to
15 make a determination on like the resources that
16 certain garages truly need. It's like on a request
17 basis, and whomever again higher up making a decision
18 on whether or not a extra, you know, truck should be
19 allocated on any given- it's like- did not make any
20 sense to me that almost every single day or- I don't
21 even know- I don't even thing it was weekly. Maybe
it was weekly. It was not more than weekly. Like,
these chiefs have to make requests and then have to
then hear from whoever higher up, whether or not
their request is even going to be, you know, properly

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3 received to get any additional resources. I just a
4 few questions on child care really quickly. How does
5 child care vouchers factor in the administration's
6 plan to expand access to free or reduced-cost care
7 for children ages zero to six?

8 DIRECTOR SOLIMAN: So, we were
9 appreciative. We are appreciative, and we were happy
10 to reach an agreement with the Governor on day eight,
11 \$1.2 billion. Of the \$1.2 billion, there was \$475
12 million that was committed that would go to help fund
13 child care vouchers and that is to ensure that the
14 existing number of families remained on the
15 eligibility rolls. We are acutely aware that there
16 is a waiting list and a need that is there to expand.
17 There may be additional state dollars that end up
18 coming through which we're hopeful for, and that we
19 are hoping is enough so that we could start to reach
20 families on the wait list. We don't know if it'll be
21 enough. The program is already operating with a
22 cliff that we funded, like an unbudgeted amount. So,
23 we're looking at making sure that we can continue
24 just with the current eligibility roles. We'd love

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3 to get to appoint where we're reaching additional
4 families.

5 COUNCIL MEMBER WILLIAMS: Yeah. So, to
6 that point, what level of voucher utilization is
7 projected in the outyears? And then exactly what you
8 said, with additional state funding and also the
9 existing wait list that you just noted, how does the
10 administration scale across and ensure eligible
11 families are served?

12 DIRECTOR SOLIMAN: Yeah. I mean, I think
13 it's all of our goals to make sure that it's served.
14 It's a question of budget, and we have to figure out
15 how we're going to be able to fund that. Clearly, we
16 got there on making sure the \$475 million helped us
17 with the current eligibility. Again, if there are
18 additional from this child care block grant funds
19 that are statewide, that we'll find out if more of it
20 is coming to the city. If it's more than what the
21 current cost is for the eligibility families, we can
then hopefully move forward to expand.

COUNCIL MEMBER WILLIAMS: And lastly, not
really a question, but like a statement, you know,
just thinking about something. I just had a

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3 conversation with Deputy Mayor Kerson [sp?]- I think
4 I'm saying her name correctly. This was about
5 paving, and I know that the city is currently using
6 the 311 data once again to decide which communities
7 to allocate resources to which ultimately to me even
8 though the work is being carried out by agencies, I
9 also look at this as like a budget thing. Like, how
10 are we allocating resources across New York City?

11 And while 311 is a great system that is also
12 imperfect, the over-reliance on the city to use 311
13 data to make a determination on how to allocate
14 resources is also inequitable, because we know that
15 certain communities use 311 more than other
16 communities, and just because certain communities
17 send 1,001 311 complaints about potholes does not
18 mean that the community that sends none does not have
19 potholes. And so I know, you know, based off of my
20 very brief conversation with her, she is looking at
21 ways to see where they're getting the most 311
complaints, and you know, trying to figure out a way
is- can they go to a particular community if they
have no complaints. I know it's a big people with a
lot of people and we have to have to find the most

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3 efficient ways to address concerns and allocate
4 resources, but I just want to encourage the
5 administration to not have an over-reliance on 311
6 data when determining how to allocate resources. And
7 I've had success, because I actually have a district
8 that for the most part is very active and they do a
9 lot of 311 complaints. I also educate the community
10 on the importance of data collection, and even though
11 311 doesn't always solve your problem and is very
12 frustrating, the data is really important to, again,
13 how you all determine how to allocate resources. I've
14 been able to get extra cameras for illegal dumping
15 because I had the most 311 complaints for illegal
16 dumping, but it's still not a fair system. Because
17 again, not all communities use 311 in the same ways.
18 And so I do hope that this is something that you can
19 think about in the many metrics and data points and
20 things that you all use when you're analyzing the
21 budget to think of other ways to ensure that we are
allocating whatever resources from whatever agency
fairly across the city, across the entire city and
not just specific communities.

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3 DIRECTOR SOLIMAN: We will absolutely
4 take that back and have that discussion. Thank you.

