

COMMITTEE ON FINANCE

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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March 5, 2025

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HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Justin L. Brannan, Chairperson

COUNCIL MEMBERS:

Diana Ayala
Gale A. Brewer
Selvena N. Brooks-Powers
David M. Carr
Amanda Farías
Kamillah M. Hanks
Crystal Hudson
Farrah N. Louis
Francisco P. Moya
Chi A. Ossé
Keith Powers
Yusef Salaam
Pierina Ana Sanchez
Althea V. Stevens
Nantasha M. Williams
Julie Won

OTHER COUNCIL MEMBERS ATTENDING:

Adrienne Adams, Speaker
Shekar Krishnan
Joann Ariola
Linda Lee
Rita C. Joseph
Lynn C. Schulman
Sandra Ung
Mercedes Narcisse
Carlina Rivera
Kevin C. Riley
Shaun Abreu
Sandy Nurse
Lincoln Restler
Alexa Avilés
Carmen N. De La Rosa
Julie Menin

A P P E A R A N C E S

Jacques Jiha, Director of the New York City Mayor's Office of Management and Budget.

Ken Godiner, First Deputy Director of the New York City Mayor's Office of Management and Budget

Latonia McKinnery, Senior Deputy Director for Intergovernmental Relations and Education of the New York City Mayor's Office of Management and Budget

Tara Boirard, Senior Deputy Director for Housing and Economic Development, Infrastructure, Value Engineering and Technical Services, Budget Resources, and Recovery, Grant Management and Community Development of the New York City Mayor's Office of Management and Budget

Brad Lander, Comptroller for the New York City Comptroller's Office

Francesco Brindisi, Executive Deputy Comptroller for the New York City Comptroller's Office

Krista Olson, Deputy Comptroller for Budget for the New York City Comptroller's Office

Louisa Chafee, Director of the New York City Independent Budget Office.

Sarah Parker, Senior Research and Strategy Officer at the New York City Independent Budget Office

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

Sarita Subramanian, Senior Research and Strategy Officer at the New York City Independent Budget Office

Preston Niblack, Commissioner of the New York City Department of Finance

Jeffrey Shear, First Deputy Commissioner of the New York City Department of Finance

Jacqueline James, Chief Financial Officer and Deputy Commissioner for Administration of the New York City Department of Finance

George Sweeting, Senior Fellow at the Center for New York City Affairs at the New School

Gabriela Sandoval Requena, Director of Policy and Communications at New Destiny Housing

Candice Ficalora, President of Local 1757 of DC37

Keriann Pauls, Interim Executive Director at TakeRoot Justice

Sarita Daftary, Co-Director of Freedom Agenda

Hailey Nolasco, Senior Director of Government Relations at the Center for Justice Innovation

Jane Fox, Chapter Chair of the Legal Aid Society Attorney's Chapter at the Association of Legal Advocates and Attorneys

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

Alice Mo, Public Affairs and Advocacy Associate
at Homecrest Community Services.

Agnes Kim, Family Homelessness Coalition

Nikita Boyce, Budget Policy Coordinator at the
Coalition for Asian American Children and
Families

Thomas Gogan, Move the Money New York City
Coalition

Kimberly Olsen, Executive Director of the New
York City Arts and Education Roundtable

Sharon Brown, Rose of Sharon Enterprises

Christopher Leon Johnson, self

Ruth Lopez Martinez, Director of Pa'lante Green
Cleaning Cooperative

Elizabeth Polanco, Radiate Consulting NYC

Juan Cuaulte, Director of the Cooperative
Development Program at the Center for Family Life
in Sunset Park

Melat Seyoum, Director of Political Affairs and
Strategic Partnerships at the New York City
Network of Worker-Owned Cooperatives

Scott Trumbull, Co-Executive Director at The
Working World

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

Carlyn Cowen, Chief Policy and Public Affairs
Officer of the Chinese American Planning Council

Sierra Kraft, and I'm the Executive Director of
ICARE

Kevin Ly, self

Sienna Fontaine, General Counsel at Make the Road
New York

Matthew Weber, self

Akiana Smith, Director of Community and Court
Navigation at the Women's Community Justice
Association

Marianne Pizzitola, President of the New York
City Organization of Public Service Retirees

Audacia Ray, Interim Executive Director at the
New York City Anti-Violence Project

Tierra Labrada, Director of Policy and Advocacy
with the Supportive Housing Network of New York

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2 SERGEANT-AT-ARMS: This is a microphone
3 check for the Preliminary Budget Finance Hearing.
4 Today's date is March 5, 2025, located in the
5 Chambers. Recording is done by Rocco Mesiti.

6 SERGEANT-AT-ARMS: Good morning, and
7 welcome to the New York City Council hearing of the
8 Committee on Finance.

9 At this time, can everybody please
10 silence your cell phones.

11 At this time and going forward, no one is
12 to approach the dais. I repeat, no one is to approach
13 the dais.

14 Chair, we are ready to begin.

15 CHAIRPERSON BRANNAN: Thank you, Sergeant.
16 [GAVEL] Okay. Good morning, and welcome to today's
17 hearing of the Committee on Finance on the FY26
18 Preliminary Budget. I'm Council Member Brannan. I
19 chair the Committee on Finance.

20 We have a full agenda today. We'll hear
21 from the Office of Management and Budget, the
22 Comptroller, the Independent Budget Office, the
23 Department of Finance, and of course, and most
24 importantly, the public.

25

Before we begin, I want to remind members of the public who wish to testify in person to please fill out a witness slip with the Sergeant-at-Arms.

And at this time, I'd like to introduce my Colleagues and extend my sincere gratitude to the dedicated Staff of the City Council Finance Division for their tireless efforts in preparing for today's hearing. This work doesn't happen on its own, and I want to acknowledge the mighty team of dedicated professionals who make it all possible, starting with our CFO, Deputy Chief-of-Staff to the Speaker, Tanisha Edwards; Finance Director, Richard Lee; Managing Director, Jonathan Rosenberg; Deputy Directors, Emre Edev, Chima Obichere, Paul Scimone, Eisha Wright; Assistant Director, Elizabeth Hoffman; Chief Economist, Dilara Dimnaku; Supervising Economist, Paul Sturm, William Kyeremateng, and Andrew Wilbur; the Unit Heads, Aliya Ali, Julia Haramis, Florentine Kabore, James Reyes, and Jack Storey; Finance Counsel, Nicholas Connell; my Committee Counsel, Brian Sarfo; and my Senior Advisor, John Yedin; and the many Finance Analysts, Economists, and Support Staff who work behind the scenes to bring everything together.

We're here today to examine the Mayor's 114.5-billion-dollar preliminary budget for FY26, which is 2.1 billion dollars less than our current year budget.

But before I go any further, I want to invite our Leader, Speaker Adrienne Adams, to share her opening remarks.

SPEAKER ADAMS: Thank you very much, Chair Brannan. Good morning, everyone.

Welcome to today's hearing on the Fiscal Year 2026 Preliminary Budget. Today, we will hear testimony from the Office of Management and Budget, the Comptroller, the Independent Budget Office, the Department of Finance, and, of course, members of the public.

Before we begin, I too would like to acknowledge my fellow Council Members who are present here today and thank our Finance Committee for all of your hard work and dedication.

The Fiscal Year 2026 Preliminary Budget totals 114.5 billion dollars, a decrease of roughly 1 billion dollars since adoption of the Fiscal Year 2025 Budget last June. The Preliminary Budget closes the 5.5-billion-dollar gap that was estimated in the

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2 Fiscal Year 2026 November Plan through 3.2 billion
3 dollars in new City revenues, 2.4 billion dollars in
4 savings from asylum-seeker costs, 1.4 billion dollars
5 from the Fiscal Year 2025 in-year reserve, and 1.6
6 billion dollars in other sources. Along with closing
7 the gap, the Preliminary Budget also added roughly
8 3.1 billion dollars in new agency spending in Fiscal
9 Years 2025 and 2026. The current plan includes more
10 than 2.5 billion in new needs in Fiscal Year 2025 and
11 almost 5 million dollars in Fiscal Year 2026. This
12 includes funding for vital programs such as 80
13 million dollars for Summer Rising at the Department
14 of Education, 12.4 million dollars for 230 additional
15 second shift workers in city parks, and more than 115
16 million added to the Department of Homeless Services
17 for safe haven expansion and street outreach. The
18 Council has long supported these programs and
19 welcomes their inclusion in the budget, but there is
20 still important funding missing.

21 In addition, we know that the Trump
22 Administration's extreme budget actions have been
23 harming working families and its further actions
24 threaten the City's budget. The Preliminary Budget
25 includes 9.7 billion dollars of federal funding in

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2 Fiscal Year 2025 and 7.4 billion dollars in Fiscal
3 Year 2026. We have already seen the beginning of this
4 after the so-called Department of Government
5 Efficiency attempted to rescind 80 million dollars in
6 FEMA funding that had already been allocated to the
7 City. Our City must be prepared to defend New Yorkers
8 and work with other cities across the country facing
9 similar threats and work closely, of course, with our
10 state government. Director Jiha, we look forward to
11 hearing how OMB will be managing these fiscal
12 challenges and uncertainties regarding the future of
13 our city while ensuring the City budget is prudent in
14 protecting New Yorkers. We hope to work together and
15 find a solution to the problems that we face today.

16 Thank you all very much. I turn it back
17 over to our Chair.

18 CHAIRPERSON BRANNAN: Thank you, Madam
19 Speaker.

20 We'll get to our usual budget back and
21 forth shortly, and there's plenty to talk about. We
22 have an elephant in the room today that has to be
23 addressed. The Council is deeply concerned about the
24 threat the Trump Administration and DOGE pose to New
25 York City. About 9 percent of the City's budget comes

from federal funds. If even a small fraction of that were cut, there would be a hole in our budget that would make the titanic iceberg blush. Let's be clear. We're not just talking about numbers on a page. These cuts are going to hit real New Yorkers hard, especially when it comes to emergency food assistance, housing, and healthcare. What's equally troubling is the apparent lack of a plan from City Hall to fight back. The recent 80 million dollars FEMA funding clawback that the Speaker mentioned is a perfect example of how compromised our City's position has become by an administration that is unwilling to push back or even criticize Donald Trump. When it was time to challenge this illegal seizure of funds, City Hall allegedly dumped the problem onto the laps of rank-and-file staffers trying to force them to sign documentation to file a lawsuit. This kind of paralysis is unacceptable and could be cataclysmic for the budget. New York City has never backed down from a fight, but right now the response feels particularly boneless. We need leadership that will stand firm against these attacks on our resources and our values and not be afraid to upset a petulant President. We've got enough to worry

about right here in our own backyard to be fighting over whether or not we need to stand up to Washington when they are very clearly out to punish the City of New York.

So, let's talk about this budget. Back in early January, the Mayor released the Preliminary Plan giving us our first look at the FY26 budget. At that time, the Speaker, my Colleagues, and I acknowledged the Administration's efforts to address the housing crisis through investments in our City for All plan. However, we also sounded the alarm on a number of harmful cuts that, if not reversed in the adopted budget, will have serious consequences for families across New York City. For instance, vital and popular education programs that have supported students and working families alike, such as 3K, were not included in this proposal. Mental health funding falls dramatically short of what's needed to address the real scope of the crisis our City is facing. Parks and green spaces continue to be severely underfunded, with no restoration after years and years of compounded cuts. CUNY, one of the greatest engines of opportunity in our city, is once again being asked to do more with less, leaving students

and faculty struggling as funding fails to keep up with rising costs.

But we're not here today just to discuss numbers on a spreadsheet. We're here to hold this Administration accountable for its budget decisions. And make no mistake, budgets are about priorities, and those priorities are a choice. Indeed, the Adams Administration has too often framed fiscal choices as inevitabilities, rather than policy decisions. The cuts we are seeing, whether to 3K, libraries, parks, cultural institutions, or mental health services, are not mandatory. They are policy choices. Choices that this Council and we believe most New Yorkers do not agree with. This Administration has leaned heavily on doom and gloom rhetoric when talking about the City's finances, claiming that cuts are necessary, while refusing to engage in real transparency about where the money is and where the money is going. Just last year, we saw the Administration announce major budget cuts, only to later magically find billions of dollars that were never actually missing, to reverse some of the harmful cuts made just months prior. These types of manufactured crises erode public trust and put working families on edge, people who rely on

the very services this Administration keeps trying to cut. The NYPD's overtime budget has ballooned past 1 billion dollars, while schools, libraries, and essential services are forced to make do with less every year. The Administration continues to fail on collecting hundreds of millions in fines and fees owed to the City, with no plan that we're aware of to make this right. The Administration continues to spend record amounts on outside and often dubious consultants, while underfunding City agencies that actually do the work and desperately need the funds. At the same time, non-profit organizations that provide essential services like housing assistance, food programs, and mental healthcare are still waiting to be paid back for work that they've already done. Our non-profit organizations step up when the City needs the most, but instead of being paid on time, they're often left chasing down funding that was already allocated to them. It's a broken system, one where politically connected vendors and consultants get their money quickly, while the non-profits actually doing the work for our communities are left struggling to make payroll. This pattern is not one of fiscal discipline, but of mismanagement.

It's a false choice of fake austerity, and New Yorkers are tired of it.

Despite these proposed cuts, New York City's economy has proven to be durable and resilient. Tax revenues have exceeded OMB's expectations time and time again, just as our Council's economists have predicted. The Administration has adjusted its outlook to reflect the stronger-than-expected recovery. Right here in New York City, payroll unemployment grew by 83,000 positions in 2024, and tourism has bounced back to pre-pandemic levels, as noted in the Federal Reserve's Beige Book. With these economic realities in mind, we cannot and will not accept a budget process built on fear, false choices, or misleading numbers. This is why the City Council will continue to push back against unnecessary cuts and insist on a budget that puts working New Yorkers first.

If the Administration is serious about having an honest conversation about the City's finances, we are ready to work as partners in good faith, as we always are. But what we will not accept is a budget process that manufactures crises to

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2 justify harmless cuts and shortchanging working
3 people.

4 At this time, I'll turn it over to my
5 Committee Counsel to swear in our witnesses for
6 testimony, and we can get started. Thank you.

7 COMMITTEE COUNSEL SARFO: Good morning. Do
8 you affirm to tell the truth, the whole truth, and
9 nothing but the truth before this Committee, and to
10 respond honestly to Council Member questions?
11 Director Jiha.

12 DIRECTOR JIHA: Yes, I do.

13 COMMITTEE COUNSEL SARFO: First Deputy
14 Director Godiner.

15 FIRST DEPUTY DIRECTOR GODINER: I do.

16 COMMITTEE COUNSEL SARFO: Senior Deputy
17 Director McKinnery.

18 SENIOR DEPUTY DIRECTOR MCKINNERY: I do.

19 COMMITTEE COUNSEL SARFO: And Senior
20 Deputy Director Boirard.

21 SENIOR DEPUTY DIRECTOR BOIRARD: I do.

22 CHAIRPERSON BRANNAN: You can begin.

23 DIRECTOR JIHA: Good morning, Speaker
24 Adams, Chair Brannan, and Members of the Finance
25 Committee and City Council. Thank you for the

opportunity to testify here today about the Fiscal Year 2026 Preliminary Budget. My name is Jacques Jiha. I'm the Director of the New York City Mayor's Office of Management and Budget. I'm joined by OMB First Deputy Director Ken Godiner, Senior Deputy Director for Intergovernmental Relations and Education, Latonia McKinnery, and Senior Deputy Director for Housing and Economic Development, Infrastructure, Value Engineering and Technical Services, Budget Resources, and Recovery, Grant Management and Community Development, Tara Boirard.

Today, I will give you a budget overview, including the investment we will be making in working-class New Yorkers and families and, of course, I will discuss the challenges we face as we approach the Executive Budget in hopes that we can once again work together to overcome these hurdles and ultimately deliver a fourth successful and on-time adopted budget that delivers for New Yorkers. The Fiscal Year 2026 Preliminary Budget is balanced at 114.5 billion dollars, with gaps of 4.2 billion dollars, 5.4, and 5.1 billion dollars in Fiscal Year '27 through Fiscal Year 2029, which are all lower than at the November 2024 Financial Plan update. Not

only did we close the 5.5-billion-dollar budget gap in the upcoming Fiscal Year, but we also made a 2.3-billion-dollar prepayment from Fiscal Year '25 into Fiscal Year '26. Also, we are going into Fiscal Year '26 with a reserve of 8.5 billion dollars, demonstrating our responsible stewardship of the City's long-term finances.

The Administration's ongoing strong fiscal management and laser focus on policies that keep New York City a safe and clean place to live, work, and raise a family has set the table for a thriving local economy. Job creation is at an all-time high, and unemployment has dropped in all demographics, with black and Hispanic joblessness down more than 20 percent since this Administration took office. Tourism is at a near record level and is expected to exceed pre-pandemic levels by the end of the year. Our success, coupled with strong national economy, led to an upward revision of City tax revenues by 1.1 billion dollars in Fiscal Year '25 and 2 billion dollars in Fiscal Year '26, compared with the November 2024 Financial Plan Update. These gains are driven by growth in business taxes, fueled

by strong world performance in 2024, which is expected to continue in '25 and '26.

Savings in this plan total 3.4 billion dollars over Fiscal Year '25 and '26, which includes 2.7 billion dollars in citywide savings, over 270 million dollars in pension savings, and 400 million dollars in labor reserve savings. As we typically do over the final months of the budget cycle, we will work with agencies to identify underspending savings. This will have no impact on programs or service delivery.

The savings over Fiscal Year '25 and '26 include a 2.4-billion-dollar reduction in the cost of caring for asylum seekers. As the population in the City's care declines, so do associated costs. The City efforts to help asylum seekers achieve self-sufficiency, including our 30-day and 60-day notice policies, together with federal policy changes that we vigorously advocate for, have stabilized the crisis. Since the implementation of border controls by the Biden Administration in June 2024, there have been 25 straight weeks of sustained decline in the number of asylum seekers in our care, which has fallen from a peak of 64,000 in January 2024 to

43,300 now. As a result of the census decline, we have consolidated sites and closed 37 sites this Fiscal Year to date, and will have closed 53 emergency migrant shelters between June '24 and June '25. These closures, alongside ongoing efforts to renegotiate contracts, rebuild services, and reduce utilization of for-profit service providers, have generated total asylum seeker savings over just three fiscal years of nearly 5.2 billion dollars. Through February, New York City has spent more than 7.1 billion dollars to feed, house, and care for more than 232,600 asylum seekers since the spring of 2022, and we have done this without raising taxes, laying off employees, or making major cuts to programs or services. While the State contributed 3.1 billion dollars in direct financial aid over Fiscal Years '23 through '25, the Governor's Executive Budget does not include the 1 billion dollars that we assumed in our financial plan to help balance the Fiscal Year 2026 budget. We will continue to work with the State to secure resources to cover the costs of the over 43,300 asylum seekers that are still in our care. However, by failing to provide funding next Fiscal Year, we now have a 1-billion-dollar hole in the

budget that must be filled within seven weeks.

Further, in mid-February, the federal government seized 80 million dollars in reimbursement funding from the City's bank account. In the Preliminary Budget, we applied 59 of those funds toward balancing Fiscal Year 2026. In response to the seizure, the City filed a lawsuit on February 21st to reclaim those funds, though it is unlikely to be resolved before the Executive Budget is released in early May.

There are additional federal actions that could have an impact on New York City's finances that are not reflected in the current financial plan, including the potential impact of executive orders and the recent Budget Resolution Blueprint. While we are closely monitoring developments, we are hampered by the lack of clear and unambiguous guidance that will allow us to assess the full risks.

Despite the many challenges we have faced, the top four independent credit-rating agencies with the City's bonds, namely, Moody's, S and P, Fitch, and Kohl, continue to validate our fiscal management approach. And despite all of our challenges, I am pleased to report that last week

they all upheld the City's high credit ratings and stable fiscal outlook.

Because we have stabilized the budget and have benefited from a strong economy, in this plan we were able to invest 1.2 billion dollars this Fiscal Year to protect critical programs that face cliffs and fund mandated state and federal programs. This includes more than half a billion dollars to meet increased demand for a non-asylum seeker shelter, over 300 million dollars in rental assistance, primarily for CityFHEPS, 225 million dollars to make sure every school has access to a nurse, and an additional 60 million dollars for supportive housing. We also added funding for state mandates, including more than 240 million dollars in additional MTA support and almost 140 million dollars for foster parents, adoptive parents, and kinship guardians. On top of backfilling cliffs and meeting funding mandates, we made investments to ensure that the city is affordable, safe, and clean so that it remains a welcoming place to raise a family.

To address the affordable housing crisis, we have fully funded the historic City of Yes for Housing Opportunity, the most significant update to

the City's zoning in more than 50 years, which we are proud to have passed with this City Council. This ambitious legislation will create up to 80,000 new homes and invest 5 billion dollars, which includes 1 billion dollars from New York State, in housing and infrastructure over the next 15 years. To keep people in their homes, we have deepened our investment in the Anti-Harassment Tenant Protection Program Legal Services to proactively engage more tenants experiencing landlord harassment. And to help put more money in the pockets of vulnerable New Yorkers, we have funded the Mayor's innovative Axe the Tax for the Working Class proposal to bring significant tax relief to working families. By eliminating and cutting City personal income taxes for eligible tax filers, we'll be putting 63 million dollars back in the pockets of 582,000 tax filers and their families.

We have increased our investment in public safety and mental health by funding Mayor Adam's bold 2025 State of the City's commitment to support public safety and give homeless New Yorkers and those with severe mental illness the help they need through a 650-million-dollar plan. This includes adding 900 Safe Haven beds and expanding around-the-

clock street and subway outreach. We are also launching the Bridge to Home pilot so that New Yorkers with serious mental illness can have access to psychiatric and substance abuse treatment and find temporary housing. Further, we are supporting a novel program to help connect expecting parents with permanent housing to prevent lifelong cycles of poverty and homelessness.

On top of the investment this Administration has already made in our youngest New Yorkers, we are continuing support for the Summer Rising and enrichment programming, which includes a saving restoration for extended hours and Friday services to about 30,000 middle school participants. We are also maintaining our commitment to the Learn to Work program, which helps re-engage students who have fallen behind earn a high school diploma, and prepare for college and careers. And recognizing the importance of keeping our children safe, we are expanding swim safety programming to an additional 4,800 students. To provide career readiness opportunities for students, we have expanded the Pathways program. Over the course of the administration, our young people have earned a record

18 million dollars in paid apprenticeships and work-based learning opportunities in New York City's public schools. This expansion will include new pathways for HVAC, decarbonization, and social and human services, and adds 36 more schools to the program.

To help keep the city clean and green and improve the quality of life across the five boroughs, the Preliminary Budget adds funds to the Parks Department's budget to support the Mayor's commitment to expand second-shift cleaning to 200 more hotspots at 60 parks. Additional Park staff will also be hired to treat up to 44,000 tree beds annually to help reduce the rat population and address public service requests.

Further, we funded 54 new programming and support staff such as recreation specialists and lifeguards at the new Shirley Chisholm Recreation Center in East Flatbush that is set to open in the fall of 2025. And to ensure that more families have safe, supportive places to play in their own neighborhoods, we are opening additional schoolyards for use as public playgrounds, which will put 20,000 more New Yorkers within walking distance of a park.

Finally, we have invested in the City's largest ever 10-year capital plan. Over the next decade, we will invest 170 billion dollars to build and maintain roads, bridges, schools, water and sewer facilities, libraries, and transportation systems in neighborhoods across the five boroughs. This includes 24.5 billion dollars for affordable housing, 26 billion dollars for schools, 10 billion dollars for New York City parks, and 2.8 billion dollars for cultural institutions and libraries.

To conclude, I'm happy to report that we are managing our way through a profound humanitarian crisis without major disruptions to program or services, no layoff, and not a single cent in tax increases. However, we are not out of the woods. On top of the budget threats that I discussed earlier, there are risks on the horizon that could impact our economic outlook. Notably, tariff increases could disrupt international trade and increase the price of goods and even strengthen the U.S. dollar, which makes us less competitive and reduce exports. Stricter immigration policies could create labor shortages and increase prices, while reductions to government spending could weigh down economic growth.

Tax cuts may increase the country's budget deficit, which could cut out private investment. On the other hand, tax cuts, increased deregulation, and increased oil and gas production may spur economic growth, especially if coupled with productivity-enhancing investment. Because we released a Preliminary Budget days before the current administration took office, these factors are not baked into our current forecast. We will account for them in the upcoming forecast that will be released along with the Executive Budget in early May. I look forward to working with the City Council as we move towards adoption to support our recovery, promote public health and safety, and expand affordability and opportunity and invest in the lives of working-class New Yorkers. Thank you, and I look forward to your questions.

CHAIRPERSON BRANNAN: Thank you, Director Jiha.

Before we turn it over to start questions, we've been joined by my Colleagues, Deputy Speaker Ayala, Majority Leader Farías, Council Member Moya on Zoom, Council Members Louis, Brewer, Hudson, Stevens on Zoom, Sanchez, and Williams, as well as

Council Members Salaam and Carr, Council Member Lee, Council Member Narcisse, Council Member Riley, Nurse, Avilés, and Council Member De La Rosa.

Okay. I'm going to hand it over now to Speaker Adams for her questions.

SPEAKER ADAMS: Thank you very much, Mr. Chair. Glad to see you all here today. Welcome once again.

Since his election, the President has been handing down edicts, many of which are dubious in their legality, stating his intention to bring other levels of government into line. The essence of the President's threats is that he can force New York City to change its fundamental governing policies out of fear of a loss of funding. The Preliminary Plan includes 9.7 billion dollars of federal funding in Fiscal Year 2025 and 7.4 billion dollars in 2026, which would likely grow as the Fiscal Year proceeds. Because of the Trump White House's tactics, all of these funds have a potential to be disrupted. Has OMB done any analysis of the federal funding streams and which of those are most likely to be affected by the whims of federal government, and will OMB work with Council Finance to identify a full list and amount of

dollars of all federal programs and grants that each agency receives?

DIRECTOR JIHA: Yes, Madam Speaker. Our objective to begin with is to protect our revenue streams to the best that we can. But given the size of the federal aid that comes to New York City, close to 10 billion dollars, we cannot, at this moment in time, make a blanket statement or blanket promise that we could backfill every single one of any potential actions that could impact New York City. More importantly, we don't want to send a signal to Washington that they could cut our budget with impunity. So, our goal is to review every situation and make the appropriate recommendation to the Mayor and to the City Council, but we will be working with the City Council. We are currently working with your Staff. I believe we share on a weekly basis because we have a tracker where every agency that receives notices from the federal government, they send them to us. We keep a tracker and then we share them with your staff and whoever wants that information. But, again, as I said, we do not want to send a signal at all to Washington that they can cut our budget with impunity.

SPEAKER ADAMS: Understood. But is there a contingency plan? Are you working on a contingency plan?

DIRECTOR JIHA: Rest assured that we are.

SPEAKER ADAMS: Very good. The Council, as you know, is most focused on entitlement programs like Head Start, housing vouchers and SNAP benefits so we hope that we are indeed keeping those things in mind as we proceed.

And looking at the education funding cliff, last year the Council pushed for the inclusion of funding to replace expiring federal COVID relief funds that were being used to a number of programs at DOE. The Administration provided 247 million dollars in Fiscal Year 2025 only. This includes 154 million dollars for New York City School support services, 41 million dollars for arts in schools, and 12 million dollars for restorative justice. Additionally, a total of 197 million dollars in one-time City funding was provided for early childhood education, which includes 112 million dollars for 3K, 25 million dollars for the extended day pilot, 55 million dollars for preschool special education classes, and 5 million dollars for marketing and outreach. Other

crucial programs that have consistently been funded on a year-by-year basis, including the mental health continuum and community schools, totaling 41 million dollars. This is a total of 485 million dollars in City funds. These funds were not included in the Preliminary Plan for Fiscal Year 2026. The Administration should fund and baseline these programs in the executive plan. Why didn't OMB baseline these funds as requested by the Council in last year's budget?

DIRECTOR JIHA: As you can see, Madam Speaker, we have a lot on our plate. While we're trying to protect our revenue stream, at the same time, we have to find resources to keep some critical programs going because these programs were funded with stimulus funds. So, we're working every day looking for sources of revenues to make sure that those critical programs continue. But as I said, this is a very tough environment. It's tough for everyone because we're playing defensive everywhere. While we're trying to protect our revenue stream from the actions taken by the new Administration, at the same time, we have to continue to look for resources to fund those programs. And as I said, we will continue

to work with you and your Staff as we get closer to adoption. We know these programs are very critical and working very hard to make sure that there's funding available for them.

SPEAKER ADAMS: Okay. That's very, very important to us.

In looking at immigration funding, over the years, New York City has demonstrated its commitment to protecting immigrant communities through its sanctuary policies, direct allocations, and advocacy for state and federal resources. The federal government's overreach has created a climate of fear and uncertainty among immigrant communities, resulting in a decrease in accessibility to essential services and support for some of New York City's most vulnerable populations. Will the City commit more funds to protect our immigrant families from federal overreach?

DIRECTOR JIHA: Again, as I said, Madam Speaker, we continue to evaluate every single one of these programs and we will work with your Staff as we get closer to adoption to see what can be done. As I said, we cannot make any guarantee, any promise at this moment in time because so many things coming at

us. We don't know what's going to stick, what's not going to stick, and what's going to be the impact. But again, as I said, we will continue to work to do our best to make sure that these communities are protected as best as we can.

SPEAKER ADAMS: Okay. We want to keep all of these issues top of mind because the Council firmly believes in protecting all of these issues, and we would like a commitment eventually.

In turning our attention to Rikers, as it becomes clear that the Administration will fail to meet the legal deadline to construct the borough-based jails, we've been engaging with the Administration to discuss how to move the plan forward. We've been informed by the Administration that there is approximately 1.5 billion dollars currently budgeted for initiatives to reduce the jail population and provide responsible alternatives to incarceration. Can you confirm that the budget includes this funding, and what programs and services does the Administration currently fund to meet the goals of responsibly reducing the jail population?

DIRECTOR JIHA: I was not part of that specific conversation, so I cannot vouch for that 1.5

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2 billion dollars. But what I know for sure, we have a
3 number of programs that are funded in the plan. We
4 have transitional housing. It's about 58 million
5 dollars. We have reentry planning services, 37
6 million dollars. We have mental health treatment, 21
7 million dollars. Supervised release, 109 million
8 dollars. We have discovery and case processing
9 funding, 202 million dollars. And we have crisis
10 intervention training for about 15 million dollars.
11 So again, as I said, I wasn't part of the
12 conversation. I don't know where that 1.5 billion
13 dollars is coming from, but I know for sure what we
14 have funded in the current plan right now.

15 SPEAKER ADAMS: You did mention mental
16 health funding. We know that over half of the people
17 on Rikers have a diagnosis. Can you repeat the
18 funding allocated?

19 DIRECTOR JIHA: It's about 21 million.

20 SPEAKER ADAMS: Thank you. Let's talk
21 about NYPD and overtime, our favorite subject.
22 Excessive overtime spending and underbudgeting costs
23 of overtime have been ongoing concerns for the
24 Council. Both are risks to the budget. We are
25 particularly concerned with NYPD's overtime costs.

The Fiscal 2025 Adopted Budget included 1.1 billion dollars for uniformed overtime, of which 447 million dollars was allocated to the NYPD. The Preliminary Plan includes an additional 215 million dollars in uniformed overtime spending, 117 million dollars for the NYPD. At current pace, the NYPD will once again exceed the previous year's overtime spending. In December, the Mayor issued Directive 2024-1, which seeks to reduce and control uniformed agency overtime at NYPD, FDNY, DSNY, and the DOC. It directs OMB to oversee and approve overtime reduction in coordination with the Administration and Commissioners of these agencies. Last year, at the Fiscal 2024 Executive Budget hearings, I specifically asked about the Administration's attempt to reduce overtime costs. And there, you informed the Council that OMB was implementing overtime controls. How is the Mayor's new directive different from the past overtime control measures that OMB said it had already put in place, and can you walk us through the entire internal process in which the agencies, the Administration, and OMB engage in setting reduction targets and detailed spending plan?

DIRECTOR JIHA: The directive is in line with the previous directive. We just, you know, re-upped the directive for the year. But the process we have in place right now is we work with all four uniformed agencies, the Commissioners, and the respective Deputy Mayors at City Hall, and we work together. We set targets for the month, for each month, for the rest of the year. And we meet monthly, okay, to review those targets. And if, for whatever reason, an agency, there is a variance between the target and the actual overtime, the agency has to provide an explanation for what occurred, what transpired and what is the plan that they have to get us back on track again, okay? So, we meet every month, and we monitor closely the overtime, the targets that we set, working with the agencies, and the actual numbers on a month-to-month basis and, every time there is a deviation from the target, they have to explain, and they have to give us a plan on how they're going to get back on track.

SPEAKER ADAMS: Have you been satisfied with NYPD's plan as presented to you?

DIRECTOR JIHA: So far, yes. With the new Commissioner, we've been working very closely and

monitored this very closely, and I think we're making progress.

SPEAKER ADAMS: What about the other agencies? NYPD is a standout, obviously, but what about the other agencies? Are they meeting those targets?

DIRECTOR JIHA: Every agency is different. Yes, some agencies have more problems than others, more challenges than others, put it this way.

SPEAKER ADAMS: Which ones? DOC, because they have fixed posts, you know. Same thing with Fire, fixed posts, you know, so therefore, if you don't have the headcount to manage, and it's been very difficult for them to hire, so it creates a problem so therefore, they have to resort to overtime more than others. But I think the fact that we are closely monitoring every single one of these agencies on a month-to-month basis, they have like a cadence, a discipline, begin to establish, because they have to come and explain. And if that deviation persists over time, they have to go to the Mayor to explain to the Mayor exactly what transpired. Nobody wants to do that. So, I think it's a good process that we have in place, but we will see progress down the road.

SPEAKER ADAMS: Have the agencies identified potential savings that can be achieved as a result of these meetings that you're having?

DIRECTOR JIHA: I think it's more cost avoidance, because their budget to begin with are underfunded, okay, for overtime, because one of the ways we're trying to manage is to basically try to manage their overtime budget every quarter. So, as we see, because if you give them from the get-go, you know, a billion dollars, it's going to be, trust me, it's going to be a lot more by the time you end the year. So therefore, they're always under budget to begin with. So therefore, it's not savings per se, but cost avoidance.

SPEAKER ADAMS: Okay. Let's pivot back to the NYPD once again.

DIRECTOR JIHA: Sure.

SPEAKER ADAMS: What is the overtime reduction plan that's been developed by your office?

DIRECTOR JIHA: We could provide your Staff the target that we develop with them, you know.

SPEAKER ADAMS: What's the estimated cost of NYPD overtime for the year?

DIRECTOR JIHA: At this point in time, we believe it's going to go over a billion dollars, more or less in line with what they spent last year.

SPEAKER ADAMS: What were the reduction targets?

FIRST DEPUTY DIRECTOR GODINER: The reduction was basically to, because we started the first half of the year, they were over the target. So, our goal is basically is to make up, to bring them to a target for the second half of the year, and that's the reason why the guidance was, the directive was issued by the Mayor after the first half of the year, so that we could see if we could bring these guys back online.

SPEAKER ADAMS: For agencies deemed by OMB acting in coordination with the Administration to have excessive overtime costs, does OMB have the final authorization in controlling overtime spending?

DIRECTOR JIHA: We come on the back end. So, you know, we don't manage the operations of the agencies. There's an emergency, they make decisions, and then we only find out on the back end. So, it's one day at the end of the month, that's when we get the report, we get the data, we see what the

decisions already made on a day-to-day basis by the managers.

SPEAKER ADAMS: So they are presenting their final-final to you, and that's it?

DIRECTOR JIHA: It's already spent.

SPEAKER ADAMS: It's already spent.

DIRECTOR JIHA: It's already spent.

SPEAKER ADAMS: What is the backstop?

DIRECTOR JIHA: That is the backstop at the meeting with the, with the Commissioner on a month-to-month basis, because they have to give us a plan to tell us exactly how they're going to get back on track.

SPEAKER ADAMS: And if the plan is unsatisfactory, then what?

DIRECTOR JIHA: Then they're going to have to explain to the Mayor.

SPEAKER ADAMS: Can OMB commit to showing real progress in controlling overtime by the Executive Budget?

DIRECTOR JIHA: By the Executive Budget? It's about a month and a half. I'm not sure I could guarantee you that, no. Again, we're trying to establish certain disciplines, certain practice,

okay, and it's, it's coming along, but there are certain agencies, as I said, that have some challenges. If the Fire Department doesn't have the staff, okay, and they work on a fixed posts, ultimately they're going to have to have a lot of overtime, okay, so we have to solve the recruitment problem that they have, okay? Same thing with DOC, okay? So, you know, we have to make sure that they have the staffing necessary, okay, to man those posts. But if we don't have it, you know, I cannot guarantee you within a month or two, they're going to have all the staffing that necessary that they need to manage their operations so, therefore, I cannot give you that kind of guarantee.

SPEAKER ADAMS: Okay. Director Jiha, let's talk about staffing. Let's talk about headcount and hiring freeze and you're leading me right there. It's been over a year since the Mayor relaxed the hiring freeze that was in place at the time and replaced it with a two-for-one hiring freeze. The City's current actual full-time headcount is slightly over 286,000, a 5.3 percent reduction from the headcount level just before the COVID pandemic. In that same period, the City's budgeted full-time headcount declined by only

1.9 percent. It's obvious that the hiring freezes are negatively affecting, as you're just saying, are negatively affecting agency ability to provide necessary services, such as the processing of benefits, paying invoices to DOE-contracted child care providers, and issuing payments to our non-profit contract providers, and as you are stating in your testimony this morning as well. Seemingly, you haven't seen the need to initiate a full-scale PEG in over a year. What is the rationale for leaving the hiring freeze in place when you have just testified that we do have a need for a headcount to accelerate, so what is the rationale for leaving the hiring freeze in place?

DIRECTOR JIHA: Let's clarify one thing. Those positions that I just referred are exempt from the two-for-one policy that we have in place. So, this has nothing to do... same thing with cash processing for cash assistance. All these positions are exempt from the hiring freeze. So, it's not because there's a hiring freeze that they cannot hire. It's just the challenges that they have to face in terms of recruiting people. That's to begin with.

When it comes to the question about why the two-for-one is still in place, it's simply because the plan we currently have, basically embedded within the plan are savings from the two-for-one. We don't just announce a policy and the revenue is generated. We announce a policy, you put it in place, and that's how you build the savings within the plan. So, if you don't have those policies in place, you're going to have to remove those savings from the plan. And at this moment in time, the City cannot afford to do this.

SPEAKER ADAMS: What is the estimated budgetary savings from the existing hiring freeze in Fiscal Year 2025?

DIRECTOR JIHA: Currently, I believe we have 61 billion dollars already in November and January Plan. And for the rest of the year, assuming that the vacancies that we have currently are not filled, you're talking about under 200 million dollars. But bear in mind that very often what happens is the agencies overspend their budget, so therefore they use a portion of those savings basically to offset whatever overspending that they do have.

SPEAKER ADAMS: What is the total value of PS accruals in the current year, and when do you expect to account for these accruals?

DIRECTOR JIHA: As I said, for the rest of the year, assuming between now and the rest of the year, you're talking about 220 million dollars. That's what it is, Ken?

FIRST DEPUTY DIRECTOR GODINER: Yeah.

DIRECTOR JIHA: About 220 million dollars, the value. But again, as I said, we don't know for sure what's going to be the net value because, as I said, the agencies very often overspend their budget, and so therefore they use a portion of those savings to offset the overspending.

SPEAKER ADAMS: Okay. And just to note, the NYPD and DOC are under budgeted headcount. Okay.

Let's look at contract payments. The City's payments and contract registration have been so delayed that a number of non-profits have had to close their doors. The Administration and City Council have convened a working group to address this issue. However, we believe that at the heart of this problem is the lack of adequate staffing, once again, at agencies that are dedicated to processing

contracts and payments. How many staff at each agency are dedicated to non-profit contracting, and what is the average number of contracts that these staff currently manage?

DIRECTOR JIHA: I cannot give you for every single agency because every single agency is different, but what I can tell you is our objective has been on providing the agencies the resources, the staffing that they need to make sure they process, to deal with this challenge, this problem that we have with the payments. Currently, we exempted a number of these positions. We received about 200 PARs from the agencies, and I believe we approved over 80 percent so far. Okay. And over 60 of those that are currently in the NICAP system, but who are working with the agency to add the remaining in the NICAP system so that we continue to approve them for them. So, we realize this is a problem. We exempt those functions in procurement, budget, so that they could process those invoices faster. But we made significant progress, I would say to you, working with the MOCS and the Mayor's Office of Non-For-Profit. We have a high-level meeting every week with Deputy Mayors, myself, everyone involved, all hands-on deck to make

sure that we find solutions to this problem. And as a result, we have made significant progress. I believe last October we paid about 1.4 billion dollars in terms of payments. But again, it's a process, but our goal right now is to add as much as we can, given all the challenges, financial challenges we're dealing with, providing the agencies all the resources that they need to make sure that we tackle this problem.

SPEAKER ADAMS: Okay. I'm going to let my Colleagues dig a little bit more into that.

We're going to move on to City of Yes. The Council and Administration negotiated a package of significant capital and expense investments as a part of the City of Yes City for All legislation. The negotiated investment totals 5 billion dollars. The Administration worked with the Governor for the state to provide 1 billion dollars of those funds, specifically for housing development in New York City. What are the City's plans for allocating and spending this additional funding if it is included in the enacted budget? Will it simply be added to the Capital Commitment Plan for the Administration to use as they see fit? Noting that the Council would like to ensure that programs that are important to the

Council are prioritized, like affordable housing for extremely low-income families, affordable home ownership programs, neighborhood pillars, and Mitchell-Lama rehab. Will OMB agree to work with the Council on the distribution of these funds?

DIRECTOR JIHA: As far as we know right now, the State funding will flow directly to housing projects that will benefit New York City. Okay. And Tara, do you know more about it?

SENIOR DEPUTY DIRECTOR BOIRARD: The State funding is, as Jacques said, is going directly from the State to the various, to benefit housing projects within New York City. In terms of the housing priorities that you mentioned, we're looking at the 825 million dollars that went into HPD's budget, and we anticipate that we'll be working together on Home First, NYC 15, and some of the other areas that you've identified.