5 CHAIRPERSON LEE: Thank you, Deputy
6 Speaker. And Council Member Schulman just has a few
7 questions on DOHMH.

8 COUNCIL MEMBER SCHULMAN: Thank you. Hi.
9 I'm sorry I wasn't here earlier but I was watching
10 virtually, so- and I had some other hearings to
11 attend. So, I'm Chair of the Health Committee, and
12 welcome. The COVID-19 pandemic highlighted the
13 importance of preparedness, supply chain stability,
14 and surge capacity across the public health system,
15 maintaining adequate stock piles of personal
16 protective equipment, PPE, ensuring health care
17 workforce readiness, and preserving surveillance
18 infrastructure such as testing and tracing capacity
19 remain essential to protecting New Yorkers from
20 future public health emergencies. The fiscal 2027
21 Preliminary Plan includes \$25 million for emergency
preparedness and response. Does the fiscal 2027
Preliminary Budget actively reflect the full cost of
maintaining public health emergency preparedness and
response capabilities?

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3 DIRECTOR SOLIMAN: We are always
4 constantly working with the Department of Health and
5 Mental Hygiene on this. We know that regarding
6 funding needs and emergency preparedness, this
7 constantly comes up in their new needs and we're
8 evaluating on the Executive Budget. We know that
9 since COVID there have been valuable lessons learned,
10 and we know that we also have to be cognizant of the
11 fact that there have been cuts which we're hopeful
12 now- thank you again to the Governor's commitment to
13 reverse some cuts and cost shifts to Article 6 public
14 health funding, but there's more-

15 COUNCIL MEMBER SCHULMAN: [interposing]
16 Correct.

17 DIRECTOR SOLIMAN: that can be done
18 clearly at the federal government to have contingency
19 plans so that emergency preparedness in the event of
20 any public health emergency can be solved.

21 COUNCIL MEMBER SCHULMAN: You know,
especially as COVID-19 funding is going away.

DIRECTOR SOLIMAN: Exactly, exactly.

COUNCIL MEMBER SCHULMAN: How does OMB
evaluate whether the city has sufficient surge

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3 capacity in the event of another public health
4 emergency, including funding for temporary staffing
5 or emergency contracts?

6 DIRECTOR SOLIMAN: Well, we, again, engage
7 with the Department of Health and Mental Hygiene to
8 ensure that we know what their needs are and
9 preparedness means and what they need to be
10 well-resourced. I think that they have plans on the
11 books. We want to make sure we actualize those plans
12 and what the resources there are. Obviously, we have
13 a budget challenge.

14 COUNCIL MEMBER SCHULMAN: Right.

15 DIRECTOR SOLIMAN: We need to make sure
16 how we can get there in the Executive Budget, but
17 it's a priority.

18 COUNCIL MEMBER SCHULMAN: Yeah, because
19 we- as you know, we can't rely on the federal
20 government anymore, and we have to be an entity onto
21 ourselves, and I know that the Department of Health
just recently joined the World Health Organization on
its own. So these are things that- you know, needs
that may not have been there before. So I just wanted
to flag that.

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3 DIRECTOR SOLIMAN: Certainly.

4 COUNCIL MEMBER SCHULMAN: Alright. Thank
5 you very much, Chair.

6 DIRECTOR SOLIMAN: Thank you.

7 CHAIRPERSON LEE: Thank you. Okay, we
8 are nearing the end. So, I just have a couple
9 questions that I was asked to ask in terms of
10 education. So, as you know, with the conversations
11 at the state level, looking at foundation aid formula
12 for ELLs which was switched from 0.53 to 0.6, and
13 added a wait for students experiencing homelessness
14 and living in foster care. The Senate version also
15 included in the One House bill increased school aid
16 for people with transportation, and the Assembly
17 includes further proposals for additional funding for
18 3K and class size. IBO estimates that the ELL
19 proposal would add \$69 million of foundation aid
20 funding in FY 27, and IBO also estimates that the
21 Senate proposal for the added wait for students
experiencing homelessness and living in foster care
would add \$93 million in funding for FY 27 and that
the Assembly proposal would add \$486 million. The
Fiscal Policy Institute found a similarly robust

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3 estimate for these proposals and have- just, the
4 question is have you conducted your own estimates for
5 these proposals, and if so, what are they?

6 DIRECTOR SOLIMAN: Yeah. So, thank you,
7 Chair. So, we are, as you know, supportive of the
8 additional waits that we have and the Chancellor has
9 been very vocal about this, and he's testified to
10 Albany-

11 CHAIRPERSON LEE: [interposing] Yep.

12 DIRECTOR SOLIMAN: about that. And
13 additional waits in particular for ELL or service to
14 homeless students, etcetera. So, in terms of what's
15 in the One House's we know that they've put in those
16 funds to be able to support that. It's important for
17 the Assembly and the Senate to be able to do that.
18 So, we're looking at their numbers. I mean, I think
19 the ELL, the \$69 million, I think is fairly in line.