SPEAKER ADAMS: So, what you're saying is that the State provided the billion dollars, and there are ideas or there are mandates on how that billion is to be placed?

SENIOR DEPUTY DIRECTOR BOIRARD: I wouldn't say that there are mandates. It's going to

go through the State programs in terms of their prescribed programs that will benefit New York. All of that is to be determined in the State-enacted budget. I think where there's more latitude will be in the funding that the City, the City commitment of the 825 for HPD as well as the 175 million dollars for NYCHA.

SPEAKER ADAMS: Okay. Thank you. In wrapping this up and taking a look at what happens at the end of this series, at the end of the preliminaries and everything else, and looking at this annual budget dance, and I don't think it's a dance, it's kind of more of a tango or something like that, but for as long as I can remember, Director, every year the road to adopting a budget in New York City has required the City Council to fight to restore critical funding for necessary agency services that the Administration has cut or only funded in one Fiscal Year. This was doubly so last year when the Council restored many of the programs that were PEG'd in last year's budget. So much of our time gets wasted, I know you will agree with me, in this so-called dance where we spend hours debating the merits of restoring funding for programs that New

Yorkers rely upon, libraries, cultural sanitation services, early childhood education, CUNY. It's time for this Council and this Administration to finally put an end to this futility and do what's right for New Yorkers. Director Jiha, will you commit now to baselining funding for these critical services so that we can turn our attention to advancing budget priorities that aim to enhance the lives of New Yorkers, and can we stop the dance?

DIRECTOR JIHA: I thought you were going to come down here and dance. To be quite honest with you, it's not because we want to. It is to find... as you remember last year, we had the same challenge with a lot of the programs that are funded by stimulus. To find long-term funding sources to say, you know what, I'm going to dedicate X amount of money over time. It's not an easy thing to do, to be quite honest with you, because we have not done any new taxes. We have not done anything new to generate long-term revenues in New York City. So therefore, we have to look at it on a year-over-year basis, every year, say what your resources are. It's not because we want to do a dance, to be quite honest with you, I have no interest whatsoever. If I could find

something that could fund it, let's just fund it if the resources are there. But the long-term funding stream has to be there. If it's not there, if we only have those resources this year, we're moving things from here to there to try to make sure that we find the resources because this program is so critical. We cannot make a commitment about long-term funding because the long-term funding stream is not there. I cannot say we're going to fund something because what's going to happen, we're going to balloon the deficit in the outyears if we were to do that for every single one of these programs because we don't have the funding source in the long term. So, until and unless we have, okay, that long-term funding stream, it's hard for us to make commitment to say, you know what, I'm going to fund X, Y, and Z over the next five, ten years, but we don't have the funding right now to do it, to do these things so, therefore, we have to take them one year at a time. It's not because we want to. It's because the stream of funding over time is not there.

SPEAKER ADAMS: Okay, I thank you for that. I'm just going to say that we seem to be repeating this pattern every single year so my hope,

Mr. Chair, is that this is the last dance. Thank you for your testimony.

DIRECTOR JIHA: Thank you.

CHAIRPERSON BRANNAN: Thank you, Speaker Adams. We've been joined as well by Council Members Menin, Hanks, Schulman, Ariola, and Joseph as well as Majority Leader Brooks-Powers.

Director, the Trump's Administration, as the Speaker mentioned, the Trump's Administration's proposed budget includes deep cuts to Medicaid, SNAP, and housing assistance. As we know, these are programs that hundreds of thousands of New Yorkers rely on. Has OMB conducted an assessment of how many New Yorkers would stand to lose Medicaid, SNAP, or housing assistance if these cruel cuts from Washington were to go through?

DIRECTOR JIHA: We have not because we don't have anything concrete in front of us at this moment in time. We know they have general control of the programs, but we don't have anything specific in terms of exactly what they're going to do. It's hard to assume what these guys are thinking so it would be guess on our part. And we don't want to panic folks for no reason unless we know for sure what's coming

so we're waiting to see. They have the blueprint. They have the continuing resolution blueprint. We see it. We know the general control of what they're trying to do, but we don't have any specific guidance.

CHAIRPERSON BRANNAN: So, if we woke up tomorrow and there was a giant cut made to Medicaid, what would be the first thing OMB would do?

DIRECTOR JIHA: Mostly, we would work with the State and to find out exactly what the State is doing.

CHAIRPERSON BRANNAN: And have you been talking to the State already in preparation?

DIRECTOR JIHA: We're in conversation. We're all in conversation. We're all monitoring. But again, as I said, the fact that you don't have specific guidance, it's hard to know exactly what is it that you're preparing yourself for. We know there are things in here, okay, so we all know. We're watching. But we're waiting for guidance. We're all waiting for guidance.

CHAIRPERSON BRANNAN: So, can we count on the Administration to take decisive legal or budget action if these cuts were to come through?

FIRST DEPUTY DIRECTOR GODINER: Again, as I said, we will monitor every situation to see exactly what's needed. Our response would depend on every... I don't want to make a general blanket statement about anything, but we would basically evaluate every situation, every development, and make the appropriate recommendation to the Mayor and to the City Council.

CHAIRPERSON BRANNAN: Okay. Because under the cloak of darkness when the federal government clawed back the 80 million in FEMA funds, the Administration frankly seemed paralyzed on their response. It was several days before we heard of anything being done from OMB. Could you tell us or walk us through why the Administration failed to immediately challenge the FEMA claw back in court? Why was there so much hesitation?

DIRECTOR JIHA: There was no hesitation. We did it right away. It takes time for the lawyers to prepare the briefing, and it takes time. It takes about two weeks I believe from that date. Action was taken right away. OMB didn't drag its feet, and the Law Department basically in charge of the lawsuit.

They filed it right away. It's just a question... it takes a little time to file a lawsuit.

CHAIRPERSON BRANNAN: So, now that we've filed that one lawsuit, do we have the blueprint for when the future cuts come?

DIRECTOR JIHA: Again, as I said, we're going to have to evaluate every situation to see exactly what's going to be the action we're going to take. At this moment in time, I cannot tell you, make a blanket statement about, you know, if for every cut we're going to do X, Y, and Z. I can't.

CHAIRPERSON BRANNAN: So what steps is OMB taking to ensure that agencies right now are claiming every available federal or state dollar and aren't leaving money on the table?

DIRECTOR JIHA: We told every agency to draw down every single dollar that they can as long as they have the expense, they have the invoice, to make sure they draw down every single one of the dollars that they have. That is the direction that we gave them. Many of them have done so.

CHAIRPERSON BRANNAN: Okay. I want to acknowledge the folks who do a lot of hard work at OMB. I can imagine this is very hard for folks during

an uncertain time. What's morale like at OMB right now?

DIRECTOR JIHA: As far as I know, very high. We're very busy. We keep our heads down. You know, we have a job to do, and we're trying to do the best that we can to do our job. It is a very trying time, but we don't have a choice. It's every quarter we have to come up with a balance plan, and that's what we do.

CHAIRPERSON BRANNAN: Okay. I want to talk about business and personal income tax collections. So, both business and personal income tax collections continue to surpass expectations, but OMB's revenue forecasts remain overly conservative. While OMB has adjusted its estimates upward in the Prelim Plan, evidence suggests that OMB is still significantly under forecasting revenue growth, which in turn unjustifiably weakens the City's budget outlooks and, in the past, has justified harmful cuts.

So, let's start with business taxes, where OMB made its biggest revision. Through the end of January, the City had collected 4.7 billion dollars in business taxes, 500 million more than at this point last year. The Council is more optimistic

with a projection of 800 million in growth, yet OMB's forecast only projects a 588-million-dollar increase, effectively forecasting no additional business tax revenue growth over the remainder of the Fiscal Year. So, given that business tax collections are running significantly ahead of last year's pace, and you testified earlier that Wall Street is doing well, why does OMB continue to assume that revenue growth will stall in the second half of the Fiscal Year?

DIRECTOR JIHA: We adjusted upward our business tax forecast by 935 million dollars in 2025, because, again, to reflect the strong growth that we see in both corporate taxes and UBT. We will monitor collections for the month of February, March, and April to see, and if the strength continues, it will be reflected in the Executive Budget. But I would caution at this moment in time against being too aggressive in our forecast. Okay, we are in a very uncertain time. We have conflicting policies being implemented, okay, and current policies being implemented. Tariffs, one hand, you have different things. The stock market is very unstable at this point in time so I would be cautious about being too aggressive in our forecast.

CHAIRPERSON BRANNAN: So, the economic indicators that you're saying would justify such a dramatic slowdown in business tax revenue, is all that uncertainty from Washington?

DIRECTOR JIHA: There's a lot of uncertainty. I mean, you could see what's going on in the market. The market has been repricing many of the new policies being implemented. I mean, not by accident, the past month and past couple days, you see what's going on in the stock market, because there is a repricing taking place. So, I would be extremely cautious in terms of not being too aggressive in our forecast.

CHAIRPERSON BRANNAN: Does OMB acknowledge that they have consistently under-forecasted revenue growth?

DIRECTOR JIHA: No, it's because, you have to understand, we come out with our forecast. Two months later, everybody has come out with their forecast. They have two months of data, okay, that they see. When we do our forecast again, we're ahead of everybody, okay. Two months later, they do their forecast, and they exceed us, because they have more information. As you get more information, you adjust

your forecast, which is what forecasters do. It's not because we've been consistently under-forecasting, no. And two, don't forget, we always make it clear to the rest of the world, we tend to be conservative in our forecast, because we're making long-term spending decisions based on a forecast of the economy that fluctuates on a day-to-day basis so you are always better off being conservative, so that you don't unnecessary budget cuts, if you, for whatever reason, you over-forecast. So, it doesn't take a genius to say, you know what, OMB is always conservative. If we add 500 million dollars more, we're going to do it, because OMB has always said we're conservative, okay. So, you hear folks talking as if, you know, the forecast is always right. From the get-go, we say to the rest of the world, we are conservative in our approach, because we are making long-term spending decisions based on a forecast, okay. The spending is real. The other side is a forecast that could go up and down. So therefore, you better make sure you have the revenue stream to back the spending that you're making.

CHAIRPERSON BRANNAN: I think our economists do a little bit more work than just adding

500 million dollars to your forecast, but I appreciate that. I mean we don't take any solace, like, being told, I mean, look, the Mayor famously said that the migrant crisis was going to bankrupt the City. We all know that that was never true. The Council doesn't take any solace in being told, hey, you guys were right, because ultimately cuts were made that we now see were never necessary in the first place so I understand why OMB has a reputation for being way more conservative, and it's fine if we're just talking about sort of hypothetical forecasts, but when those conservative estimates are used to justify cuts, that's, that's, that's the problem.

DIRECTOR JIHA: With all due respect, Mr. Chair, in two and a half years, we spent 7 billion dollars that we did not plan to spend. I mean, let me make sure we all get it. At the beginning of the Administration, we knew contracts with the employees, we have to renew contract with the employees. We knew there were some tough decisions that would have to be made because stimulus funding, okay, was used to basically fund long-term program. None of us knew, okay, that we would be spending 7 billion dollars in

two and a half years. When I hear people say, what crisis? I'm like, because we managed it so well, and I give the staff credit for this. Because we managed it so well, everybody's like, there is no crisis. It's 7 billion dollars that we spent in two and a half years that we did not plan to spend. Okay, so the notion, oh, you over-forecast, you, you try to justify, there is no way. Last year, our revenue grew by 0.7 percent. Okay, you couldn't fund 3 billion dollars of spending on migrant with that kind of growth in revenue. You couldn't. Okay, and all of us, we all knew, okay, if we have two tools at our disposal, property tax, okay, or a PEG program, spending reduction. If we face a crisis where we're spending 7 billion dollars that is unplanned for, and we don't do property tax increases, where do we think that money was going to come from? I mean, we don't make magic here. We don't. Okay, where do you think that money is coming from?

CHAIRPERSON BRANNAN: So, I want to talk about the labor reserves now. In the Preliminary Plan, the City's labor reserve was slashed by 400 million dollars for FY25. We are concerned about how the Administration plans to fund future labor

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2 settlements. How exactly did OMB arrive at that 400-
3 million-dollar reduction?

4 FIRST DEPUTY DIRECTOR GODINER: The 400-
5 million-dollar reduction in the current year is based
6 on two things. One is that, as we've noted, the City
7 headcount is lower than when we funded the labor
8 reserve, and so the cost of the settlement was a
9 little bit less. In addition, as you know, in pattern
10 bargaining, we first have an initial settlement, and
11 we allow people, the unions that subsequently settle,
12 to settle within the cost parameters of the pattern
13 settlement, but they're allowed to make adjustments
14 and movements in terms of how they structure their
15 contracts, and the way it worked out, expenses in '25
16 were less than they would have been under the
17 pattern. Those extra expenses wound up being made up.
18 Either we already paid them in previous periods, or
19 we'll pay more in the outyears.

20 CHAIRPERSON BRANNAN: And this cut is only
21 applied to FY25 so is OMB..

22 FIRST DEPUTY DIRECTOR GODINER: That's
23 correct.

24 CHAIRPERSON BRANNAN: Are you planning to
25 restore the reserve in FY26 and beyond?

FIRST DEPUTY DIRECTOR GODINER: We hadn't cut the reserve in '26 and beyond. It's a one-time reduction.

CHAIRPERSON BRANNAN: So, it's just being applied to FY25?

FIRST DEPUTY DIRECTOR GODINER: That's correct.

CHAIRPERSON BRANNAN: And can OMB guarantee that the remaining labor reserve is enough to cover the upcoming contractual obligations?

FIRST DEPUTY DIRECTOR GODINER: There's sufficient money in the labor reserve to cover the application of the pattern to the rest of the 2 or 3 percent of the workforce that's still unsettled, and to pay the contracts that are settled, if that's your question.

CHAIRPERSON BRANNAN: Okay. Let's talk about CUNY. CUNY is once again being asked to do more with less, despite being one of the biggest economic engines and drivers of opportunity in our city for working and middle-class people. How does OMB justify cutting CUNY funding while the City's overall financial picture remains stronger than projected?

DIRECTOR JIHA: We don't have any CUNY PEG. We don't have any PEG in this Preliminary Plan to begin with. So, we've been working with CUNY to ensure that CUNY met all of its obligations. None of their program is currently at risk of being cut. We met two weeks ago with some members of the leadership of CUNY to basically work on their plan in terms of going forward, but we have a good working relationship with them. We're working with them, and I want to make sure that they are funded appropriately. But there is no cut in the budget for CUNY.

CHAIRPERSON BRANNAN: And by your accounting, how much is CUNY down based on several PEGs?

DIRECTOR JIHA: I can get back to you with that answer. I mean, I'm trying to avoid programs that are funded one year at a time that we work with the Council every year to fund them, and I don't want to confuse them with the PEGs. These are two different things. There are programs that are funded one year at a time, and there is a PEG. So right now, it's CUNY Connect. There are certain programs. We fund them one year at a time, like working with the

Council at adoption to fund them. But these are not cuts to any programs.

CHAIRPERSON BRANNAN: So, let's stay on the one-shot game. The Administration continues to fund, for instance, critical positions in the Parks Department, like urban park rangers and gardeners, as one-shots instead of making them permanent so is there a reason why the Administration keeps playing the one-shot game instead of funding these essential positions permanently?

DIRECTOR JIHA: As I said earlier, it's a question of the permanent source of funding for these things. If you don't have it, you don't have it. As I said, we have not raised property taxes in a long time. So, if you don't have a long-term source of funding, it's hard to say you're going to basically guarantee a lot of spending in the long term so you just basically, every year, you review the program, you look at your resources, and as long as resources are available, you keep funding them. But if you don't have the long-term funding, it's hard to say I'm going to make a commitment to something in the long term when I don't have the long-term funding.

CHAIRPERSON BRANNAN: I understand. I guess what we try to understand is how do some agencies and positions get on the essential list and others don't?

DIRECTOR JIHA: Well, there are things that are critical, whether it's public health, public safety, education. There are things that are critical that we basically try exactly what we're trying to do. We're trying to find long-term funding for many of the things that are funded, that many of the DOE programs are funded with stimulus so it's an exercise that we go through every year. So, once we identify some long-term funding, we look at the different programs. We say this program is very critical. We need to keep funding it. As long as we find the funding source for it, we fund them. But this is a decision that the Mayor makes, and working with the City Council, we look at all these things. And then last year, we announced a bunch of, with you and the Speaker and the Mayor, a bunch of programs that were funded long term because we found some long-term funding, this program was funded with stimulus. But there were others that we couldn't fund them long term because we didn't have the resources to fund

them long term so we fund them one year at a time.

So, we continue to go through the same process and make the decision working with your staff in terms of which one we're going to fund long term, which one we're going to fund one year at a time.

CHAIRPERSON BRANNAN: I think for the Council, the Parks Department would fall under the public health and public safety bucket as well.

DIRECTOR JIHA: Everything is critical.
But again...

CHAIRPERSON BRANNAN: But everything isn't critical. Some stuff is on the critical list and some stuff isn't, right?

DIRECTOR JIHA: Everything is critical.
And as I said, it's a question of which one we're going to have to choose. Because once you're making priority decisions, everybody's going to tell you their thing is priority. But at the end of the day, one or two people are going to have to make that decision, it's the Council and the Mayor.

CHAIRPERSON BRANNAN: Okay. I want to move along to give some time for my Colleagues. I want to talk about emergency contracting. The Administration currently has 54, correct me if I'm wrong, emergency

contracts totaling 1.14 billion, most of which were awarded without a competitive bidding process. Could you tell us what percentage of the 1.14 billion dollars is for asylum seeker services related contracts?

DIRECTOR JIHA: I cannot give you a specific number. I could get back to you on this. But one thing you have to understand is many of these contracts are old contracts. We're trying to get out of them, but it takes a process to get out of these contracts. But other contracts which are non-migrant related are basically, I believe, demolition is a big part of it. HPD demolition is a big part of this.

CHAIRPERSON BRANNAN: HPD what?

DIRECTOR JIHA: Demolition. What are the others? HPD demolition is a big piece of it, if you see them, because they have to deal with emergency...

CHAIRPERSON BRANNAN: Speaking of emergency, are we still using emergency contracts three years into the asylum seeker response?

DIRECTOR JIHA: We're trying to get out of them as best as we can. But as I said, once you have a contract in place, it takes some time to unwind it but that's what we've been doing.

CHAIRPERSON BRANNAN: I'd like to know also, if you don't have it now, what percentage of the current asylum seeker response contracts were competitively bid?

DIRECTOR JIHA: Okay. We'll provide you that info.

CHAIRPERSON BRANNAN: Let's see what else. Okay. I want to end with the arts and cultural budget. This year, the culture community included programs and cultural institutions are calling for a baseline funding increase of 75 million, which includes baselining the one-shot funding of 45 million and rightsizing the City's commitment to culture by increasing baseline funding by 30 million. The budget for DCLA at adoption was 252.7 million, but it did not include a baseline increase, only restorations and budget cut reversals. Could you tell us why did the Administration propose a budget for DCLA that was a little over 90 million dollars less than FY25?

DIRECTOR JIHA: Again, we will continue to work with the Council. Like we said, we added in this Preliminary Budget about 3 million dollars for the CIGs. But again, we will continue to work with the

Council, and again, if resources are available, we'll have a discussion with you in terms of what we're going to do going forward for FY26 for the cultures.

CHAIRPERSON BRANNAN: And I just want to reiterate something the Speaker brought up and something that I think you know is a priority for this Council as far as getting our non-profits paid on time. I know that you can do it because when the Mayor first came into office, I think you cleared out about 6 billion dollars in backlog payments. I'm worried that we have a case of government ADD where we can't focus on that long enough to do it again, but we would like to see that happen. I don't think we need any more laws or task force or working groups. I just think we need to pay these guys on time.

DIRECTOR JIHA: I think we should probably have the Mayor's Office of Not-For-Profit (INAUDIBLE) with you guys so you know the progress that we're making. We devoted a lot of time and resources trying to make this right. It's a challenge, but we are addressing the challenge head-on because, trust me, the number of phone calls that I receive is as much as you are getting. Okay, trust me on this. I mean,

Council Member Steven is sitting right there looking at me, she's laughing because she calls me daily about this problem, so trust me. It's a challenge, and we are putting a ton of resources toward it. And our objective is to address it, but I believe they should give you a briefing because they're making significant progress, and I think you should hear from them directly, okay, so you could know exactly what is it that they're doing because it's not only staffing, process engineering. They're doing a lot of stuff, okay, and I think you should be fully aware of all the work that they're doing.

CHAIRPERSON BRANNAN: Okay. I'm going to turn it over to my Colleagues for some questions. We're going to start with Council Member Ayala. Deputy Speaker Ayala.

DEPUTY SPEAKER AYALA: You know who you're talking to. Good morning or good afternoon. I'm not sure. I've lost track. Let me go this way because I want to see you, Jacques.

I have a couple of questions on the asylum seeker just, you know, piggybacking off of what has already been asked, but in the Preliminary Plan, there was an included savings on the City's

asylum seeker response, including 1.09 billion in Fiscal Year '25 and 1.34 billion in Fiscal Year '26 and 400 million in Fiscal Year '27. How were these savings achieved, and how much of the savings reflected were due to shelter time limits?