20 CHAIRPERSON LEE: Okay.

21 DIRECTOR SOLIMAN: The other one, we have
to look at in terms of what we're seeing and we'll be
able to get back to you.

CHAIRPERSON LEE: Okay, perfect. How
about any other thoughts on the funding proposals in

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3 One House? Is the- are you advocating for these
4 proposals to be included in the state enacted budget?
5 I'm guessing I know the answer, but just wondering.

6 DIRECTOR SOLIMAN: Yeah, in general we
7 are very heartened by the Executive Budget and as
8 well as the One House budget which looked at \$5
9 billion each, and there's a suite of different
10 proposals. Some of them overlap. Some of them are
11 different in terms of the ways that the senate and
12 the assembly got there. But we think that there is
13 significant and important and timely consensus around
14 reinstituting some form of AIM, aids and incentives
15 to municipalities, for example that we haven't gotten
16 since 2010 as a city.

17 CHAIRPERSON LEE: Yep.

18 DIRECTOR SOLIMAN: So, things like that.
19 Things like other- you know, the reversal of cuts and
20 cost shifts. I mentioned before the adult shelter
21 reimbursement, single adult. That's going back to the
1990s, 50/50 split. On the Raise the Age funding and
foster care reimbursement, also a reversal of those.
So, between that and the suite of tax options that
were put out there and pretty much alignment on those

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3 except for I think the senate put in the gold bullion
4 tax exemption, whereas the Assembly didn't, but I
5 think by in large they get to the \$5 billion and
6 we're hopeful that in the final analysis it's
7 included.

8 CHAIRPERSON LEE: Okay. And just really
9 quickly on Early Childhood Education. \$300 million
10 was added in fiscal year 26 to cover our budgeting
11 shortfall for Early Childhood Education programming.
12 Can you detail and elaborate on the areas in the
13 budget that had previously been underbudgeted?

14 DIRECTOR SOLIMAN: Sure. It's really just
15 the Early Childhood Education apparatus. So, we
16 know, for example, the actuals the year prior was
17 about \$2.5 billion, and then this year it was \$300
18 million short, and then there was another \$80 million
19 that had to be added because I think Head Starts went
20 away. So, that is why you see 300 to 380, but that
21 was literally going to fund the existing operation of
Early Childhood Education for UPK and for 3K, and to
stabilize that, the child care deal that was done
with the Governor was also to help stabilize but also
to expand on the 3K so that we make sure we're

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3 getting to the contracted providers and make sure
4 that those fill rates will be funded as we do more
5 outreach and get those children in those seats, and
6 then of course the 2K expansion as well, and child
7 care vouchers which I mentioned before. That's what
8 makes up the \$1.2 billion, but the \$300 and \$380 that
9 was added was just purely unbudgeted amount to keep
10 UPK and 3K existing levels going.

11 CHAIRPERSON LEE: Okay, great. Thank
12 you. And then how would you use this- the budget for
13 that amount?

14 DIRECTOR SOLIMAN: That is, I think, a
15 number of things including that there is the
16 appropriate staffing in the Early Childhood Education
17 Department to make sure that we're doing the kind of
18 outreach to communities that we need to do the
19 painstaking work of making sure that invoices are
20 processed and that vendors are getting paid, and that
21 we understand what the fill rates are in each of
these communities and siting and everything else
related to how to have a robust Early Childhood
Education apparatus, and it had taken some hits in
the PEGs over the years, but clearly as a main

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3 priority of the administration we're making sure that
4 they have the resources they need so that it's a
5 functional program.

6 CHAIRPERSON LEE: Okay. So, just to
7 clarify, so you have \$235 million for new UPK or 3K,
8 is that-

9 DIRECTOR SOLIMAN: [interposing] Yeah, so
10 the \$235 million is part of the state agreement.
11 That is really funded for the expansion. So, as-
12 some of the way the contracts-

13 CHAIRPERSON LEE: [interposing] Got it.

14 DIRECTOR SOLIMAN: will be set up, it's
15 like if you reach over 70 percent I believe infill
16 rate, then it triggers another level of funding in
17 the contract. So, we're trying to figure out if our
18 efforts are going to be successful to- actually, when
19 our efforts are successful, I should say, that those
20 fill rates and those students in those seats, those
21 three-year-olds will then trigger contractual
requirements for more payment. So, that is where it
ties into expansion, and a piece of that was also to
fund some of the collective bargaining increases that
had to go in that weren't for a segment of the Early

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3 Childhood population of workers. So, that was the
4 \$235.