DIRECTOR JIHA: The savings basically came as a result of the number of people exiting the system. As I said in my testimony, at the peak, we had like 69,000. So, we budgeted for a growing population, and since the implementation of the 30-day, 60-day policies and the implement of the Biden policy last June, we see a substantial decline in the population. So, as more people leave the system, we begin to consolidate sites. As we consolidate sites, we begin savings. We renegotiated many of the contracts. So, it's not just one policy. I cannot tell you one particular policy, you know, how much we generated from it.

DEPUTY SPEAKER AYALA: Was most of it due to contract renegotiations? Because I know there were issues in the beginning.

DIRECTOR JIHA: It's contract renegotiations, but also people exiting the system.

DEPUTY SPEAKER AYALA: Okay.

DIRECTOR JIHA: We're down to like from 69,000 to about 43,000 now, okay? So, we're taking care of fewer people, okay? So, obviously, we're consolidating the sites. We're closing sites. As you're closing sites, you're saving resources. So, this is the process that we're going through right now.

DEPUTY SPEAKER AYALA: Yeah. Because we're seeing a trend, we're trending downward on asylum seeker housing needs, but we're also seeing an increase in the number of New Yorkers in shelter needing to be placed. How does that, you know, impact the budget?

DIRECTOR JIHA: Well, that's the challenge we're having. This is a piece that at some point we're going to have some discussions about the growing census that we see in the shelter, not asylum seeker shelter population. So, a lot of people coming, used to be in the system before, left New York, came back to New York, get back into the system again. So, this is one issue. We have the issue of CityFHEPS. That program is like, the project is going to be like 1.1 billion dollars. Two years ago, it was about 400 million dollars.

DEPUTY SPEAKER AYALA: Yeah.

DIRECTOR JIHA: So, at the same time, the population in the shelter is growing, the number of people in the voucher is also growing, record high.

DEPUTY SPEAKER AYALA: Yeah.

DIRECTOR JIHA: So, it's like we're getting hit on both sides so it's a lot of stress on the budget.

DEPUTY SPEAKER AYALA: Yeah. How much more did we spend this Fiscal Year on regular DHS shelters with the increase in the population there in the census?

DIRECTOR JIHA: I'll get back to you on this specific number.

DEPUTY SPEAKER AYALA: Okay. I appreciate it. Thank you.

Do you know what is the current per diem cost for asylum seekers?

DIRECTOR JIHA: About 300-something.

FIRST DEPUTY DIRECTOR GODINER: 370 as of January.

DIRECTOR JIHA: As of January, it's about 370.

DEPUTY SPEAKER AYALA: 3-7-8?

DIRECTOR JIHA: 3-7-0. And the reason why is because, you know, as people are leaving the system, and you're still paying for a lot of empty space. That's why we're consolidating the space as quickly as we can. Because you have, you know, you're paying for empty beds. You know, until you consolidate and close the place, you keep paying for those so, therefore, the per diem goes up, okay, but we're making significant progress in terms of the cost. It's just the empty beds that are causing the per diem to increase.

DEPUTY SPEAKER AYALA: We're paying for empty beds in spaces that are shutting down?

DIRECTOR JIHA: No, before you shut them down, okay. Let's say you have a contract for a month or two months left in the contract.

DEPUTY SPEAKER AYALA: Okay.

DIRECTOR JIHA: But you're still paying for it. Okay. So, that skews, okay, the per diem upward because you're paying for something when there is nobody in it. Okay. So, you have to consolidate and close those places. As we go through that process, okay, the per diem increases, but the saving is there. Saving is real. Because you're

consolidating the place, you're closing those places, and as a result, you're saving resources.

DEPUTY SPEAKER AYALA: Do you know how many beds we have that are not being used at the time that we're paying for?

DIRECTOR JIHA: I can't give you a specific, on a day-to-day basis, because we go through the process of, we try to consolidate as best as we can, as quickly as we can, so we could shut them down, because that's how we do the savings.

DEPUTY SPEAKER AYALA: Yeah. The Preliminary Plan includes 1 billion of State funding for the asylum seeker response efforts in both Fiscal Year '26 and '27 and 350 million in both Fiscal Years '28 and '29. The Governor did not include this 2.7 billion in her Executive Budget, and she said that the cost-sharing between the City and the State would not continue. Do you plan to replace the State funding with City funding in the Executive Budget?

DIRECTOR JIHA: We continue to work with the State, and we welcome your advocacy in Albany, as well, to help us, because these are, you know, we have, like, seven weeks to come up with 1 billion dollars, you can imagine. As I said, while we're

struggling with everything else, we're trying to protect programs, we're trying to find a billion dollars to close the gap at the same time, so we continue to work with the State, you know, we have conversation. Until the budget is enacted, we don't know what's going to happen, but again, as I said, we welcome your advocacy in Albany.

DEPUTY SPEAKER AYALA: Yeah. We advocated, as well, but would you say that the conversation is still ongoing with the State?

DIRECTOR JIHA: Conversation is still ongoing with the State.

DEPUTY SPEAKER AYALA: Okay. Worst case scenario, how do we fill that gap?

DIRECTOR JIHA: Well, we're going to have to, again, as I said, looking at all the options that we have at our disposal to see what we can do to close the gap.

DEPUTY SPEAKER AYALA: Okay.

DIRECTOR JIHA: But again, we're keeping our fingers crossed, and we're working, we're pushing really hard in Albany to get resources. It may not be, money is fungible from our perspective, it may not be asylum seeker resources, but if we could get,

you know, other resources, so we're working with the State to see what can be done.

DEPUTY SPEAKER AYALA: Okay. The rental assistance programs for HRA, you just mentioned, for the last, past several fiscal years, actual spending on rental assistance program has been considerably higher than the baseline budget. As of the Preliminary Plan, the budget for all rental assistance programs is 1.3 billion in Fiscal Year '25, dropping to 635 million in Fiscal Year '26 and the outyears. What is the City's current year-to-date expenditures on rental assistance, and how much of that was for CityFHEPS, and when will OMB increase the baseline budget for HRA's rental assistance program so that it more accurately reflects the current level of demand? I know we ask this every year. We're going to keep asking.

DIRECTOR JIHA: Again, this is the same issue of we're trying to monitor to make sure that the agencies monitor the budget, you know, make sure that they implement the policies that's supposed to implement them, the rules that make sure. So, therefore, we're trying to monitor as best as we can those resources, and as we go along, we make the

appropriate adjustment to the budget to reflect the reality.

DEPUTY SPEAKER AYALA: Yeah.

DIRECTOR JIHA: But, again, it's an issue of cliffs, and we have a lot of cliffs in the budget because we don't have a long-term funding stream for those things, so we have to, you know, monitor them, you know, on a month-to-month, quarter-by-quarter basis, and make the appropriate adjustment based on the actual population that we see using the vouchers.

DEPUTY SPEAKER AYALA: Yeah, that's right. We need to be pushing on the State and the federal government to fund subsidized housing because this is a reflection of the number of New Yorkers that really cannot afford affordable housing. They need subsidized housing, which is completely different.

HRA Fair Fares. In the Fiscal Year 2025 Adopted Budget, the eligibility for Fair Fares was expanded to include those making up to 145 percent of the federal poverty level. This expansion of eligibility became effective on January 7th. Funding for this expansion was added in Fiscal Year '25 only. 10.8 million of new funding and 10 million in unspent funding rolled from the prior Fiscal Year in the

Preliminary Plan for the budget for Fair Fares in Fiscal Year '25 is 117 million, decreasing to 96.3 million in '26 and the outyears. The 20.8 million in additional funding needed for the expanded program has not been baseline. When will OMB add funding to increase the Fair Fares baseline budget?

DIRECTOR JIHA: At this point in time, the program is, I believe, is well funded for Fiscal Year 2025 and, as we go again to the budget cycle, we will see the needs to see what can be done to adjust to reflect basically reality. Because at the end of the day, like you said, we basically rolled some savings because the program has been underutilized. So, we're going to see as the year progresses to see how many more people use the system, and we will adjust our budget to reflect the increased population. We're doing a lot of outreach. We have like 2 million dollars in budget for outreach to make sure that people use the program. But again, as I said, as we go move toward adoption, we'll review and if there is a need, we will adjust the budget appropriately.

DEPUTY SPEAKER AYALA: And I recognize that that's been true even in the CityFHEPS side. But, you know, it's a little bit, I imagine on your

end as well, stressful to have to come back every single year and anticipate what, you know, the new needs are going to be when the programs are kind of fluid, they're fluid. But how many programs do we have in the City budget that are facing similar circumstances that are funded but not fully funded based on, you know, expense?

DIRECTOR JIHA: A lot.

DEPUTY SPEAKER AYALA: A lot?

DIRECTOR JIHA: A lot of them.

DEPUTY SPEAKER AYALA: Wow. Yeah, that's not good, Jacques.

DIRECTOR JIHA: It's a lot of them. As I said, it's a conversation we're going to have to have at some point.

DEPUTY SPEAKER AYALA: Yeah. Do you know now with the new rule, since the new rule changes in effect, what the City is doing so far in regards to outreach to ensure that eligible residents are aware of the change?

DIRECTOR JIHA: As I said, we have about 2 million dollars in budget for outreach. Well, we could provide you the detail, you know, after the hearing, but I believe they're doing a lot of

outreach with those resources to try to get folks to use the program.

DEPUTY SPEAKER AYALA: Okay. Unspent funding from Fiscal Year '24 was rolled into '25 due to the time it took to implement last year's FPL increase. Given that this year's increase took even longer to implement, do you anticipate all budgeted funding in Fiscal Year '25 for Fair Fares will be expanded?

DIRECTOR JIHA: I don't know at this moment in time, but as I said, maybe at the Exec we'll have a better sense.

DEPUTY SPEAKER AYALA: Okay. The Community Food Connections Program. In Fiscal Year '25 Preliminary Budget response, the Council called on the Administration to baseline the budget for CFC at 60 million to help combat the high levels of food insecurity in the city, which persists today. Some funding was added at adoption for Fiscal Year '25, but it was not baselined in the outyears, and approximately 39 million is still needed for Fiscal Year '26 and beyond. The Preliminary Plan includes 60 million in Fiscal Year '25 budget for CFC, but only 20.6 million in Fiscal Year '26 and the outyears.

Seeing as how this is a critical program for families in need, does OMB plan to add the funding for the program, and if so, when and how much?

DIRECTOR JIHA: Again, we will continue to work with you, and, you know, as we move toward adoption, if resources are available, we will make sure, because we don't want New Yorkers to go hungry, we share the same concern, and if resources are available, we'll make sure that the resources are there to fund the program.

DEPUTY SPEAKER AYALA: Yeah. My food pantry lines are getting longer and longer, and I'm sure that I'm not the only one that's seeing that. They've never recovered post-pandemic, and with the current price of, you know, basic necessities, it's gotten harder.

I'll ask one more question, and then I'll yield to my Colleagues. This is regarding the Street Homelessness Program. Outreach and other programs geared towards the city unsheltered homelessness population has been a significant focus for DHS in recent years. When the Mayor first announced the Subway Safety Plan, 171.3 million was baselined for the program in Fiscal Year 2023's Executive Budget

Plan. After the Mayor's recent State of the City announcement that these efforts would be expanded, the Preliminary Plan included adding an additional funding for DHS Street Homelessness Program, 71.6 million in Fiscal Year '25, 116 million in '26, 123.5 in '27, 122.8 million in Fiscal Year '28, and 121.7 million in Fiscal Year '29. Despite the additional funding added three fiscal years ago, street homelessness and public transit safety concerns persist. The Subway Safety Plan seems to have had limited success. How is the City changing its approach, and will the new funding be used differently?

DIRECTOR JIHA: Yeah. Based on the program, the way the program was designed, we added about 44 million dollars in the baseline for 900 additional Safe Haven and low barrier beds. We added 16 million dollars in terms of 24/7/365 outreach operations citywide, and 6 million dollars for 100 additional runaway and homeless youth beds. And as you mentioned, we increased funding for the Subway Safety Plan, basically, to existing low barriers and robust outreach. So that's where we are. I think they're doing the best that they can in terms of

doing big outreach. We increased funding significantly for this, but again, we always welcome new ideas. If you have ideas, I'd be more than happy to put you in touch with these folks, because at the end of the day, we have the same objective, trying to minimize homelessness as best as possible.

DEPUTY SPEAKER AYALA: Absolutely. In the expansion of the Subway Safety Plan, do you know how the DOHMH, DHS, NYPD, and other City agencies coordinate their efforts?

DIRECTOR JIHA: I would probably have you talk with the folks at the Deputy Mayors for Health, and she could give you a briefing on exactly what they're doing and in terms of what's different, because I don't know the detail of the operation.

DEPUTY SPEAKER AYALA: Okay. Is the City expecting any additional support from the State that will impact the DHS Street Homeless Programs and the implementation of the City Subway Safety Plan?

DIRECTOR JIHA: At this moment in time, I don't know. I'm not aware of any conversation with the State in terms of state giving us additional resources for this. I mean, we had the whole public

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2 safety announcement in the subway, but not this kind
3 of program, no.

4 DEPUTY SPEAKER AYALA: Okay. All right.
5 Thank you. Thank you, Chair.

6 CHAIRPERSON BRANNAN: We have questions
7 from Council Member Farías followed by Brooks-Powers.

8 COUNCIL MEMBER FARÍAS: Thank you, Chair.
9 Good morning, folks. Thanks for coming today.

10 Between EDC's M-Corps tax break, the 467M
11 tax incentive for office conversions, and the
12 proposed RACE program that subsidizes the relocation
13 of jobs to older New York City office buildings, this
14 Administration is pouring a lot of resources into
15 supporting the City's office sector. Part of the
16 State's requirement for using discretionary tax
17 breaks like M-Corps is that each break undergoes an
18 evaluation to prove that the break will have a net
19 positive economic impact to the City. Do you agree
20 with EDC's recent analysis on the economic impact of
21 their M-Corps tax breaks?

22 DIRECTOR JIHA: Yeah. We support it, and
23 we believe that the analysis is correct.

24 COUNCIL MEMBER FARÍAS: Okay. That's
25 really great to hear. Can you provide me with an

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2 estimate of the tax impact of the economic benefits
3 of the breaks given out over the past two years and
4 indicate how much of that is currently reflected in
5 the budget?

6 DIRECTOR JIHA: I would come back to you
7 with the past two years' information.

8 COUNCIL MEMBER FARÍAS: Great. Thank you
9 so much. And then I'd just like to touch on the
10 Preliminary Plan, including funding for EDC for the
11 World Cup in 2026. Can you explain what the 20
12 million in the Preliminary Plan for the World Cup
13 will be spent on?

14 DIRECTOR JIHA: Tara, do you want to take
15 it on? It's generating activities, you know, a lot
16 of...

17 SENIOR DEPUTY DIRECTOR BOIRARD: The
18 actual events will be primarily held in New Jersey,
19 but this is in order to help hold fan events for
20 economic development purposes within the city. It's
21 anticipated that it's going to bring in substantial
22 revenue in terms of tourists and hotel costs.

23 COUNCIL MEMBER FARÍAS: Okay, great. And
24 just for the future, if you can bring your mic
25 closer, it's a little difficult.

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2 SENIOR DEPUTY DIRECTOR BOIRARD: Thank you
3 very much.

4 COUNCIL MEMBER FARÍAS: Did OMB conduct
5 any cost-benefit analysis on the use of tax levy for
6 the World Cup? And if more tax levy funding is
7 needed, will OMB conduct any cost-benefit analysis?

8 SENIOR DEPUTY DIRECTOR BOIRARD: EDC
9 performed their own return-to-the-city model that we
10 reviewed, and we're confident in the amount that we
11 funded.

12 COUNCIL MEMBER FARÍAS: Okay. Any way we
13 could receive or see that analysis?

14 SENIOR DEPUTY DIRECTOR BOIRARD: We can
15 talk to them.

16 COUNCIL MEMBER FARÍAS: Thank you. And do
17 you folks anticipate any additional City funding to
18 be needed for the World Cup?

19 SENIOR DEPUTY DIRECTOR BOIRARD: At this
20 point, no.

21 COUNCIL MEMBER FARÍAS: Okay. And how much
22 money does EDC or you folks will bring to New York
23 City?

24 SENIOR DEPUTY DIRECTOR BOIRARD: We'll
25 come back to you.

COUNCIL MEMBER FARÍAS: Great. And any estimation or expectation on how many jobs the World Cup is expected to bring to the New York City area?

SENIOR DEPUTY DIRECTOR BOIRARD: I think we're really talking more about tourist economic activity as opposed to actual construction or jobs along those lines, but we can review the full return-to-the-city analysis.

COUNCIL MEMBER FARÍAS: Okay, great. Thank you so much. Those are all my Chair of Economic Development questions that I have. Appreciate you guys.

DIRECTOR JIHA: Thank you.

CHAIRPERSON BRANNAN: Thank you, Majority Leader. Now we have questions from Majority Whip Brooks-Powers.

MAJORITY WHIP BROOKS-POWERS: Thank you, Chair, and thank you, Director and the OMB team for your testimony today.

There are four buckets of questions, so I'm going to just ask the questions, and I can repeat whatever you need me to repeat. I'll go one bucket at a time, so the first one is the Rockaway Trauma Center Capital Project. So Fiscal '25 to '29

Preliminary Capital Commitment Plan includes 50 million dollars in funding for the planned Rockaway Trauma Center. The initial estimated cost for this project is 150 million dollars. Does the Administration anticipate any additional funding being added for this project in the future capital commitment plans? What types of services do you expect will be provided at the Rockaway Trauma Center? What is the approximate number of patients estimated to be served by this facility? I will say that I appreciate being able to work with the Administration, particularly with Dr. Katz, on the trauma facility, and I just wanted to see how the Administration is moving in the spirit of the commitment to making this happen in conjunction with the City Council.

DIRECTOR JIHA: Yes. Yes, like I said to you last year, we made a good faith effort to add 50 million dollars, but again, we're waiting for the State approval, okay? It's a lot depending on the State, and until we have something concrete from the State, it's hard for us to say we're going to, you know, but the Mayor made a commitment to you that, you know, he would work with you if the need is there

for the Rockaways that he would fund, and that's the reason why...

MAJORITY WHIP BROOKS-POWERS: The need is there.

DIRECTOR JIHA: Yeah, I'm pretty sure. That's the reason we added the 50 million dollars, but again, we have to wait for the State.

MAJORITY WHIP BROOKS-POWERS: Okay, and the Administration remains committed to working with us in terms of connecting with the State.

DIRECTOR JIHA: Of course. Yes.

MAJORITY WHIP BROOKS-POWERS: Thank you for that. In terms of transportation and infrastructure, DOT traffic fatalities, according to traffic data, in the first nine months of '24, 193 people died in traffic crashes, which is a higher rate than eight of the last 10 years. In the Fiscal '25 budget response, the Council called on the Administration to restore 3 million dollars in funding for Vision Zero education and outreach that was eliminated as part of the Administration's PEG program. To date, the funding has not been restored, so I just wanted to understand, will the Vision Zero funding be restored in the Executive Plan, and how

does the Preliminary Plan address street safety? And if you could just keep it brief, because I do want to ask a question around Streets Plan and the MTA.

DIRECTOR JIHA: In the Plan, we added resources, I think, to daylight about 1,000 intersections a year by removing parking spaces near these intersections. So, we continue to work with DOT to provide them the resources. Again, as I said, public safety is critical to us as well so safety of New Yorkers is a priority for us. So, we're working all the time with DOT to make sure that they have the resources needed to ensure that New Yorkers are safe.

MAJORITY WHIP BROOKS-POWERS: Jumping to MTA, particularly the cost shifts to the City and the payroll mobility tax. Beginning with the Fiscal 2020 enacted state budget, the City was required to increase its funding contribution from 33 percent to 50 percent for the MTA's paratransit operating expenses. Subsequently, in the enacted state Fiscal '24 budget, the City's contribution rate was increased again, but for two years, only to 80 percent, with the maximum annual contribution of 50 percent plus 165 million dollars. However, the Governor's current Fiscal '26 executive budget

includes a proposal to make the 80 percent contribution rate permanent, costing the City an additional 165 million dollars annually starting in State Fiscal '26. What funding was included in the Preliminary Plan to address these cost shifts? What additional funding does OMB anticipate it will need to add in the Executive Plan if the proposed State budget is enacted? And as far as the payroll mobility tax, the enacted '23-'24 State budget increased the payroll mobility tax levied on New York City businesses. For Calendar Year '24, the estimated contribution by city businesses to the payroll mobility tax and MTA aid was 3.5 billion dollars, an increase of 803 million dollars from the prior year. The current adopted budget for the MTA shows PMT growing from 3.7 billion dollars in Calendar Year '25 to 4 billion dollars in 2028. What is the current impact of the PMT on the City's budget, and how much has this cost grown since Fiscal '23? Will additional funding be included in the City's budget to cover the increased cost of the PMT, and if so, when?

DIRECTOR JIHA: The obligation for the paratransit is about 165 million dollars that we currently have assumed in our plan, and if the

Governor's budget is enacted as is, the City is going to have to find 165 million dollars more to backfill that 165 million dollars because, all along, the plan was this was done for two years and would expire this year but, unfortunately, it's included in the Governor's budget, extended forever.

MAJORITY WHIP BROOKS-POWERS: So just to go back to that question, what funding was included in the Preliminary Plan to address those costs, assuming that we have the...

DIRECTOR JIHA: The preliminary plan does not, because the Preliminary Plan came out before the executive budget, the Governor's budget. So, we knew that it was going to expire, so therefore we never come up with City resources to make up for this 165 million dollars. So, therefore, again, we're in conversation with the State, we're lobbying, we welcome your advocacy in Albany as well for this because these are City resources that will be taken from us forever because they're extending it indefinitely, 165 million dollars a year. That's a lot of resources. So again, we're pushing back on the State, but we, again, welcome all of you to advocate on our behalf because it is resources that we

currently have in the budget that we're also going to have to make up, not just the 1 billion dollars for this case, we also have to make up for this. So, it's a lot of cost shift unto us, but again, we're still working with the Governor and with our people, and hopefully we'll come to a resolution and get some resources from the State.

MAJORITY WHIP BROOKS-POWERS: The other questions?

DIRECTOR JIHA: Oh, what was the other question again?

MAJORITY WHIP BROOKS-POWERS: No. Can you answer the other questions.

DIRECTOR JIHA: Oh, the 3 billion dollars? The State also requires us to contribute 3 billion dollars in capital to the Capital Plan of the MTA. Okay, and they're giving us a debt capacity increase of 3 billion dollars to pay for it, but again, it's 3 billion dollars the City is going to have to contribute in term to the MTA Capital Plan that will, you know, that could have gone to housing, other things that's taken away from us.

MAJORITY WHIP BROOKS-POWERS: And just to be on the record for Tin Cup Day, under the

leadership of Speaker Adams, we did go up to Albany, we did advocate in terms of the need to sunset the cost shift on the paratransit and what that impact looks like to the City.

And then lastly, and Chair, I thank you for your patience, just on the Streets Plan with DOT. The Streets Plan is an enacted law, but in DOT's most recent Streets Plan reporting, the Department admitted that it has built only 9.6 miles of bus lanes or 19 percent of the requirement. DOT was also required to upgrade 1,000 bus stops, but has completed only 6.8 percent of the requirement. DOT has been successful with constructing bike lanes, having built out 58.2 miles of bike lanes, which is almost 72 percent of the requirement. With the onset of congestion pricing, prioritizing public transit infrastructure is more important than ever for working families. How does the Preliminary Plan support and prioritize the benchmarks in the Streets Plan? Is any additional funding added for the Streets Plan in the Preliminary Plan? And how is OMB ensuring that DOT has the funding needed to achieve the requirements set forth in the Streets Plan?

DIRECTOR JIHA: Yeah, DOT is constantly working to get to the objective. As you know, there has been community pushback along the way, make it a bit sometimes difficult to do. But in this plan, we included funding to support new micro hubs that basically use for free goals that they have and to provide the funding for daylight intersections. So again, we're working with DOT all the time, constantly working with them, and I think I would defer to them when it comes to operationally what they're doing to make sure that they implement the Streets Plan.

MAJORITY WHIP BROOKS-POWERS: Thank you.

CHAIRPERSON BRANNAN: Questions from Council Member Krishnan followed by Lee.

COUNCIL MEMBER KRISHNAN: Thank you so much, Speaker Adams, Chair Brannan, and thank you, Budget Director.

Before I start my question, I just want to take a step back for a second and just look at where we are. Every year, Mr. Budget Director, we've been here facing cuts from this Administration for libraries, for early childhood education, for school lunches, to name a few. We go back and forth. We

fight. We restore some of them. And in all of this, as the Speaker said, it is just a dance. But it's a dance where we're not moving anywhere and, if anything, we're moving backwards at a time when the federal government is already taking us backwards. And perhaps that is clearest when you look at the Parks Department budget over these years. In FY23, the Parks Department budget was 624 million at adoption. In FY24, it was 638 million at adoption. And last year, FY25, it was 618 million at adoption. We're moving backwards, and the budget is getting reduced. That's also at a time when, and correct me if I'm wrong, isn't it true that the vast majority of the positions in the Parks Department, with a few exceptions, are still subject to a hiring freeze, where for the vast majority of those positions, again with a few exceptions, the Parks Department cannot hire one person unless two people leave the Department. Isn't that hiring freeze still in place for most of those positions?

DIRECTOR JIHA: To clarify, this Administration has added about 135 million dollars in baseline to the Parks Department budget. And now Parks has also, we added about 780 new full-time

positions. The two-for-one is still in place, as I said earlier, because our financial plan assumes savings from the two-for-one. We just don't announce a policy and that the money comes right away. You implement it over time, over the financial plan. So, if you were to undo it, you have to remove those savings that funds a lot of critical programs from that plan and, at this moment in time, the City is not in a position, okay, to remove those savings and to undo the two-for-one because, as I said, positions that are critical, we exempt them. We talk to the agencies, we discuss with the agencies. If there are critical positions that they need, they come and they talk to us, we remove, we exempt these positions so that they could improve their operational capacity. But we cannot say a blanket statement, we're going to undo all the savings that are built into the financial plan as a result of two-for-one policy.

COUNCIL MEMBER KRISHNAN: Here's what I'm seeing. I think the facts are pretty (INAUDIBLE). On the larger budget overall for the City, frankly, there's been no vision from this Administration and City Hall as to what to invest in and how to do so to make sure every family thrives. The Parks Department

budget has gone down considerably, and on top of that, they're not able to hire. And if you look at some specific lines in particular, the forestry division, the adopted budget had 265 forestry workers. That's about 50 forestry workers for each of the five boroughs in New York City to take care of our street trees, to take care of our parks during the wildfires that we've seen in the fall. Do you think 50 forestry workers for each borough is adequate to care for our trees, especially during the moments of wildfires that we've seen?

DIRECTOR JIHA: I don't know what's adequate, what's not adequate. That's an operational question. What I can tell you is we have added funding to the Parks Department budget, and we've been working with the Parks Department as best as we can. We just added 12.4 million dollars to fund the second shift, and this is for 100 hotspot locations in 64 parks throughout New York City. We added money for the Shirley Chisholm Recreational Center, about 54 heads, and OTPS, and we added swim safety expansion resources for 4,800 students so it's not like we're not adding. We're adding resources to the Parks Department.

COUNCIL MEMBER KRISHNAN: Yes, and I know you testified to that as well, and I do note too there weren't PEGs this year, but the fact of the matter is we need to be moving forward, and we're not. And I would say 50 forestry workers to care for our vast number of trees and forests, especially with wildfires for each borough, is severely inadequate.

Now you look at the urban park rangers, there's about 350 urban park rangers. That's about 70, give or take, urban park rangers for every single borough in New York City. Do you think that's a sufficient number?

DIRECTOR JIHA: Again, as I said, it's an operational question. I don't know what's adequate, what's not adequate. You'd have to talk to the Parks Department to get an answer to that.

COUNCIL MEMBER KRISHNAN: I can tell you looking at the numbers, it's not adequate. Now of those positions, 50 of them are temporary one-year positions so 50 urban park rangers every year, the Council funds for a year. Have you met with or spoken any time with those urban park rangers who are on that temporary line? Have you had any conversation with them?

DIRECTOR JIHA: No.

COUNCIL MEMBER KRISHNAN: I can tell you I have, and I've heard from them directly what it means to not be sure that you'll have a job when the next fiscal year starts, what it means to not be sure that you'll have income to support your family, to take care of your childcare expenses, and to know whether or not you'll have what you need when it comes to your position when the new year starts. And that's in a moment right now where at the national level, the National Park Service is losing its urban park rangers. So, I don't understand why every year we have to fight for 50 positions who are vastly understaffed when it comes to park rangers that care for our parks. But at those positions every year, their jobs disappear at the end of the year unless the City Council funds them. And how we still haven't moved into a world where they are permanently funded and they're not worrying about their jobs or their families shocks me. But beyond shocking me, I've seen their faces, I've heard the conversations, and I know their concerns.

DIRECTOR JIHA: And I share your concerns as well.

COUNCIL MEMBER KRISHNAN: Fine, but it's time we change it from temporary lines to permanent positions to make sure they have a job the next year.

Now, finally, our...

CHAIRPERSON BRANNAN: Council Member, wrap up.

COUNCIL MEMBER KRISHNAN: PEP officers. Sorry, Chair, my last question, please, is for PEP officers, we've got about 390 PEP officers for all of New York City. Do you think that's an adequate number for all five boroughs, 390 PEP officers?

DIRECTOR JIHA: Again, as I said, these are operational questions. I'm not the person to ask these questions. You know, I don't know, I can't tell you what's adequate, what's inadequate. But I know we funded those positions. And based on our discussion with the Parks Department, if they believe this is something that is critical for them, they'll come to us with new needs. But as I said, we talk with the department every day. You know, this is not something new. We discuss their needs. And, you know, if the needs are there, and the resources are there, you know, we'll do what we need to do. But if the

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2 resources are not there, the resources are not there.
3 Don't do magic here.

4 COUNCIL MEMBER KRISHNAN: Understood. I
5 would conclude by saying 300 PEP officers for our
6 entire City's park system is severely underfunding
7 public safety in our parks.

8 And look, to conclude, if this Mayor
9 can't devote the resources to keep our parks safe, I
10 don't know how he keeps our streets safe and if he
11 can't keep our parks and our streets safe, I don't
12 know how he delivers on his so-called vision of
13 keeping our city safe. Thank you.

14 DIRECTOR JIHA: You're welcome.

15 CHAIRPERSON BRANNAN: Okay. We have
16 Council Member Lee followed by Schulman. We have
17 about 20 members in queue so please be mindful of
18 that.

19 COUNCIL MEMBER LEE: Yes. Got you, Chair.
20 I will try to be as succinct as possible.

21 So, as you know, our Speaker has made
22 maternal health a priority, and so I just had a
23 couple questions around the maternal mental health
24 piece of it. Since Fiscal '24, maternal health
25 program funding has consistently been reduced by 7.1

million in Fiscal '24, 8.6 million in Fiscal '25, and now 8 million in Fiscals '26 to '27, and 3.2 million in Fiscal '28. The most impacted programs are universal home visiting, maternity infant, and maternity infant reproduction. So, can you just go through why these contracts for these particular programs are being reduced and why they're being reduced since Fiscal '24?

DIRECTOR JIHA: I would have to come back to you with more detail on the question because I believe they were funded at 1.9 million dollars in Fiscal '24. I don't know if it's a one-time funding or is this no? I would come back to you on this.

COUNCIL MEMBER LEE: Okay. And then also as a followup, if you could let us know the reasons for the cuts, but then also if there are plans to restore the programs to their Fiscal '24 funding level, if you could get back to us about that as well.

DIRECTOR JIHA: Okay. Get back to you on this.

COUNCIL MEMBER LEE: Okay. And now the opioid settlement funds. We had a recent hearing with

DOHMH about the opioid settlement funds, and I think we had about two hearings regarding where the money has gone. The second one was better than the first, and we had more information for the second hearing most recently, but still I think I wanted to just drill a little bit more. In the Preliminary Plan, the City has received a total of 48 million dollars in opioid settlement funding for Fiscal '26 with nearly 27 million allocated to the DOHMH, 20.3 million allocated to Health and Hospitals, and 850,000 allocated to the Office of the Medical Examiner. Both DOHMH and H and H have received additional funding since the Fiscal '25 adopted budget for an additional 3.5 million each so I just wanted to know, have you met with the three agencies to discuss how they will spend the opioid settlement funding, and have you given them any directive, making sure that there are, for example, the funds that are going to the most needed zip codes? How is that being followed and tracked? If you could get more detailed information about that.

DIRECTOR JIHA: Yeah, that we'll probably need to talk. I would defer to them, because these are, you know, operational issues about, you know,

the zip code resources. We know for sure we announced in September 50 million dollars in funding by Fiscal '26, you know, to combat the crisis. But how they manage it on a day-to-day basis, which neighborhood, you know, I don't have those operational details.

COUNCIL MEMBER LEE: Okay, but then on the back end, for your purposes, are there checks and balances put in place about making sure that the funds are being allocated to what they were meant for?

DIRECTOR JIHA: Oh, of course. As I said, you have the City Comptroller, you have a bunch of monitoring to make sure resources are spent, you know, according to the way they're supposed to be spent. But, you know, operationally, I cannot give you an answer in terms of what is it about the plan. I could come back to you and ask them to brief you, if you need, so they could answer the questions but personally, I don't know.

COUNCIL MEMBER LEE: Okay, and then do you know how much of that funding is allocated towards overdose prevention centers, specifically, and how much to other opioid-specific programs out of that money?

DIRECTOR JIHA: I don't think we provide resources directly for overdose centers, directly. Okay. They fund it as part of a larger program, but not directly for overdose exactly purpose.

COUNCIL MEMBER LEE: Okay. And do either of the three agencies plan on expanding, I mean, I know that this is both agency, but also for your end, expanding the opioid programs with the additional opioid settlement funding?

DIRECTOR JIHA: I don't know.

COUNCIL MEMBER LEE: Okay. If you could get back to us with some of those answers, that would be...

DIRECTOR JIHA: I would try to get back to you from this, but again, this is a tough, it's a trying time. Everybody's trying to be careful how they manage. You see there's a lot of folks asking the federal government to intervene in those, you know, and nobody knows what's going to be the outcome of those things so.

COUNCIL MEMBER LEE: All right, but this money, thankfully, well, not thankfully, but is from the lawsuit settlement.

DIRECTOR JIHA: No, no, not yet. I'm talking about the overdose centers.

COUNCIL MEMBER LEE: Yes, yes, yes. Okay, perfect. Thank you.

CHAIRPERSON BRANNAN: Okay, we have questions from Council Member Schulman followed by Carr followed by Williams.

COUNCIL MEMBER SCHULMAN: Thank you, Chair. Good afternoon, Director Jiha.

Has OMB assessed how many City employees are federally funded, and what's the plan for these staff if federal funding is lost? Specifically, one of the things that came up in my hearing last week about public health emergencies is that there are seven vital DOHMH employees who are funded by the CDC and who are gone now, but I want to know the answer to that question.

DIRECTOR JIHA: Yeah. Note that these were not city employees. These were federal employees that basically work at DOHMH. But again, it's a larger question. What do we do? Do we send signal to Washington that they could cut with impunity if we said every time they cut, we're going to backfill? Okay, this is the larger question that we have to

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2 deal with. Or do we take each one of these things at
3 a time and do an assessment, how critical it is? If
4 it is very critical, what decision we're going to
5 recommend to the Council and the Mayor in terms of
6 how to proceed going forward? But again, this is the
7 assessment that we do. You don't want to send the
8 wrong signal, either, that everything you cut, we're
9 going to backfill it. Every time you cut, you're
10 inviting people to cut. So again, these are the
11 things that we have to assess one case at a time and
12 make the appropriate recommendation.

13 COUNCIL MEMBER SCHULMAN: Are grant-funded
14 staff exempt from the two-for-one approval process?

15 DIRECTOR JIHA: Grant-funded. We're
16 removing, I believe, a bunch of about 200 now for,
17 not grant-funded. Are they? Yeah. Yes, they are.
18 Yeah.

19 COUNCIL MEMBER SCHULMAN: There are a lot
20 of vacancies at the City agencies. Does the City have
21 a plan to recruit the pool of experts leaving the
22 federal agencies? The Governor announced a plan that
23 New York State is going to do that and make it easy
24 for these people to be hired.

25

DIRECTOR JIHA: I mean, we always, you know, always welcome employees that are looking for opportunities. As you can imagine, we did a major outreach, and as a result, our vacancy rate has dropped significantly from, like, you know, two years ago, it was like 7.5 percent. Now we're down to 5.7 percent. So, we've been trying to recruit as many people as possible. So, we always welcome every employee that's looking for a position and qualified, and many of these folks are qualified and we'll welcome them if they apply for City jobs.

COUNCIL MEMBER SCHULMAN: How long does it take for OMB to approve a hiring action?

DIRECTOR JIHA: Ken, you want to take this?

FIRST DEPUTY DIRECTOR GODINER: The amount of time that it takes to approve an action varies, but we have sped up the process in terms of how long it takes once the actions get to, the PARs get to OMB. We work them quickly through our task force, and when agencies comply with the two-for-one exemptions and the salary requirements, those move very expeditiously, usually within a week or two.

DIRECTOR JIHA: We're trying to revamp the entire PAR system that we have to work with employees, because one of the challenges we realize, at least I realize and I'm trying to fix, is the lack of information on both sides. Very often agencies say the PAR is with OMB when it's with them. You know, because OMB is easy to blame. Okay, everything that is not working is OMB. So, you go and talk to your staff, it's at the agency. So, what we're trying to do now is come up with a system where I said all the liars are in one room. So, you could see, I could see, the agency could see exactly what I'm saying, and OMB could see exactly what I'm saying. So, if the PAR is with you, it's on the system. That's what we're establishing right now, as a system so that we could avoid the back and forth, oh, it's with OMB. You go back to your employees, to staff at OMB, where's the PAR? No, it's with the agency. So that back and forth, we're going to try to solve for this with a new process, a new system that will be in place. Because very often, everybody's blaming OMB when it's with them. Okay, they want to do things, we have salary range, salary guidelines, they want to go outside those guidelines. You return, ask questions,

they don't reply. They don't have answers for you. And when they ask them, it's with OMB. So, we're trying to solve for this problem right now, solve that problem with a new process and a new system so that the agency, same thing we're seeing on our screen, they're seeing the same thing on their screen, so that we know exactly where the PAR is, and what's caused the PAR not to move forward.

COUNCIL MEMBER SCHULMAN: Okay. Thank you very much, Chair.

CHAIRPERSON BRANNAN: Does OMB have any plan to try to attract some of the federal employees that are getting fired?

DIRECTOR JIHA: We don't hire folks. We basically let the agencies, the agencies want to hire.

CHAIRPERSON BRANNAN: But is there a plan? I mean, I'm assuming OMB would be the ones to enact that plan.

DIRECTOR JIHA: No, it's agencies. We don't get involved in the decision of who to hire, who not to hire. We only review things to make sure that everybody.

CHAIRPERSON BRANNAN: I understood, but has there been any discussion with City Hall similar to what the Governor is doing to try to attract some of these government employees, these federal government employees?

DIRECTOR JIHA: I mean, we've been hiring federal employees, many folks at the end of the Biden administration. We have folks coming to us. It's not a question of there's a plan. I can't tell you there's a plan, okay? But there's a willingness to hire qualified people who apply for jobs in the different agencies. That's not an issue on our part.

CHAIRPERSON BRANNAN: Okay. All right, questions from Council Member Carr followed by Williams on Zoom.

COUNCIL MEMBER CARR: Thank you, Chair. Director, good to see you as always.

You know, I share the concern of Colleagues with respect to controlling the NYPD overtime budget, because to me it's a function of the need to hire more police officers. We're several thousand below the maximum budgeted headcount that the PD is allowed to have for uniformed officers, and I believe my understanding is there's about 5,000

officers who will reach their 20-year milestone in the course of the summer of this year. And historically, you know, recruitment has never exceeded separations from the Department, mostly because of retirements. So, given that history, which predates this Administration, you know, what can we do financially as part of the budget to incentivize recruitment? Are we going to be considering things like hiring bonuses, working with Albany to allow for better FAS calculations for pensions, better pay? What is OMB's, you know, role, or do you see OMB's role in trying to incentivize recruitment?

DIRECTOR JIHA: In this Preliminary Budget, we gave the PD the authorization to recruit 1,600 police officers, and we gave them a headcount of about 35,000. So, we understand the challenges that they're dealing with, and we're open to any suggestions that the new Commissioner has in terms of what kind of things that she needs to put in place, okay, to see how best she could attract, you know, the best qualified folks to the Department.

COUNCIL MEMBER CARR: Well, I think that, you know, what we've seen is there's been a commitment from the Administration from the start to

do more hiring, but it never has exceeded the pace of people retiring.

DIRECTOR JIHA: Yes.

COUNCIL MEMBER CARR: And I think that, you know, obviously it's not just a function of dollars and cents, but I think that is an important component of what we can do to incentivize people to consider a career in the police department so could we consider something like hiring bonuses? Can we revisit things for collective bargaining agreements down the line?

DIRECTOR JIHA: I'm open to all ideas that the Commissioner bring to us, okay, because I understand the challenges that she's dealing with, and again, as I said, we will discuss with her any great ideas that she has in terms of trying to bring as many people in as possible. As I said, typically the class is about like maximum 1,000, but knowing that the challenge that she's facing in dealing with the attrition, we gave her the authorization to hire up to 1,600.

COUNCIL MEMBER CARR: I appreciate that. So this final question, because I'm running out of time, appreciate the Administration's efforts to

control migrants' shelter costs, among other things.

You know, we've seen a precipitous decline in the census since the beginning of the year. At what point do you see, you know, zeroing out this component of the budget so that it could be spent on other items that we all care about?

DIRECTOR JIHA: Yeah, I believe our forecast for the end of this year is like, what, 30,000, is it? By the end of this year is like, I can't tell you exactly when we're going to get to zero, but our goal is 30,000, was it?