5 CHAIRPERSON LEE: Okay. Thank you for
6 that. And was the full level of the early child care
7 providers contracts not previously reflected in the
8 budget?

9 DIRECTOR SOLIMAN: There was
10 underbudgeting.

11 CHAIRPERSON LEE: Okay. I just want to
12 quickly go back to Council Member Brewer's point, and
13 this is something that is more state-related which I
14 know, but I can't help but think that if we were to
15 work on this to fix the issue around the daycare
16 programs, because I used to run one. I will say, I
17 don't think all of them are bad, because I think
18 there are definitely a lot that are great, but
19 there's been fraud, I think, that we've been trying
20 to flag for the state on this issue since, what, at
21 least 2010 or before, right? Which is literally
decades of Medicaid that could have been recouped
from- if there was actually more oversight on a lot
of these adult daycare programs, and so just
wondering- and this is a conversation for future, but

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3 I would love to look at this a bit more, because I
4 think those Medicaid dollars are going to be crucial
5 for us to look at more carefully in the future, and
6 maybe this is something we can collaborate on,
7 because I think that's going to translate to more
8 dollars either in the state budget which will trickle
9 down to the city budget. So, definitely want to take
10 a look at that with a fine-tooth.

11 DIRECTOR SOLIMAN: Certainly.

12 CHAIRPERSON LEE: Yeah. Okay, and then
13 just my last couple questions. For the salary history
14 ban and salary caps that the city has- so the Council
15 has heard there are current non-union city employees
16 who are being told that when they are offered new
17 positions at different agencies and switch over, even
18 if it's in the different title, you know, grades, OMB
19 caps the new salary that the agency can offer to no
20 more than 10 percent the applicant's existing salary,
21 even if the salary range goes higher than that
amount. So, is that true or if not, and would this
run counter to the 2017 salary history ban that was
passed by the Council?

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3 DIRECTOR SOLIMAN: We typically- the 10
4 percent cap is applicable to existing employees that
5 are staying within the same title and assuming
6 additional responsibilities. There are exceptions
7 that are made on certain circumstances, but clearly,
8 when you talk about current employees who are
9 promoted to new titles that are subject to the
10 contractual salary requirements of that title and not
11 restricted to the 10 percent. So, that's what we
12 know. If you're hearing something different, we'd
13 love to clarify what that is, but it's really about
14 existing employees existing titles, not going to get
15 a new job at another agency, then you're subject to
16 the salary ban and range of that is and won't
17 necessarily be subject to the 10 percent.

18 CHAIRPERSON LEE: Okay. Yeah, because we
19 heard that it's when they move agencies. So, if
20 that- I'll let you know if there's specific
21 incidences of that. Okay. So, really quickly, I
know that in the- there were a few Council Members
that had actually asked this question, because I
think oftentimes we pass legislation and so I just
wanted to ask for the record if OMB is willing to

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3 commit to fully funding all the enacted laws in the
4 budget, and if not, what is the admin standard for
5 determining which laws are actually implemented?

6 Because I know that there are some that are tied to
7 funding, and so just wanting to know how you plan on
8 making sure that you're meeting the laws. I know that
9 a couple Council Members had asked similar questions
10 related to this, and so I just wanted to ask more
11 generally speaking about laws that are passed.

12 DIRECTOR SOLIMAN: Sure. And just
13 speaking in general, I mean, I think that one way or
14 the other expenses have to match revenues. And so it
15 just comes down to sort of the fundamentals in the
16 budget, how we're able to comply with legislative
17 mandates, comply with other needs that the City of
18 New York has to continue core government operations.
19 And then at that point in time you understand what is
20 for discretionary investment, and at the end of the
21 day, expenses have to add up to revenue. So, in some
cases where there are mandates, there are
opportunities as well to be able to understand how
we're going to balance and make the tradeoffs. It's
going to be more expense reductions which could be

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3 through savings. We don't want to cut services, but
4 at some point after the \$1.7 billion on the Chief
5 Savings Officers you start to go beyond that, and
6 you're really talking about all of the things we
7 talked about. How do you close the budget? So, if
8 you fit in legislative mandates in there, it still
9 comes down to the equation of how can it be
10 affordable within the envelope of the city's budget.

11 CHAIRPERSON LEE: Right. So, then knowing
12 that there's an envelope and there is limitations,
13 what are the metrics or how are those decisions made
14 in terms of which things to say, okay, this is more
15 of a priority versus this. Even though, yes,
16 technically speaking we want to make sure all the
17 laws are being followed, but what are some of the
18 metrics you use to make those decisions?