FIRST DEPUTY DIRECTOR GODINER: Yeah. I think that's about where our last forecast was, and we're going to continue the policies and continue to monitor the trends. We've seen something of an uptick in net exits since we released our forecast, although, I mean, the thing with this is if you look at the data every day, which sadly I do, it's very variable. So, you know, the question is, will that slow as you have fewer people in care, right? It would mean in order to have the same number of net exits, a greater percentage would have to be leaving, right, all the time. If you think about, you know, X percent of 45,000 versus now 42,000, it's going to

make a difference. So we could, you know, depending on what's happening, we could be, you know, in the 25,000 to 30,000 range, but we have to keep monitoring, and we'll have a new update forecast in Exec that reflects what we've learned in terms of data because, you know, I was telling people for a long time in the first 18 months going up, it was always like brand new, right, and now that it's been trending down, it hasn't been doing that for that long either so it's hard to have like a solid trend that you can rely on, but we keep looking at it and making updates to our forecast so, if things continue with pace, we'll probably have a lower forecast at that time.

DIRECTOR JIHA: The plan assumed that we would be at 42,000 by the end of the fiscal year, but we're dropping much faster than that so we're looking maybe 25,000, 30,000 by the end of the fiscal year.

COUNCIL MEMBER CARR: Thank you. Thank you, Chair.

CHAIRPERSON BRANNAN: Okay. Questions now from Council Member Williams on Zoom followed by Council Member Louis.

COUNCIL MEMBER WILLIAMS: Hi. If the folks who are hosting would allow me to turn on my video, that would be great. It won't allow me to turn on my video. Okay. I don't know why it's not allowing me to turn on my video. Apologies that I cannot be there in person.

I just have a few questions on CORE and the Mayor's Office of Equity and Racial Justice. So the prelim plan includes a baseline of 429,000 dollars in Fiscal 2026 for the addition of four full-time staff members and two part-time interns at CORE. The Commission had originally requested three additional full-time positions that were not funded. These positions are necessary for CORE to fulfill their mandates specifically around the bills that the Council passed last year and the Mayor also signed so can you explain why only four positions were funded instead of CORE's entire request?

DIRECTOR JIHA: In the November plan, we added 2 million dollars for the Truth and Reconciliation Commission to conduct a study on truth, healing, reconciliation and a study on reparation as well. We continue to monitor potential needs with the Chief Equity Officer. The CORE budget

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2 is like 2.4 million dollars in 2025. It goes up to
3 4.8 in '26 and it's about 4.6 in 2027. So again,
4 we'll continue to monitor and work with the
5 Commissioner as we proceed. If the need is there and
6 the resources are available at the time, we will
7 basically see what can be done.

8 You're muted, I think.

9 CHAIRPERSON BRANNAN: Nan, you're muted.

10 COUNCIL MEMBER WILLIAMS: Yeah, these
11 requirements, I don't know what is going on with
12 these Zoom requirements, do not allow for me to
13 unmute myself and to take my video off so not my
14 fault. Blame whoever's running the Zoom. Thank you.

15 I would just say, and I know that you did
16 give additional money for the Commission, but it is
17 the understanding of CORE that they actually need the
18 staff to fulfill the mandates, and I think that is
19 probably the theme across the board on many different
20 agencies is that they don't have the necessary staff
21 to actually fulfill the requirements, and so I do
22 hope that you consider readjusting to their requests
23 for an additional five members of their team for
24 Fiscal 2026 in the Executive Budget.

25

And just if I can quickly turn, because I know I'm probably out of time with all these tech difficulties. The Mayor's Office of Equity and Racial Justice had a total budgeted headcount of 38 compared to the 16 positions at CORE. If you could share why such a stark difference in the budgeted headcount. And this is what I'm really passionate about and really important is the racial equity plans that are quite overdue, set to release January 16, 2024, and now it's 430 days late. Does OMB plan to ensure that agencies issue their mandatory reports on time and will all City agencies with the racial equity plan can OMB compile the racial equity plans of all City agencies and send them to the Council? So it appears that there might be some racial equity plans that you all have internally that you have not released so the request is would you be able to send them to the Council? And is your office adjusting your budget based off of the racial equity plans that the agencies have submitted?

DIRECTOR JIHA: OMB, we don't control the release of the plan. It's something that you have to discuss with the Commissioner and City Hall. We review the plan. We give them, I believe, approval in

terms of what was in the plan, but everything else is not up to us.

COUNCIL MEMBER WILLIAMS: Okay. The only thing I just want to leave with is that a part of the racial equity plan is to look at the budget to ensure equity, and so I get what you're saying, your office is not responsible for releasing the racial equity plans, but the goal of the racial equity plans is to inform the City budget. And so while you're not responsible for it, the question really is how are you going to ensure that your office is looking at the racial equity plans with a lens of equity when you go to craft this Exec Budget?

DIRECTOR JIHA: Yeah. Every decision that the Mayor makes with respect to resource allocation is made in the context of equity. We always look at things from an equity perspective. So again, we will review the plan when the plan comes out. We already had insight into what was in the plan. We'll review the plan when it comes out, and we'll discuss with the agencies what needs to be done.

COUNCIL MEMBER WILLIAMS: Okay. Thank you, Chair, and thank you.

CHAIRPERSON BRANNAN: Thank you, Council Member. Now we have questions from Council Member Louis followed by Hudson and Narcisse.

COUNCIL MEMBER LOUIS: Thank you, Chair, and good to see you all.

I have four quick questions. Securing stable and permanent housing for at-risk individuals and families must be a top priority, yet in my District we are seeing a troubling increase in delays related to the issuance of housing vouchers, including CityFHEPS and Section 8. My Committee recently passed legislation to expand housing provisions for domestic violence survivors, ensuring they have immediate access to stable and secure housing after leaving unsafe environments. I wanted to know how is OMB allocating the necessary funding to support this initiative as well as other emergency repair operations that are critical to making units habitable for those in need?

I have a quick question on community boards. Over the past several years, community boards have not received a significant budget increase in over two decades. As the most local City agency responsible for ensuring the delivery of City

services and programs in our neighborhoods, this stagnation in funding has directly harmed New York City residents. I wanted to know would it be possible to outline the current parameters by which OMB funds community boards? Community boards should have parity with citywide borough hall budgets. If we take the total budget of all five borough halls and divide by 59, that figure should serve as the baseline for community board funding. Given the community boards are responsible for hyperlocal engagement, land use recommendations, and holding City agencies accountable, will OMB commit to assessing this approach to increase, stabilize, and baseline community board budgets?

And the last one is on women and gender equity. I wanted to know, the Administration has set a goal to reduce black maternal mortality by 10 percent by 2030 under Health NYC. Given the current statistics, which indicate that we are not on track to meet this target, what additional resources and interventions is the Administration considering?

DIRECTOR JIHA: The first one is your legislation was just recently passed so we will be working with the agencies to determine potential

funding needs if they are, and I'm pretty sure they do have.

We made some significant investment when it comes to maternal mortality. We added about 30 million dollars in the plan for this.

Regarding the third one was community board.

COUNCIL MEMBER LOUIS: Community boards, but does the Administration, being that we're not going to be on track, so 34 million in investments for doulas, midwives, maternal health services, but we just wanted to know is there a plan being that we won't be on track by 2030 for Health NYC for that?

DIRECTOR JIHA: I think I would definitely defer to DOHMH when it comes to that because I don't have the operational, I don't know their plan so I would defer to them for this.

COUNCIL MEMBER LOUIS: Now the model for community board.

DIRECTOR JIHA: Community board. We take into account their needs. We give you their needs every day like we do for every other agency to see how much they need in terms of resources. But again, as I said, we will work with them to assess their

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2 needs and, as I said, if resources are available and
3 the needs are real, we will do one assessment at a
4 time and see what can be done.

5 COUNCIL MEMBER LOUIS: We would love a
6 commitment from OMB on that. We have a model that we
7 think works so if we could get a commitment.

8 DIRECTOR JIHA: (INAUDIBLE)

9 COUNCIL MEMBER LOUIS: I will share it
10 with you. Thank you. Thank you, Chair.

11 CHAIRPERSON BRANNAN: Council Member
12 Hudson followed by Narcisse.

13 COUNCIL MEMBER HUDSON: Thank you so much,
14 and good afternoon.

15 In the Preliminary Plan, NYC Aging Fiscal
16 2026 budget totals 426.2 million dollars, 124.5
17 million dollars less than the current Fiscal 2025
18 budget. A major contributor is the 68.2 million
19 dollars in federal COVID-19 funding that was used to
20 support older adult centers, home delivered meals and
21 NORCs. That funding has now expired and it has not
22 been replaced in Fiscal 2026 and in the outyears with
23 City funds. Additionally, there is 41.7 million
24 dollars in Council discretionary funding for older
25 adult programs budgeted for Fiscal 2025 that is not

included in the budget for Fiscal 2026 and beyond.
How is the Administration planning to address the significant decrease in funding for the agency in Fiscal 2026?

DIRECTOR JIHA: Yeah. We, again, continue to work with the agencies and we, as I promised on many occasions, we will work with the agency to make sure that we find the resources needed so that they don't have to deal with the cliff that is coming in 2026.

COUNCIL MEMBER HUDSON: Sorry. Just to be clear, are you saying you're committed to finding the resources to fill this gap?

DIRECTOR JIHA: I say we're working. As I said on many occasions with you, we would not let the population suffer. We're going to try our best. There is no guarantee. We're going to try our best to find the resources to make sure that we could cover the cliff that we're facing, but, again, we're dealing with a lot of cliffs, okay? We're dealing with a lot of cliffs, and I just want to make sure that everyone here appreciates that the challenge that we have in front of us. We have a lot of cliffs. So, therefore, I can't say to you guarantee, guarantee, guarantee.

It depends on the economy. I don't know what's going to happen to the economy, but as long as we could identify the resources, we'll work with you as we get closer to adoption to know what we're going to do to make a decision, make a recommendation to you in terms of, and the Mayor, to know exactly what we're going to do for Fiscal Year 2026.

COUNCIL MEMBER HUDSON: Yeah. I think everyone appreciates the position that you hold and the job that you and your team has. I haven't asked for a guarantee. I'm just trying to clarify your words.

DIRECTOR JIHA: It's on our radar.

COUNCIL MEMBER HUDSON: Okay. If funding is not added, what programs or areas of the agency will be impacted by this fiscal cliff, and will programs or services need to be cut?

DIRECTOR JIHA: I don't want to deal with the hypothetical question. Our objective is to try to find a solution, okay? That's our objective. I don't want to get into it.

COUNCIL MEMBER HUDSON: I mean, I think you can also understand it's a shared objective,

right? So, it's hard when we don't have specific answers to the questions that we're asking.

DIRECTOR JIHA: No, I understand. But, again, at this time, I cannot tell you. Our goal is not to cut, okay? That's not what we're trying to do. We're trying to preserve the program as best as we can. Okay.

COUNCIL MEMBER HUDSON: I would just add that given NYC Aging is one of the smallest budget sizes of all of the City agencies, and I'm going to get into my next question addressing the older adult population, which I ask at every budget hearing, that it's important that, you know, you consider the growing older adult population and the disproportionate budget size that NYC Aging has as you do your best to support this agency.

Older adults represent 20 percent of our city's population. The 2021 CUNY Graduate Center study reports that the population of adults ages 65 and older in New York State will soar 25 percent between 2021 and 2040. In the city alone, the population of older adults is expected to increase by 40 percent by the year 2040. Despite the growth in the city's older adult population, DFTA's budget

still represents less than 1 percent of the City's overall budget. Given the decline in DFTA's budget in Fiscal 2026 compared to Fiscal 2025, it does not appear that DFTA's budget is at all aligned with the growing need and demand for services. What metrics does OMB have regarding older adult population projections and the demand for DFTA services?

DIRECTOR JIHA: Again, as I said to you earlier, our goal is to make sure that we protect their budget, and we will work with you, okay? We have the same metric that you have, same forecast in terms of, you know, the population.

COUNCIL MEMBER HUDSON: Okay. So, how do you utilize the metrics when making budget decisions for DFTA specifically?

DIRECTOR JIHA: We work with the agency. The agency tells us their needs, what their needs are. We don't make, you know, we don't determine the needs of the agencies. The agency comes to us.

COUNCIL MEMBER HUDSON: So, you don't use publicly available data on population changes to inform your decisions?

DIRECTOR JIHA: Agencies come to us with their needs. We analyze the needs that they come to

us with, and if the needs make sense and the resources are there, that's how we make the decisions. We don't tell agencies what to do, what their needs should be, what their needs shouldn't be. They come to us.

COUNCIL MEMBER HUDSON: But when an agency comes to you, and they tell you their needs, and then you don't, or you're not able to, or you make decisions that don't always give them the support that they're asking for, that is you essentially telling the agencies what they should or shouldn't do, or that they should do more with less, or do the same with less.

DIRECTOR JIHA: Yes, of course. We discuss with the agencies. We work with them as partners. We don't automatically say, hey, we can't do X, Y, and Z. We review your needs. If the needs make sense, if the needs are an emergency, all of these things get entered into the consideration when we're making decisions. So, as I said, if when we discuss it with them, you know, we will review based on the needs and also the resources. And if the resources are there, we will, as I said to you, I promised you that

before, we will work with you to make sure that the program continues as they are operating.

COUNCIL MEMBER HUDSON: Okay. Well, I look forward to working very closely with you because, of course, I would make the argument that the needs of the agency are not being met, especially considering the growing population of older adults here in New York City. It's going to be too late if we wait until many fiscal years from now to invest in the agency that is providing the support, the services, and the resources for the older adult population, and it would be helpful to know if, you know, your advocacy and continued claim to want to work with the agency will actually materialize into meeting their needs.

DIRECTOR JIHA: Okay.

CHAIRPERSON BRANNAN: Okay. We have questions followed by Narcisse followed by Riley and then Nurse.

COUNCIL MEMBER NARCISSE: Thank you, Chair, and thank you, Jacques and your team. May Hazel Duke rest in peace. Prayers for the Haitian folks. After decades, the TPS stopped and they don't know what they're doing so God help us.

Coming back to my work. Federal funding make up less than half a percent of H and H Fiscal 2026 Preliminary Budget. Despite the small percentage of the federal funding, does the Administration foresee any financial challenges for H and H arising from potential federal budget cuts? How would any reductions to Medicaid and federal dollars impact H and H budget?

DIRECTOR JIHA: I'm very concerned. I mean, Medicaid, you know, cut to Medicaid would, you know, would have significant impact on H and H. So, we are working with, you know, continue to work with them and explore, again, opportunities and also see the challenges that they're dealing with and how best they're dealing with those challenges. But again, as I said earlier, we cannot make a blanket statement about what we're going to do in certain circumstances. We just have to review each case at a time because we don't want to give a signal that it's open season, you can come and cut Medicaid, cut whatever, and then thinking that the City can backfill these things because you're talking about significant amount of dollars, 10 billion dollars we rely on the federal government so the City cannot

backfill 10 billion dollars so, therefore, the signal that we send is very important. So, you know, we're working with them. They know, they have their own plan. Everybody's working on their own plan to deal with the challenge, but, you know, you can imagine Medicaid cuts would have some serious impact on H and H.

COUNCIL MEMBER HUDSON: I'm hoping you can handle that. The New York State Fiscal 2026 Executive Budget proposes the discontinuation of the State's indigent care pool, which is ICP payments for the City's public hospital. The State's share of these ICP payments totals 56.7 million dollars. This action presumably reflects New York City Health and Hospitals seeking to receive Medicaid funding at the average commercial rate for New York City, which would be a significant increase to the system. This Medicaid funding mechanism is called a directed payment template, DPT, and requires federal approval for the Department of Health and Human Services. The State submitted its DPT request on December 23, 2024. The City Council is seeking a change such that the 56.7-million-dollar reduction would only go into effect if the Medicaid reimbursement were approved or

are covered by alternate forms of Medicaid funding.

Can you please provide an update on the State's DPT request as it's being approved? Can you please share any additional details you have on this process?

DIRECTOR JIHA: I've worked with the H and H president, Dr. Katz, to ensure that we put this request in before the new Administration came in. I don't know where we are at this moment in time. I would give you an update on this. I know the State, because I was pushing the State to approve this as quickly as they could back then in December, but I would give you an update. I don't know if the federal government has approved it, but I would give you an update in terms of where they are.

COUNCIL MEMBER HUDSON: It's a problem. Starting in 2020, the State started intercepting 150 million dollars of the City State tax revenue for a distressed hospital fund. This intercept was intended to be temporary but has been repeatedly renewed at the State level. What's worse is that the City continues have not been able to access these funds. So now City funds are supposed to be used to support distressed hospitals and nursing homes outside of the city, which really a State obligation, not a City

one. Has OMB advocated for the end of this intercept, or has OMB worked to ensure that our New York City hospitals or nursing homes can actually access these funds?

DIRECTOR JIHA: Yes. We've been advocating for the longest against the intercept and, unfortunately, H and H has not been able to tap into it. To some extent, some of the resources are spent in New York, but not on H and H, but other distressed hospitals in New York City. But we've been pushing really hard against that intercept. Unfortunately, we have not been successful so far. And again, we welcome your advocacy to work with us to see to the extent that we, again, it's 150 million dollars taken from us.

COUNCIL MEMBER HUDSON: I'm ready. For the swimming, as my Speaker always talk about, our kids need to swim, and we don't have any swimming pools so look into that because that's one of your plan too, for the City of New York, for our kids to have things to do. Thank you.

DIRECTOR JIHA: Okay.

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2 CHAIRPERSON BRANNAN: Okay. We're going to
3 take a 10-minute break. When we come back, it's
4 Riley, Brewer, and Nurse. 10-minute break.

5 SERGEANT-AT-ARMS: Can everybody settle
6 down and find a seat? We're getting ready to
7 continue. Everybody settle down and find a seat,
8 please.

9 CHAIRPERSON BRANNAN: Okay. We're back. We
10 will resume questions from Council Member Riley
11 followed by Brewer.

12 COUNCIL MEMBER RILEY: Thank you, Chair.
13 Good afternoon, Executive Director Jiha and your
14 team.

15 I just have three really quick questions.
16 First one is on 3-1-1 headcount. The 3-1-1 Customer
17 Service Center delivers fast and easy access to
18 government services and information to all New
19 Yorkers. In the Preliminary Plan, 3-1-1 had 386
20 budgetary positions in Fiscal 2025, while the actual
21 headcount as of January 2025 is 356, which is leaving
22 the agency with 30 vacant positions to fill. Has the
23 hiring freeze been lifted for 3-1-1, and does the
24 Administration anticipate these vacancies be filled
25 by the end of 2025?

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2 FIRST DEPUTY DIRECTOR GODINER: Yes. 3-1-1
3 call-takers are exempt from the two-for-one. The
4 agency is working to hire the folks and fill those
5 vacancies. I think it's their goal, if not their
6 expectation, that those will be filled.

7 COUNCIL MEMBER RILEY: Thank you. Next is
8 Big Apple Connect. The Preliminary Plan includes 31.3
9 million dollars in Fiscal 2025, only for Big Apple
10 Connect program. Big Apple Connect is a program that
11 was launched in September 2022 to deliver reliable,
12 high-speed Internet to NYCHA residents for free. Why
13 isn't there any funding allocated for Big Apple
14 Connect after Fiscal Year 2025? And the contracts for
15 Big Apple Connect are set to expire at the end of
16 this calendar year. Does the Administration plan to
17 extend Big Apple Connect beyond 2025?

18 DIRECTOR JIHA: Again, this is like all
19 the other programs discussed earlier with respect to
20 the cliffs. We will make an assessment and make a
21 recommendation to the Mayor, but our goal is to make
22 sure that the program continues. But again, we have
23 to look at the available resources. But it's on our
24 radar. It's very high on our list of needs to deal

25

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2 with. But again, at this moment in time, I can't tell
3 you for sure, but we're working on it.

4 COUNCIL MEMBER RILEY: I'm happy to hear
5 it's high on the radar, knowing that we're in a
6 society now that technology is extremely important. I
7 just want to make sure we're providing those
8 resources for our NYCHA residents.

9 And lastly, for the Department of City
10 Planning, I know within the City of Yes, we
11 negotiated some neighborhood plans. In the
12 Preliminary Budget, there was an additional 1.1
13 million dollars in the City's fund for Fiscal Year
14 2026 and 2 million dollars for Fiscal Year 2027-2028.
15 But DCP is seeing a vacancy rate of 13.3, and they do
16 feel like this will affect their opportunity to do
17 their citywide neighborhood proposals. Is there any
18 way that OMB is trying to fix this vacancy rate
19 within DCP?

20 DIRECTOR JIHA: I would let Tara.

21 SENIOR DEPUTY DIRECTOR BOIRARD: We've
22 added a substantial amount to DCP as you mentioned.
23 So, there was eight heads and 800,000 dollars that
24 were being added specifically for technical staff.
25 This is planners as well as IT, and additional money

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2 for seeker process in order for them to do
3 environmental impact statements. We are working with
4 them regularly and monitoring their vacancy rate and
5 how they're managing.

6 COUNCIL MEMBER RILEY: All right. Thank
7 you. Thank you, Chair.

8 CHAIRPERSON BRANNAN: Thank you, Council
9 Member Riley. Questions from Council Member Brewer
10 followed by Nurse and then Restler.

11 COUNCIL MEMBER BREWER: Thank you. The
12 Department of Investigation has been busy recently.
13 Since adoption, the DOI has been utilizing asset
14 forfeiture funding to cover operating OTPS costs.
15 This is due to a lack of City tax levy funding for
16 the Department. Asset forfeiture funding, as you
17 know, should be used to enhance the operations of a
18 department, not cover shortfalls created by the
19 Administration. Will OMB commit to allocating funding
20 to support DOI's operating costs? And I know that
21 FY25 was 62.6, and it's supposed to go to 55 million
22 in '26 so there's a big difference. And I know that
23 this Department, I know what you've often said in the
24 past, when they staff up, everybody's hired, then we
25 can give them more money. But the problem is, it's

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2 hard to hire because lawyers are hard to come by. The
3 dollar figure for the salary is lower even than corp
4 counsel, etc. They need money. Can you please answer
5 that question?