19 DIRECTOR SOLIMAN: Well, by in large, it
20 is trying to commit to complying with all laws,
21 because we respect obviously the laws that are
passed. At the same time, though, their extent of
investment has to vary and be right-sized with the
budget. So, it may not be full scale implementation.
It may be a phased approach, right? It is as much as

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3 the expenses will dictate. So, but of course, if
4 there's a law on the books, we have an obligation to
5 see if we can make progress on it, but it may not be
6 fully available, fully compliant, because the
7 trade-offs may be cuts in other areas that weren't
8 the intent to begin with to cut.

9 CHAIRPERSON LEE: Right, exactly. So, if
10 you could- if at all possible, give us some sort of
11 ideas or sense back to the Council, because I just- I
12 hear what you're saying, and obviously in a much,
13 much, much smaller scale when I ran my nonprofit
14 organization pales in comparison obviously to the
15 size of the city's budget, but I think the concepts
16 of it are very similar, right? You have to meet
17 payroll. There's certain expenses you have. You
18 have vendors that need to get paid. And there have
19 been tough situations where because of the
20 contracting process cash flow became a huge issue for
21 us, and we weren't sure if we were able to pay staff.
So, I feel like- you know, but in that- in that sort
of, you know, budget there are ways that you
prioritize when to do what. And so I'm just trying

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3 to get a better understanding of how that decision
4 gets made.

5 DIRECTOR SOLIMAN: Sure.

6 CHAIRPERSON LEE: Yeah, so if you can
7 provide something that'd be great. And then also,
8 what recent changes in the economy has OMB observed
9 that led to a noticeable increase in the sales tax
10 revenue forecast?

11 DIRECTOR SOLIMAN: Yeah. I'll start and
12 I'll Josh to come in. But what we've- you've heard
13 this term often. You have a K shaped economy.

14 CHAIRPERSON LEE: Yes.

15 DIRECTOR SOLIMAN: Yeah, so you see
16 consumption at the high end and the high earners are
17 driving a lot of that. You also see inflation,
18 inflationary pressures, right, which are driving. So
19 you pay more for something, you're paying more in
20 taxes, right? And also driven by higher sales taxes
21 that we're seeing from purchases from tourism. So,
those are the three main drivers. I don't know if you
would add anything, Josh?

DEPUTY DIRECTOR GOLDSTEIN: Nope, you got
it.

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3 DIRECTOR SOLIMAN: Okay.

4 CHAIRPERSON LEE: Okay. And sorry, just
5 going back to my previous question. Can you identify
6 any laws recently in the last two years that would
7 not be able to- that were not fully funded, and can
8 you provide that list to the Council? Just an
9 example of two laws not fully funded?

10 DIRECTOR SOLIMAN: We'll go back and look
11 at it, and we'll obviously come back and have that
12 conversation.

13 CHAIRPERSON LEE: Okay, perfect. Oh, did
14 you have another question? Okay, sorry. I'm going to
15 pass it over to Council Member Narcisse for a
16 question.

17 COUNCIL MEMBER NARCISSE: Quickly, Chair.
18 One of the thing that we're dealing with Sanitation
19 Department, those trucks, I don't know what to say
20 about it. Do we have extra budget? How's that we
21 decide to where, which station we're going to have
different trucks? And to tell you honestly, New York
City we have a problem. It's not being cleaned. So,
I want to know, Mr. Director, do we have a plan to
look into Sanitation, because Sanitation represent

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3 us. When you come to New York City, it has to be
4 clean, and we have this problem we're dealing with.
5 And if we don't look into it, New York City's not
6 going to be clean, and Sanitation represent us. Even
7 the look of the trucks, many of them already out of-
8 they should be out somewhere, not running in New York
9 City. So, do you have anywhere you can squeeze to
10 increase funding to make sure New York City's trucks
11 are in repair and the folks that doing the work is
12 being done? Do we have anywhere room to regrow when
13 it come to funding us?

14 DIRECTOR SOLIMAN: Well, thank you,
15 Council Member. The Deputy Speaker also raised this
16 issue about how do we know how a budget is allocated
17 to different garages across, and cleanliness and so
18 on and so forth. So it's an issue we're going to
19 look at and follow up, but in general speaking, yes,
20 investment in Sanitation is needed. Clearly, the snow
21 budget- it hasn't snowed. This year we got hit with
a lot of snow. The snow budget which is based on the
Charter five-year average per person the city charges
was like \$84 million. We had to add \$100 million for
snow removal because the Sanitation snow budget

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3 didn't have it. So, we are looking at ways that we
4 can invest more in sanitation, and hopefully it stops
5 snowing so more of that can be for that, but to your
6 point in all seriousness, it is important that we
7 look at cleanliness metrics and see where we can make
8 more investments, and the trucks themselves need to
9 be- have good presentation of city services at work.