6 DIRECTOR JIHA: We added about 750,000
7 dollars in the Preliminary Budget for DOI, and we
8 gave them authorization to hire 10 heads, 10 people,
9 so that they could build up their investigative and
10 support staff. We work with the agency closely. They
11 have a lot of vacancies right now also on top of what
12 we gave them and, as they hire up, and if there is
13 additional need, we will consider it.

14 COUNCIL MEMBER BREWER: Okay. But I have
15 to point out that sometimes it's hard to hire, so you
16 have to have the opportunity. They have to pay asset
17 often to do the promotional dollars because people
18 are not going to stay if they do not have those
19 promotional dollars.

20 DIRECTOR JIHA: We always work with, as I
21 said, I make many exemptions for DOI on many
22 occasions, particularly for salary adjustments, and I
23 will continue to work with them.

24 COUNCIL MEMBER BREWER: Okay. NYPD OIG
25 budget totals 20.5 million for FY26 in the

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2 Preliminary Plan. 17.5 million is budgeted for quote-
3 unquote rentals, land, buildings, and structures. But
4 this funding supports the lease budget for the entire
5 agency. Why was it placed in the OIG's budget at
6 NYPD, and can this funding be used for other purposes
7 than rentals?

8 DIRECTOR JIHA: I would have to come back
9 to you on this question.

10 COUNCIL MEMBER BREWER: Okay. Because that
11 could be an opportunity to use money that is ready to
12 go.

13 DIRECTOR JIHA: Yeah. Let me get back to
14 you on this one.

15 COUNCIL MEMBER BREWER: Okay. On asset
16 forfeiture, in light of the federal government's
17 clawback of FEMA funding, which we've all heard
18 about, is OMB concerned that federal asset forfeiture
19 funds that the City receives may also be in jeopardy?
20 And what are you doing about that?

21 DIRECTOR JIHA: Again, our goal is to
22 protect all of our revenue stream as best as we can.
23 And you know, as I said, we're taking each case at a
24 time. Again, we don't want to give these guys a
25 roadmap in terms of what they need to do, what they

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2 should do, but our goal is to monitor and, you know,
3 and do an assessment when the time comes. If whatever
4 happens, we'll do an assessment and make a
5 recommendation to the Council and to the Mayor.

6 COUNCIL MEMBER BREWER: Okay. Asset
7 forfeiture is a little bit different, though, than
8 just a regular allocation so it needs, in my opinion,
9 a special thought process because it's a different,
10 you get it differently. You don't just get it every
11 time.

12 DIRECTOR JIHA: We got it.

13 COUNCIL MEMBER BREWER: All right. Water
14 fountains and water bottle filling stations. Thank
15 you for responding. So quite a few Council Members, I
16 think almost 25, signed a letter to you. You
17 responded, basically stating that we would like to
18 fund independently water fountains and water stations
19 in the schools. And you responded, yeah, you can do
20 it, but only if you're like renovating, you know, the
21 lobby or renovating the building, etc. But I know
22 Directive 10 very well. I was able years ago to get
23 laptops when people said, oh, you can't do it. But we
24 did under Directive 10 because they were networked
25 and because they last more than five years. I proved

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2 that. So water fountains last a lot longer than five
3 years. And guess what? They're all connected under in
4 the plumbing. So why cannot they be allocated status
5 of capital?

6 DIRECTOR JIHA: Yeah, you know, as you
7 indicated...

8 COUNCIL MEMBER BREWER: Just so you know,
9 previous directors of OMB agree with me. I won't say
10 which ones. I called them up.

11 DIRECTOR JIHA: A water fountain by
12 itself, by itself.

13 COUNCIL MEMBER BREWER: By itself. They're
14 all connected.

15 DIRECTOR JIHA: They are not capital
16 eligible because they cost about 8,000 dollars and
17 the limit is 50,000 dollars.

18 COUNCIL MEMBER BREWER: I know.

19 DIRECTOR JIHA: The asset has to be 50,000
20 dollars or more to be capital eligible. The way it
21 usually works is it's part of a bigger ask, okay?
22 That's how they were able to get it approved. But
23 individually, by itself, it doesn't pass the
24 criteria.

25

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2 COUNCIL MEMBER BREWER: Directive 10 says,
3 you know, when I got my laptops, they were not 10,000
4 dollars. They're not even close. They're connected.
5 The water fountains are connected, and they last more
6 than five years. I think you should look to see
7 they're connected underneath in the plumbing. That,
8 to me, would argue a waiver around Directive 10. Will
9 you look at that again, please?

10 DIRECTOR JIHA: I will look into it.

11 COUNCIL MEMBER BREWER: Okay. You know,
12 the kids want a water fountain that can then fill
13 their water bottle. We're trying to make them
14 healthy. We're trying to get them to not be drinking
15 soda. How do you do it? You have water fountains
16 that, in fact, fit their current health needs.

17 DIRECTOR JIHA: We'll look into it.

18 COUNCIL MEMBER BREWER: I'm not giving up.
19 Thank you very much.

20 CHAIRPERSON BRANNAN: Okay. We have
21 Council Member Nurse followed by Restler then Rivera.

22 COUNCIL MEMBER NURSE: Thank you, Chair.
23 I'm echoing Council Member Brewer's water fountain
24 thing. We tried to get a handful of them in one
25 school and you all rejected it after we already

allocated so, either we'd like our money back to figure out where we can spend it or give us the water fountains.

I have two separate sections, one on the borough-based jails. The Mayor referenced 16 billion recently. The last time we had this, it was 13 billion so can you talk about the difference?

DIRECTOR JIHA: Again, the cost increase because of the 13 billion, if I remember correctly, is because we used some of the capital money that was already in the DOC budget and we allocated to borough-based jails because we cannot do any more capital projects at Rikers. That's the reason why it appears to be 13-something instead of 16, but the true cost is 16.

COUNCIL MEMBER NURSE: Okay. Just to reiterate, you're reallocating other capital to this?

DIRECTOR JIHA: Yeah.

COUNCIL MEMBER NURSE: Okay. And what are you all doing in terms of ensuring that these project costs aren't going over? Where are we in terms of all of the contracts being executed? I know that each facility is about 2.3 billion to 4.2 billion. How are

we going to ensure that 16 billion doesn't balloon even further?

DIRECTOR JIHA: We're working with... again, there's no guarantee because material costs have significantly increased. We just got a new tariff on steel, and steel is a big piece of this puzzle, and we don't even know what the ramification of that is going to be for the borough-based jail because a lot of it is steel-based. So, again, I don't know yet what the ramification of all the tariffs are going to be on construction costs yet, but I'm assuming there's going to be some increase.

COUNCIL MEMBER NURSE: Okay.

DIRECTOR JIHA: We would come back to you at some point when we have a better, you know, clear guidance in terms of what's going on to give you a better sense of costs. So, therefore, I cannot say for sure there's not going to be another cost increase.

COUNCIL MEMBER NURSE: Fair enough. I understand about the cost of steel, things like that. I think every year we've asked, are you going to do some kind of independent engineering assessment? Every year you say no. Why not?

SENIOR DEPUTY DIRECTOR BOIRARD: We're working on doing a VE. I have to get back to you on the time frame.

COUNCIL MEMBER NURSE: You are planning on doing one?

SENIOR DEPUTY DIRECTOR BOIRARD: Yes.

COUNCIL MEMBER NURSE: Okay. Great. We'd love to hear more about that.

Last year one of the deals made for the adopted budget was funding for a couple of HPD programs, actually a bunch of HPD programs, but specifically Neighborhood Pillars, Open Doors. We were promised updated term sheets from HPD. I'm asking here because we've been asking behind the scenes, so we just would like to know when we will get those updated term sheets for us to look at and have a conversation about.

DIRECTOR JIHA: Tara.

SENIOR DEPUTY DIRECTOR BOIRARD: Sure. I know that we promised, I believe, at the end of last year that we'd have everything settled.

COUNCIL MEMBER NURSE: For December. Yeah.

SENIOR DEPUTY DIRECTOR BOIRARD: We're almost there. So, we received the last round of back

and forth with HPD last week, and we're hoping that we're close to the end stage. For some of the programs, I want to be clear that it doesn't mean that there's a hold on the program. All of the deals are continuing. This is just to be more transparent about how we're setting costs.

COUNCIL MEMBER NURSE: But some of them are. I think Open Doors is being held for a minute.

SENIOR DEPUTY DIRECTOR BOIRARD: That's less about a term sheet issue and just more evaluating the particulars of the program.

COUNCIL MEMBER NURSE: Okay. Can you tell me just briefly if you have which ones are on hold until there's a new term sheet?

DIRECTOR JIHA: Nothing is on hold.

COUNCIL MEMBER NURSE: Okay. Nothing. Okay. So, you anticipate us having those term sheets to review this month?

SENIOR DEPUTY DIRECTOR BOIRARD: A lot of this is an iterative process that also involves HPD so I can't unilaterally say that we're going to be good with the term sheets. I can tell you that we're working actively with them.

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2 COUNCIL MEMBER NURSE: Are you willing to
3 let us look at anything that you have now?

4 SENIOR DEPUTY DIRECTOR BOIRARD: We have
5 to talk to HPD on that piece.

6 COUNCIL MEMBER NURSE: Okay. I think it
7 would be helpful just so we can see where we are and
8 if we can be helpful.

9 SENIOR DEPUTY DIRECTOR BOIRARD: Sure.

10 COUNCIL MEMBER NURSE: In any way. Thank
11 you, Chair.

12 CHAIRPERSON BRANNAN: Thank you, Council
13 Member. Questions from Restler, Rivera, Stevens.

14 COUNCIL MEMBER RESTLER: Thank you, Chair
15 Brannan. Good to see you, Director Jiha and Latonia,
16 Ken, Tara. Thank you all for being with us today.

17 Just firstly, briefly on the MTA and the
18 importance of funding and the gap in the current
19 Capital Plan. In 2021 in the enacted State budget,
20 Governor Cuomo authorized the MTA to establish
21 congestion pricing in New York City. Governor Hochul,
22 of course, as we all know, reduced the price of
23 congestion pricing and now the MTA is estimating that
24 it will generate only 500 million dollars instead of
25 a billion in its first full year of implementation.

Does the Administration anticipate that the City is going to have to increase its capital contribution to the MTA as a result of the reduced revenue being generated by congestion pricing?

DIRECTOR JIHA: Currently, the State requested that we add 3 billion dollars to the Capital Budget for the MTA. Nobody knows what's going to happen with congestion pricing and what the ramifications will be for the City. I'm assuming there will be conversations between the City and the State and the MTA at that point in time because we don't know what the outcome of the lawsuit is going to be. But as far as I know, that's all so far they asked us to contribute, 3 billion dollars. But again, we don't know about the discussion about where we're going to end when it comes to congestion pricing with respect to the lawsuit between MTA and the federal government.

COUNCIL MEMBER RESTLER: Okay. Shifting gears to early childhood education, I was particularly concerned that we're back at facing another round of cuts to early childhood education in this budget, 113 million dollars, 112 million dollars to 3K, I believe another nearly 50 million dollars in

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2 cuts to pre-K. These are significant cuts. Can you
3 speak to the number of seat reduction that these cuts
4 represent by cutting 112 million dollars from 3K? How
5 many fewer seats are available to New York families?

6 DIRECTOR JIHA: There's no cut to 3Ks.
7 There's no cut at all, \$112 million dollars. The
8 program was funded for one year, and we're working
9 right now on a plan going forward.

10 COUNCIL MEMBER RESTLER: There's 112
11 million fewer dollars available this year. How many
12 fewer seats are available?

13 DIRECTOR JIHA: What I'm saying to you is
14 we're working on a plan, okay, to ensure that this
15 program is not cut, okay. And as part of the
16 Executive Budget, you know, we're waiting to see
17 what's going to happen with the State's budget. As
18 part of the Executive Budget, we're working on a plan
19 to make sure that doesn't happen. The program was
20 funded one year at a time. It was funded last year.
21 It was a joint program with the City Council and, as
22 any other typical joint project with the Council, it
23 was typically funded one year at a time so there was
24 no cut.

25

COUNCIL MEMBER RESTLER: And the Administration chose not to continue to fund it in the Preliminary Budget so, if there is no further action and we do not fund this program, then we face 112-million-dollar cut year over year to 3K. Now, just a few years ago, we had 70,000 kids enrolled in pre-K. This year, I think we have 40,000 in 3K. We are leaving tens of thousands of families who desperately need the help in the cold, unable to access the free, high-quality early childhood education they need. I'm just disappointed that we can't get a crisp number because these cuts have a huge impact on the accessibility of early childhood for working families, and we're getting stonewalled.

Relatedly, on vouchers, I'm very concerned about cuts to vouchers. I believe ACS just recently informed child care providers that between 4,000 and 7,000 children will lose access to vouchers this summer given a lack of State funding for child care block grant CCBG funding. In the past, when there had been reductions in State funding, the City stepped up, created the SCCF voucher, the special child care funded voucher, to ensure that families access the vouchers that they need. Is this cut to

4,000 to 7,000 families on your radar? What plans does the City have in place to ensure that families who need vouchers are able to get them?

DIRECTOR JIHA: We are working with the State to make sure... this is a State program so we are working with the State, and we are in constant communication with not only the Executive Office, Governor's Office, but also the Assembly and the Senate. It's very high on everybody's radar. It's a priority, so we're working on it to ensure that doesn't happen.

COUNCIL MEMBER RESTLER: I appreciate that. I just want to underscore, just a few years ago, the City was putting CTL in in a major way to ensure that families in need of vouchers could get it. As a result of State funding, there is no wait list today. But if we lose this funding, people who have vouchers now will lose them, and the wait list will grow so I hope the City is prepared to step up if we do not get the help we need from the State. And, you know, I just have to say, as Robin Hood came out with a report last week, 25 percent of kids are living in poverty in New York. That's the population of Miami or Minneapolis or Oakland that are kids that

are in poverty in New York City. And if we cut 3K and we cut child care vouchers, it only gets worse.

Last question, if Chair Brannan will allow. I'm very concerned about CHPE, the Hydro-Quebec pipeline, that is supposed to be providing renewable energy to support all of New York City government, and then some. It's supposed to be coming online next spring. Do you anticipate with these new tariffs that it will be a significant additional cost? Can you share any estimates with us on what kind of impact this would have on the City?

DIRECTOR JIHA: I don't have any estimate at this point in time, but we will come back to you.

COUNCIL MEMBER RESTLER: Do you believe that CHPE is subject and the Hydro-Quebec pipeline is subject to this?

DIRECTOR JIHA: From what I understand, Ontario wants to impose a 25 percent tariff.

COUNCIL MEMBER RESTLER: So, you do believe that this renewable energy pipeline will be subject?

DIRECTOR JIHA: It could be. It could be subject to it. So, as I said, we're waiting to see, to get full guidance from what Canadian government is

doing and to see how it will be impacted, but there is a good chance that, you know, we will see some significant increase in electricity prices in New York City.

COUNCIL MEMBER RESTLER: Well, these are dark times. 58 percent of our HPD budget comes from federal funding, and I can only imagine what's going to happen to the affordability crisis if the worst cuts that are proposed in Washington come to fruition. We're all going to need to work together to push back in every possible way, and I appreciate that. I appreciate the opportunity to work together, and thank you for answering the question.

DIRECTOR JIHA: Looking forward to working with you.

CHAIRPERSON BRANNAN: Okay. Rivera, Stevens, Menin.

COUNCIL MEMBER RIVERA: Thank you. Thank you to the dais for your time and for your service to the City. Thank you for being here.

Before I begin my questions, I just want to state that I think arts are desperately needed in our education system. I hope we can all align on a goal to get an art teacher in every school. It's so

important to social-emotional learning. It's transformative, clearly good for the students' mental health so I hope we can really rally together and that you truly do see us as partners.

For DCLA, I want to get to arts and culture for a second. Last year, the Council was able to secure one-time funding of 45 million for DCLA at adoption of the Fiscal 2025 budget. Every year, we fight to add this one-shot to the budget, and we're successful. To ensure that cultural institutions continue to serve as reliable community hubs and can provide needed programs and services to New Yorkers, will the Administration baseline this funding so that we don't have to do the whole routine every single year?

DIRECTOR JIHA: As I said earlier, I don't like to dance myself either. It's a question of we have so many needs, and if you don't have a long-term funding stream, we cannot make a commitment to baseline an item. So, we usually take a look at them, you know, look at what our resources is. We're going to continue to work with you as we get closer to adoption to see what... the arts are very important to the city.

COUNCIL MEMBER RIVERA: Absolutely. I mean...

DIRECTOR JIHA: They're very important to the city. We realize their importance, and to the extent that we're going to do our best to provide them resources that they need to continue to make New York City the capital of the world. People come to New York because of what we do in terms of art and a lot of other things, but art is very critical. So, therefore, we're going to try our best, but again, the commitment to say, you know, we're going to make a baseline 45 million dollars. I have a lot of things that need to be baselined, so therefore, it's a priority issue.

COUNCIL MEMBER RIVERA: I understand. I just think this specifically, as you mentioned, it's an economic driver. I think the creative workforce is incredibly important. Right now, these institutions that were hit so hard by the pandemic, they're facing really serious financial dire situations, and does the City have a plan to provide targeted support for cultural institutions who are facing these types of situations we saw with the Brooklyn Museum, for example, and does the City have a plan to support

union members and workers in protecting their jobs in these cases?

FIRST DEPUTY DIRECTOR GODINER: The City currently provides about 3.5 million of subsidy to the Brooklyn Museum. We work, you know, hand in hand with these organizations when they have difficulties. We've added 3 million dollars, baselined, generally to fund the five new CIGs, and we'll work with DCLA on a case-by-case basis when institutions find themselves in financial problems.

COUNCIL MEMBER RIVERA: Okay. Well, I'm glad to hear that.

In terms of smaller institutions and CDF funding delays, you know, this year, we heard of the six-month delay in this funding, and I want to ensure that the Administration has a plan so that CDF Cultural Development Fund recipients receive their funding in a timely manner. What is the timeline for the panels, and does the agency have enough staff to process and review the applications so that the recipients can receive their allocations without delay?

DIRECTOR JIHA: We believe they have the staffing necessary to do the work. It's just a

question of, I think, if you need to have more detail, you should definitely talk with the Commissioner, and if you want us to make, you know, arrangements for you to work with the Commissioner to find out exactly where she's at, she could give you an update in terms of what is it that they're doing, but we believe they have the appropriate staffing.

COUNCIL MEMBER RIVERA: Okay. Well, I know they'll be sure to let us know, and they'll let you know as well.

And just my last question on libraries, we know the role that they play. They're civic centers. They nourish creativity. They promote literacy. They cultivate a love of reading, and they have a combined Fiscal 2026 unmet expense need of 44.8 million dollars. That's everything from uncovered wage growth, health insurance, liability insurance, rents, capital and eligible IT, and deferred maintenance needs, supplies, among other expenses. Will the Administration prioritize giving the libraries additional resources to fund their unmet needs, and does the Preliminary Budget have funding to support increasing seven-day service to more neighborhoods?

DIRECTOR JIHA: As part of budget negotiation last year at adoption, we funded the libraries from our perspective at the appropriate level, but again, we will, as we get closer to adoption, we will work with you, review their needs to see, and if we have resources, we'll work with you to see what can be done.

COUNCIL MEMBER RIVERA: Okay. I appreciate that. I know when we asked about threats to our budget from the federal government, you mentioned that they can't cut with impunity, and that we just can't backfill these dollars. Obviously, it's not OMB. It's not even the Council's budget negotiation team who's punished by these cuts. It's the people of New York City, and so I hope that together we can, that the people of New York City really need to see us come together and make a plan for the basics, food, health, education, healthcare, and that people are ensured they can take care of their families. So, I hope it doesn't come to that, you know, in terms of what we're seeing, but I do hope that you see us as partners to find ways to protect New Yorkers.

DIRECTOR JIHA: Of course.

COUNCIL MEMBER RIVERA: Thank you. All right. Thanks to the dais, and thank you, Mr. Chair.

CHAIRPERSON BRANNAN: Council Member Stevens followed by Menin and Joseph.

COUNCIL MEMBER STEVENS: Well, hello. How are you doing? You're doing great.

DIRECTOR JIHA: Thank you.

COUNCIL MEMBER STEVENS: Thank you for being here with us. I know it's been a long day, so I'll make it brief.

Well, I just want to start off by saying for the last three years, I've sat here and been yelling about additional beds for homeless and runaway youth, and I would be remiss for not saying I appreciate the Administration for prioritizing this and seeing these young people who have felt unseen in their communities and by all of us for so long. So that was not an insignificant thing, and so I want to make sure that as much as I yell at everyone and give everybody the business, I will take the time to make sure I say thank you for seeing the vision and understanding the importance of what that is.

DIRECTOR JIHA: Appreciate it.