10 COUNCIL MEMBER NARCISSE: This is power
11 wash. Do we have any funding for that, too? Because
12 the New York City, if we don't clean- you know I'm a
13 nurse. I'm a registered nurse. So, cleanliness mean
14 a lot.

15 DIRECTOR SOLIMAN: Yes.

16 COUNCIL MEMBER NARCISSE: And New York
17 City, in order to present ourselves we have to put
18 funding toward sanitation, point blank. We have to
19 do more on that one. And in school, right? You know
20 I love school. My public school enrollment has been
21 decline- I mean, declining in recent years. How is
OMB working with DOE to right-size the budget in a
way that reflects current enrollment realities that I
would like to see in every community? Especially, we
have to review our community, make sure that we have

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3 equity in resources when it come to our school
4 building, public school? And I'm done with that
5 before the Chair kick me out.

6 DIRECTOR SOLIMAN: Yeah, the- Chancellor
7 Samuels addressed this in his testimony a couple of
8 days ago. No decisions have been made on the
9 so-called hold harmless funding. It's something
10 we're looking at and reviewing along with DOE. We
11 obviously want to make sure all schools can get their
12 adequate resources, but no decisions have been made
13 on changing hold harmless at this moment.

14 COUNCIL MEMBER NARCISSE: You know why
15 I'm concerned about this, because usually the Black
16 and Brown communities, the vulnerable communities
17 feel like we're not being- the resource is not coming
18 to them, and our children- I think that's one thing I
19 will say, that's the right of human being in New York
20 City. Every child deserve the best quality
21 education. So, look into that for me so all the
resources can be allocated fairly and-

DIRECTOR SOLIMAN: [interposing]
Certainly.

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3 COUNCIL MEMBER NARCISSE: I mean equally.

4 Thank you, Chair.

5 DIRECTOR SOLIMAN: Thank you.

6 CHAIRPERSON LEE: Thank you. Okay.

7 People keep coming back. We got Council Member
8 Hanks.

9 COUNCIL MEMBER HANKS: I'm very sorry,
10 Chair, but thank you very much. First and foremost,
11 well done. You answered many of the questions, even
12 though I wasn't here, we were watching.

13 DIRECTOR SOLIMAN: Thank you.

14 COUNCIL MEMBER HANKS: So, I just have
15 two questions for you. As a follow-up question to
16 the Office of Mass Engagement, are there any other
17 agencies that either can be consolidated or develop
18 new agencies to lower cost or increase operations
19 with similar existing budgets as a method to offset
20 short or long-term?

21 DIRECTOR SOLIMAN: I mean, I think it's
the effort of the Chief Savings Officers that we're
looking at ways to do that. We want to make sure
that we are being smart about the allocation of

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3 resources. And again, there was a question before
4 about shared services and looking at ways to do that.

5 COUNCIL MEMBER HANKS: Right.

6 DIRECTOR SOLIMAN: So, yeah.

7 COUNCIL MEMBER HANKS: Is there a place
8 in which we will get a report from the cost saving
9 officers? I'm sure this was being asked already.
10 I'm so sorry. But okay, my second question. Does
11 OMB understand the fiscal damage that can occur to
12 the recent geopolitical events and the lack of funds
13 from the federal government? This is also something
14 that has been asked, but- and other sources of
15 income, and can the Council develop programs along
16 with the administration to help bridge these gaps in
17 financing some undiscovered, or how can we discuss
18 the possibility of preventing such fiscal issues in
19 the future?

20 DIRECTOR SOLIMAN: Sure. Yeah. I mean,
21 the revenue forecast that we put out was largely in
line with what the state had put out, and in fact, I
know in the Council's own analysis it was generally
in line there, too. Clearly, there are geopolitical
events that we're watching very closely that could

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3 have some market impacts. The revenue forecast is a
4 continual process and we'll continue to look at it
5 and understand what collections are. Collections
6 have been strong, and so we'll look at what may need
7 to be adjusted if anything, upward or downward, just
8 like we're looking constantly at all the economic
9 factors and conditions, but we're watching very
10 closely what happens given the war in Iran and other
11 factors, including monetary policy like tariffs,
12 etcetera.

13 COUNCIL MEMBER HANKS: Thank you so much.

14 Thank you, Chair. Thank you, Council. Great job.

15 DIRECTOR SOLIMAN: Thank you, Council

16 Member.

17 CHAIRPERSON LEE: Lots of Staten Island

18 love I see. Actually, can I follow up on the Council
19 Member's question? So, in terms of the changes in
20 the forecast, because we want to be able to better
21 understand how you guys are assessing that, so would
you be able to send us forecast memo with assumption
tables and methodology to the Council in the next few
days? Only-

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3 DIRECTOR SOLIMAN: [interposing] Well, the
4 Preliminary Budget has pretty much all of that
5 information. If there's another- if there's like
6 additional-

7 CHAIRPERSON LEE: [interposing] But not
8 just that like one point in time. So, I just want to
9 know the behind thinking and methodology as well as
10 the forecast in terms of how you forecast. Sorry.
11 Assumption tables and methodology.

12 DEPUTY DIRECTOR GOLDSTEIN: We put out-
13 we put out a methodology book every year that has-
14 it's quite a book. It's a great resource.

15 CHAIRPERSON LEE: Yeah.

16 DEPUTY DIRECTOR GOLDSTEIN: Actually, I
17 recommend it. It's about 350 pages of our
18 methodology and how we actually go about- it's a
19 really good resource. I recommend it.

20 CHAIRPERSON LEE: Okay. And when was that
21 last updated? It's on an annual basis you're saying?

DEPUTY DIRECTOR GOLDSTEIN: Yeah, I think
the fall of last year, about probably five or six
months. It gets updated every year.

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3 CHAIRPERSON LEE: Okay. And so if I'm-

4 DEPUTY DIRECTOR GOLDSTEIN: [interposing]

5 If you're talking about in terms of going forward,
6 right, like the Budget Director was saying,
7 Preliminary Budget includes all of our assumptions
8 through essentially, you know, mid-January. We're
9 going to be updating that with the Executive Budget.
10 We don't have anything concrete at this point, as
11 where this is in process.

12 CHAIRPERSON LEE: Okay. And this is the
13 case with the sales taxes, everything, right?

14 DEPUTY DIRECTOR GOLDSTEIN: Yeah, it's
15 all combined. It's- we put together a macro forecast,
16 a city forecast, a tax revenue forecast that's in
17 process right now, that we're taking in all the
18 information that we can in trying to assess.

19 CHAIRPERSON LEE: Okay. So, within the
20 year, you guys don't change it at all.

21 DEPUTY DIRECTOR GOLDSTEIN: The
methodology book? No.

CHAIRPERSON LEE: No.

DEPUTY DIRECTOR GOLDSTEIN: That's-

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3 CHAIRPERSON LEE: [interposing] Okay.

4 Alright. Let me see- okay. And just really quickly
5 on over-budgeting social security contributions. So,
6 in FY 25 the city spent about \$2.5 billion on federal
7 payroll taxes to Social Security and Medicare and a
8 similar amount was spent in FY 24. And currently,
9 the Preliminary Plan includes about \$2.9 billion
10 budgeted for this expense in FY 26, or about 16
11 percent higher than was spent last year. And then
12 similarly, the plan proposes over \$3 billion for FY
13 27. So, based on the currently budgeted salaries and
14 wages of roughly \$35 billion for FY 26 and based on
15 the current Social Security, Medicare payroll tax
16 rate, total spending this year should be- only be at
17 about \$2.7 billion or \$200 million less than
18 budgeted. And that is assuming full employment with
19 no vacancies. FY 27 also appears to be over budgeted
20 by about \$250 million. And so question- the first
21 question around this is why do the budgets for these
amounts seem so out of proportion to the recent
actual spending?

DIRECTOR SOLIMAN: I don't know, Chair,
that I would characterize it as over-budgeting. I

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3 think what we tried to do is do our best to forecast
4 what the actual FICA contributions will be. I think
5 we look at things like, you know, overtime and try to
6 assess where overtime is going to land, because that
7 obviously has an impact. We also look at city
8 employees don't join the pension system immediately
9 sometimes, right? You join later and you buy back
10 time, and when you join it's like that's when the
11 FICA contributions kick in, and it's like whether
12 you're maxing out on deferred comp and all kinds of
13 stuff, that will dictate that. So, I think that's
14 something that we also look at. We try to project as
15 best as possible. So, it's not like we're
16 over-budgeting so that we have a cushion one way or
17 the other. We're just making sure that we're trying
18 to accurately assess what behavior might lead to, and
19 that's sort of the methodology that we have.

20 CHAIRPERSON LEE: And then in terms of
21 the category you mentioned with folks that may be
signing up later for pension and all of those things,
what's the average time period that it takes usually
for someone to get onto that plan for city employees?

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3 DIRECTOR SOLIMAN: That's a good
4 question. I mean, I think we'd have to go to the
5 pensions systems for some-

6 CHAIRPERSON LEE: [interposing] Okay.

7 DIRECTOR SOLIMAN: data on buy-back
8 applications.

9 CHAIRPERSON LEE: Okay.

10 DIRECTOR SOLIMAN: Because typically when
11 that happens- but generally speaking, if you're
12 appointed a civil service title-

13 CHAIRPERSON LEE: [interposing] Right.

14 DIRECTOR SOLIMAN: if you don't join right
15 away, six months after your appointment you're
16 mandated in, and that's by operation of law into a
17 pension system, right? But for other titles like
18 managerial titles, there's a choice. You can join
19 the voluntary deferred contribution program or you
20 can join the pension system. So, it really depends
21 on the kind of title, and you know, I think agencies
do a good job of orientation up front to get folks to
go forward, but it just- naturally, some folks will
wait and not join, and that impacts it.

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3 CHAIRPERSON LEE: Okay. If you have any
4 data around that, that would be great. Just to
5 figure out maybe by the title of managerial versus
6 not, and then also in terms of what that average time
7 is. I'd be curious to just see what that looks like
8 if you could provide that. And then how are the
9 estimates- which you sort of just went into right now
10 for the payroll tax contributions determined? Which
11 is just when they join, all of those things, or what?

12 DIRECTOR SOLIMAN: Pretty much the same
13 thing.

14 CHAIRPERSON LEE: Yeah.

15 DIRECTOR SOLIMAN: Yeah. We're looking
16 at sort of the ebb and flow of, you know, overtime
17 and when they may join and try to make our best
18 projections based on that and headcount, hiring flow.

19 CHAIRPERSON LEE: Okay. And I think this
20 has been mentioned a few times today about how
21 property tax inequality- obviously, the system- I
think both of us share on both sides of City Hall,
recognize that the process itself needs to be
reformed. And so just wanted to know if you could
share what property tax reforms your office has

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3 considered, maybe in your previous role, I don't
4 know? Or how would they affect the budget, and how
5 would they help New Yorkers who are unfairly
6 burdened?

7 DIRECTOR SOLIMAN: Yeah. So, we're
8 working on the proposal as we speak. I think that as
9 we've mentioned it is modeled after the Advisory
10 Commission recommendations, and so things that are
11 major drivers of the inequity like assessed value
12 caps that have led to sort of the uneven growth in
13 tax bills over the years, looking at that, looking at
14 fractional assessments, but then- so those are the
15 structural reforms. Sales based on co-ops and condos
16 versus comparable rentals, and then looking at it
17 from there to say if you do the structural reforms,
18 how can you layer on homeowner relief programs for
19 primary residents? Homestead exemption is a primary
20 exemption tool to give, you know, percentage break
21 off of the property tax bill, but then a circuit
breaker to say let's look at the ratio between income
and between property tax paid, and then how could you
provide some credit for the amount above what's
determined to be an excess. So, that just gives you

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3 a flavor of the kinds of things that we're looking
4 at, but clearly there's more that we want to do.
5 We're addressing the residential class. We need to
6 look at other things. We need to look at the
7 incidents on renters. We need to look at so much in
8 the property tax system. That's what we're busy at
9 work trying to do. We'll have a proposal soon, and
10 of course, we'll be in touch on what is in that
11 proposal.

12 CHAIRPERSON LEE: Okay. That was going
13 to be my next question was timeline, because I know
14 that we've been- you know, the city's been talking
15 about this for several years. And so just wondering
16 when the timeline would be for that?

17 DIRECTOR SOLIMAN: Yeah, it's going to be
18 soon. I think it probably, you know- as an incoming
19 Mayor to say that he's going to tackle property tax
20 reform and come up with a proposal in the first few
21 months of the administration, I think is significant,
and we'll be able to do that and be able to explain
our approach.

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3 CHAIRPERSON LEE: Okay, perfect. Dare I
4 say, I think I might be done. We might be done.
5 Yay. Okay. But yes, thank you so much. I want to
6 thank the staff of the admin. Godspeed. I will keep
7 praying for these Chief Savings Officers because it
8 seems like we're putting a lot on their shoulders,
9 but we look forward to seeing that report, and
10 obviously ongoing conversations. Thank you.

11 DIRECTOR SOLIMAN: Thank you so much,
12 Chair. I appreciate it.

13 CHAIRPERSON LEE: And with that, I'm
14 closing out today's hearing.

15 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date June 17, 2026