COUNCIL MEMBER STEVENS: But I do have some questions around it. How many locations will receive additional beds? And with the funding in the additional beds, does the Administration plan to baseline the 1.6 million one-time funding added in Fiscal 2025 in the Adopted Budget for the full-time housing navigators across all drop-in centers throughout the borough?

DIRECTOR JIHA: I think I would defer to the Deputy Mayor for Health to give you a briefing on the exact plan because I don't know it by neighborhood, you know, where the beds are going to be located, I don't have that information.

COUNCIL MEMBER STEVENS: Okay. So, I'll follow up to you.

DIRECTOR JIHA: Yeah, if we could follow up with them. And if you want me to make an introduction or whatever. I'm pretty sure you know her.

COUNCIL MEMBER STEVENS: Of course, I know them. As much as I call you, I call everybody else too. Don't worry. But do you have information about the 1.6 for the housing navigators? Is that something

that we're looking to baseline in the budget? And that's for the homeless, runaway youth as well?

DIRECTOR JIHA: Again, as I said, you know, depending on the resources.

COUNCIL MEMBER STEVENS: Depending on resources. Are we going to depend on it? Don't give me a hard time.

DIRECTOR JIHA: I'm not giving you a hard time. Did you hear everyone? Everybody wants their thing to be baselined.

COUNCIL MEMBER STEVENS: I'm asking because we did it, and so every year, I don't want to have to fight for it in the same way I don't have to fight for the beds this year. I don't want to fight for this again. I would love for us to get to a place where we have to baseline it so that I don't have to come back to you, you know?

So, my next question is also still about the homeless, runaway youth. With the Administration, we extended the contracts for a lot of these youth programming. However, when we're looking at not only just homeless and runaway youth, but even with the afterschool and the COMPASS and the SONYC programs, the funding for those programs were not increased,

and they haven't really been increased, I know, for SONYC since like 2015, so are we looking to find some way to increase these contracts that we continuously increase because with inflation and all these things, it's not keeping up with the programs?

SENIOR DEPUTY DIRECTOR MCKINNERY: Thank you, Council Member. With all of these programs that potentially need RFPs in the future and so forth, we have to look at them, so we don't know exactly what we'll do, but we're looking at them, and we're, you know, working with Deputy Mayor Almazar in conversations with that so we'll certainly look at it.

COUNCIL MEMBER STEVENS: Yeah, listen, we are excited about the extension and we want the extension, but at the end of the day, we can't continue to push these programs forward without any type of right-sizing them for what they should be working for, so I'm happy to hear that you guys are looking at it because it's something that we have to do because, like I said, COMPASS and SONYC has not seen an increase since 2015, and they cannot continue to sustain this work without some type of increase. And homeless, runaway youth as well, they need to be

right-sized for the work that they're doing,
especially since we're expanding it.

I have some more questions, but I'll just
follow up with them at a later time. Thank you.

DIRECTOR JIHA: Thank you.

CHAIRPERSON BRANNAN: Council Member Menin
followed by Joseph and Ariola.

COUNCIL MEMBER MENIN: Thank you so much,
Chair. So, I have two questions. Because of the
threat of budget cuts to social services from the
Trump Administration, it's obviously more important
than ever to try to find savings in the City budget,
as you know. So, my first question has to do with the
Healthcare Accountability Office. As you know, I
fought very hard for the creation of that office. It
is now the law that that office has to be created. It
was supposed to be fully staffed with 15 lines by
February of last year so my question is how many
lines have been actually filled?

DIRECTOR JIHA: I would come back to you
with that answer because I don't have it in front of
me.

COUNCIL MEMBER MENIN: Okay. My
understanding is of the 15 lines, only one line has

been filled. There have been discussions about seven lines, but 14 lines have not been filled.

DIRECTOR JIHA: Okay.

COUNCIL MEMBER MENIN: So I just want to get confirmation that that is correct. So, we're a year behind and that office is supposed to issue an important report. And the reason why this matters so much, of course, is that studies show that this office can save the City 2 billion dollars a year by harnessing our City's purchasing power to drive down costs. As you know, we're spending 12 billion dollars a year of our City budget on these healthcare costs and it was 6 billion just five years ago. So when we have an office that can potentially save the City 2 billion dollars, it's very upsetting and frustrating that it's not fully staffed.

DIRECTOR JIHA: Let me get back to you, and we'll talk to the task force to get an update in terms of where they are. Okay?

COUNCIL MEMBER MENIN: Okay. And then the second question I have also relates to healthcare. So, you have been talking for a long time about this RFP for hospital costs. We know that the hospital costs are extremely high and rising very, very fast.

So, the State's per capita hospital spending was 43 percent above the national norm, up 22 percent from a decade ago. I mentioned that the City's costs have risen from 6 billion dollars a year five years ago to 12 billion of our City budget. So, we've been hearing for almost two years from the Administration that the City's latest RFP for a healthcare provider for active City workers could save the City over a billion a year without a diminution in the quality of care, so why is this taking almost two years when we know we could realize close to a billion dollars of savings?

FIRST DEPUTY DIRECTOR GODINER: The process in order to get the new health program does take a substantial amount of time. There was a great deal of time taken on back and forth as we came up with a general plan design. Subsequent to that, we received bids from the vendors. We narrowed down to two finalists. We go through this process jointly with the MLC. Unfortunately, that process has taken a great deal of time. We recently had to ask for refresh bids because of the passage of time. We received those bids. We're on a timeline now. We

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2 expect to have a vendor finalist selected during the
3 spring of this year.

4 COUNCIL MEMBER MENIN: Okay. Just in
5 closing, I want to say it should not take the
6 Administration two years to issue an RFP on something
7 of this importance where we could potentially save a
8 billion dollars, which is by your own admission we
9 can save a billion so this is not just some statistic
10 that I'm quoting. This is from testimony that you all
11 have actually given.

12 FIRST DEPUTY DIRECTOR GODINER: Right.
13 It's not the issuance or the RFP. It's the selection
14 of a vendor and then an award. It is a bilateral
15 process, which has many positive aspects, but it does
16 tend to take a little more time when it is not simply
17 the Administration doing this, but that we're working
18 jointly with the MLC.

19 COUNCIL MEMBER MENIN: Okay. Thank you.

20 CHAIRPERSON BRANNAN: Council Member
21 Joseph followed by Ariola.

22 COUNCIL MEMBER JOSEPH: Thank you, Chair.
23 Thank you for being here.

24 First question I have is around
25 Foundation Aid. We know there's a new formula. There

was a study done, and we saw that New York City, with the new formula in place, will stand to lose 347 million dollars less coming to New York City so what is OMB's potential change? Does OMB see favorable to New York City public schools? And how is OMB collaborating with DOE advocating at the State level for improvement to the Foundation Aid? I myself also testified before this Committee as well.

DIRECTOR JIHA: We welcome your advocacy in Albany. We've been pushing, we've been discussing with every single stakeholder in Albany to make sure that they understand that the City would be losing 347 million dollars under the new formula than under the old one. Okay. So, we're in conversation with the Governor's folks, the Assembly, the Senate. And again, as I said, the more people talking to Albany, the better off we are. I don't know at the end of the day if we could influence the formula, but I know we've been talking to them, and we propose certain changes to them. And we're hoping that they could take those changes into account, and hopefully that would yield, you know, they would take them into account and, as a result, we'll get some additional resources. But again, I don't know for sure, but

we've been in conversation with them and come up with different alternatives so that they could explore. But again, we don't know if they're going to follow up and, you know, take into consideration the alternative that we present them.

COUNCIL MEMBER JOSEPH: In addition to the Foundation Aid, has OMB made, and the Administration made any push to increase State funding because I noticed, if you notice, State funding has gotten less over the years, and New York City has been stepping up and filling in the gap. What their conversations are like?

DIRECTOR JIHA: Again, trust me, we don't like to step up to backfill what the State is not doing. So, it's just a question of continue to talk to them. Again, I will always welcome you because, you know, your advocacy, because you always, whenever we ask you to go up in Albany, you always go with us, and we continue to push.

COUNCIL MEMBER JOSEPH: What impact would that have? Let's say the Foundation Aid go as is, less 347 million dollars, less than New York City budget. What does that look like for us here down here in New York City public schools?

DIRECTOR JIHA: The fortunate thing is for us is, as we do our budget, we're always conservative. We always assume a flat. Okay, we're not assuming any growth. So therefore, we're not going to be, you know, impacted directly in a sense of we have to cut things because we assume certain growth rate that we didn't get. But it means that less money is going to go to the schools, you know.

COUNCIL MEMBER JOSEPH: And that's not a good thing. So, Carter cases, 2025 spending on Carter cases will exceed Fiscal 2024 at around 1.19 billion, and in Fiscal 2026 budget for Carter cases, you have 934 million. Does OMB expect Fiscal 2026 spending in Carter cases to exceed what is already happening in 2024?

DIRECTOR JIHA: Again, this is one of the cliffs that we have, that we monitor throughout the year. And as we see the actual numbers, we adjust our budget to reflect the reality on the ground.

COUNCIL MEMBER JOSEPH: On many occasions, we ask New York City Public Schools to differentiate between Connor and Carter cases. They have not been able to do so. Is OMB, are you able to differentiate between the two?

1 SENIOR DEPUTY DIRECTOR MCKINNERY: We're
2 working on that. We're working with New York City
3 Public Schools all the time.

4 COUNCIL MEMBER JOSEPH: But they don't
5 know either...

6 SENIOR DEPUTY DIRECTOR MCKINNERY: Right.
7 We have our Carter's number, but we'll have to
8 continue.

9 COUNCIL MEMBER JOSEPH: Get on the Connor
10 cases because they are different. They keep telling
11 me they are the same. They're not the same things.

12 SENIOR DEPUTY DIRECTOR MCKINNERY: Right.

13 COUNCIL MEMBER JOSEPH: Even if when you
14 look in demographic and who takes a Connor case
15 versus a Carter case, they're very different.

16 SENIOR DEPUTY DIRECTOR MCKINNERY: Right.
17 We'll have to get back to you on that one, Council
18 Member.

19 COUNCIL MEMBER JOSEPH: And class size.
20 How's class size coming along? We need educators,
21 about 10,000 teachers to fill the mandate of class
22 size. How are you expediting the hiring of teachers?
23 And how are you meeting the mandate?
24
25

1 SENIOR DEPUTY DIRECTOR MCKINNERY: We are
2
3 currently working with New York City Public Schools.
4 They have all their proposals from the schools, and
5 we're in review and conversation about what's needed
6 to be in compliance. We're in compliance this year,
7 and we look forward to be being in compliance next
8 year so we're going to continue to work with them.

9 COUNCIL MEMBER JOSEPH: Are there any
10 restrictions in place for staffs at New York City
11 public schools to hire directly?

12 SENIOR DEPUTY DIRECTOR MCKINNERY: Any
13 restrictions? Not that I'm aware of, but we'll
14 continue to look at that. We are assessing what the
15 full impact and need, there are conversations with
16 the unions and so forth so it's ongoing, but we are
17 definitely in conversation about next steps.

18 COUNCIL MEMBER JOSEPH: Do the two-for-one
19 policy only apply to central positions at New York
20 City Public Schools or?

21 SENIOR DEPUTY DIRECTOR MCKINNERY: That
22 would not apply to teacher hiring.

23 COUNCIL MEMBER JOSEPH: And does OMB plan
24 to help DOE comply with the State law, with the State
25 class size mandate, and both in terms of budgeting of

additional teacher and staffing teacher positions at a faster rate?

SENIOR DEPUTY DIRECTOR MCKINNERY: The Administration intends to be in compliance, so we are working together on that to ensure that it happens.

COUNCIL MEMBER JOSEPH: Thank you.

CHAIRPERSON BRANNAN: Now we have Council Member Ariola.

COUNCIL MEMBER ARIOLA: Thank you, Chair. As Chair of Fire and Emergency Management, of course, I want to talk about the Fire Department. For the last three years that I've been the Chair, the budget has been flatlined. Today in the Daily News, the Chair of this Committee, Justin Brannan, and the union president, Andy Ansbourgh, wrote an excellent yet troubling opinion piece regarding a lack of staffing for our firehouses of firefighters and the need for the fifth firefighter. About a year ago, we had a conversation with the Administration because when I came on, I joined my Colleagues in the fight for that fifth firefighter. The Administration was willing to put a fifth firefighter in 10 other firehouses, especially in the winter months, and staffing was an issue as to why it couldn't be done.

1 Additionally, we have equipment that is antiquated.
2 We have rigs that are over 25 years old. We have
3 firehouses that are falling apart. We have, as per my
4 own bill, firehouses that need to be retrofitted for
5 bathrooms and changing rooms for women firefighters.
6 We need a new system to replace the failing CAD
7 system. So, my question is, what are we doing for the
8 Fire Department this year? I know, Jacques, when we
9 spoke, I said this is a 1-billion-dollar ask because
10 they have not gotten money. And if we just had
11 implemented, now that I heard my Colleague, Julie
12 Menin, if everything that she spoke about had just
13 been implemented, 1 billion dollars would have been
14 saved, and that could have been 1 billion dollars
15 going to the Fire Department right now. This is
16 something that we need to take a hard look at because
17 we're seeing in the newspaper people are losing their
18 lives so what are we doing this year for funding for
19 the Fire Department?
20

21 DIRECTOR JIHA: Yeah. Currently in the 10-
22 Year Capital Plan, we have about 1.8 billion dollars
23 in terms of capital.

24 COUNCIL MEMBER ARIOLA: I'm sorry. I
25 missed it. How much?

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2 DIRECTOR JIHA: 1.77 billion dollars.

3 COUNCIL MEMBER ARIOLA: 1.77 billion?

4 DIRECTOR JIHA: Yeah, for capital. And 894
5 million dollars is for construction, and we have
6 firehouses, EMS station, and other facilities. We
7 have 674 million dollars to purchase fire apparatus
8 and other vehicles and equipment that they need. In
9 terms of the expense budget, we currently have like
10 2.64 billion dollars in terms of expense. Total add
11 in '25 is 102 million dollars, and 27 million dollars
12 in Fiscal Year '26. Firefighters, FDNY are exempted
13 from the PEG. But again, when it comes to the fifth
14 firefighter, we have 90 percent of our engine work
15 safely with four firefighters. So, can you add
16 anything more to that?

17 FIRST DEPUTY DIRECTOR GODINER: You know,
18 when we switched from five-man staffing to what was
19 called roster staffing, where we have a small number
20 of companies with five men and five firefighters, and
21 most with four firefighters, you know, we changed the
22 way the Fire Department responded, right? The five-
23 firefighter model involved the first-due company
24 attacking the fire. Under the flexible response that
25 they went to, and we're talking about early '90s,

okay, so nothing new here. The first-due company, if it's a four-person company, arrives at the scene, starts to take the hydrant, starts to perform the hose stretch, the second-due company is immediately dispatched, right, so that by the time they have to enter the structure, there are actually eight firefighters rather than five when they first enter the structure. We have not seen any downside in running this this way. In fact, we think this is a more effective and safer way to fight fires. In terms of the apparatus being as old as you said, there are no frontline apparatus, you know, trucks and engines that are anywhere near that age. There's actually a labor contract provision in the UFOA contract that requires us to replace the vehicles after 11 or 12 years, and we are on that mandated replacement cycle, so there is, you know, we may have vehicles that are 25 years old but not frontline firefighting apparatus.

COUNCIL MEMBER ARIOLA: Chair, indulge me one more moment, please.

So, the money that you're talking about, Jacques, that was money that was already promised because those are numbers that I've already heard at

these types of budget hearings. There's nothing new. There's no increase. That's number one. Number two, I've never heard that less firefighters are better at fighting a fire, so, you know, it is proven statistically and in action that the fifth firefighter is needed to get that hose over to the fire quicker so that the fire can be contained and put out. So, I think you better go back and look, and that is an unacceptable answer because maybe you should take a look in the Daily News today because what was written is the actual truth, and when I went to each and every firehouse this year, each and every one of them had rigs that were very old, and they were frontline so you're absolutely wrong, and I'm telling you that because I went there physically. Jacques, we spoke about it. One billion dollars new money, not old money, not promised money that they never got. These are numbers that we've been getting at each budget hearing.

DIRECTOR JIHA: This is money currently in their budget now. It's not promised money. This is currently in their budget. It is not like we promised them. This is going to exist in their budget.

COUNCIL MEMBER ARIOLA: But it already existed. It should have been there already. We need more money for the Fire Department.

DIRECTOR JIHA: Trust me, I do...

COUNCIL MEMBER ARIOLA: That's my last word.

DIRECTOR JIHA: Trust me, I understand. Everybody wants more money. Trust me.

COUNCIL MEMBER ARIOLA: No, but they need it because they have been flatlined for the last three years and not gotten the money that you've already noticed us on. We need more money for the Fire Department. Thank you. Thank you for the consideration.

DIRECTOR JIHA: Thank you.

CHAIRPERSON BRANNAN: Okay. Director, we're going to wrap up. I just have two quick last things.

I've been hearing about issues with staffing for the 9-1-1 operators. Are you aware of this, that we need more staff there? Not aware? Okay. I've heard anecdotally folks sometimes call 9-1-1 and they get a voicemail.

DIRECTOR JIHA: Okay, we'll look into it.

CHAIRPERSON BRANNAN: Okay. And the last thing would be any update from OLR as far as negotiations with EMS pay parity in their contract?

DIRECTOR JIHA: There's a negotiation going on. We don't discuss labor negotiation while they're ongoing.

CHAIRPERSON BRANNAN: Okay. With that, thank you guys very much. We look forward to the process this year. Thank you.

We'll take a really quick break and we're going to hear from the New York City Comptroller.

Okay, we will now hear testimony from our New York City Comptroller and his team.

I welcome you, Mr. Comptroller. Thanks for being here and you can begin when you're ready. We have to swear them in, right? My Counsel's got to swear you in first.

COMMITTEE COUNSEL SARFO: Good afternoon. Do you affirm to tell the truth, the whole truth, and nothing but the truth before this Committee and to respond honestly to Council Member questions? Comptroller Lander.

COMPTROLLER LANDER: I do.

1 COMMITTEE ON FINANCE

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2 COMMITTEE COUNSEL SARFO: Executive Deputy
3 Brindisi.

4 EXECUTIVE DEPUTY COMPTROLLER BRINDISI: I
5 do.

6 COMMITTEE COUNSEL SARFO: Deputy
7 Comptroller Olson.

8 DEPUTY COMPTROLLER OLSON: I do.

9 CHAIRPERSON BRANNAN: Okay, you can begin.

10 COMPTROLLER LANDER: Thank you, Chair
11 Brannan, Deputy Speaker Ayala, Council Members Brewer
12 and Restler, the hale and hardy still digging in on
13 the budget after four hours with the Administration.
14 Thank you very much for the opportunity to speak with
15 you today about the Preliminary Budget at what really
16 is a pivotal moment for our city. We'll outline our
17 view on the Preliminary Budget, our perspective on
18 the economic outlook and some critical initiatives
19 that we believe the City should prioritize and shore
20 up in order to protect New York City in these
21 precarious times. I'm pleased to be joined today by
22 Executive Deputy Comptroller Francesco Brindisi and
23 Deputy Comptroller for Budget Krista Olson.

24 New York City's need for strong fiscal
25 management has never been more urgent with Donald

Trump and his crony Elon Musk slashing federal funding to city, states, hospitals, human service providers and even brazenly seizing 80 million dollars already deposited into the City's bank account as my office uncovered last month. We need steady, focused fiscal leadership. This is no time for the short-sighted phony budgeting that has unfortunately become Mayor Adam's calling card. The FY26 Preliminary Budget sadly continues the Mayor's pattern of poor transparency and budget gamesmanship, cutting existing programs like child care that thousands of New Yorkers depend on, overstating expenses for asylum seekers while underbudgeting by billions other known costs where we know the bills will be coming due. The City's budget gaps for the years of the financial plan are meaningful but they are manageable and the Mayor should be honest with New Yorkers instead of perennially misrepresenting budget needs and threatening costs to core services. These recurring budget games distract from the real issues, including the very real dangers from Washington, D.C., President Trump's tariffs, threats of mass deportation and health care cuts will make life more unaffordable for New Yorkers and undermine

our city's hard-earned economic gains since the pandemic. Indeed, the City has been on a path of stable, moderate growth leading up to the current moment. While employment has remained largely flat outside of the lower-wage health and social service sectors, the commercial office market has continued to improve over the past year. Transit ridership is up, traffic is down thanks to congestion pricing, and tourism is strong.

Unfortunately, now we must face our new reality head-on and actually reckon with it in our budgeting. That's why my office adjusted our economic assumptions to begin to account for the higher inflation and slower growth likely to derive from changes in federal policy. This less benign outlook lowers the forecast of City revenues in FY25 and 26. Even with those adjustments, my office estimates the tax revenues will exceed OMBs by 461 million in FY25, with the difference growing to nearly 3 billion by FY29 as a result of higher property, personal income, and business taxes.

As I noted, the Mayor's Financial Plan continues even now to overstate the expenses associated with services for asylum seekers. Given

current trends and net of state and federal aid that is unlikely to materialize, my office estimates budgetary savings of 472 million dollars versus the City budget for FY25, 589 million in FY26, and a full 1 billion in FY27. The Adams Administration, as the IBO has shown us well, has historically inflated these costs only to bring them down in subsequent budgets and in negotiations with you. The Mayor has continued to scapegoat immigrants for his own management deficiencies while showing no urgency in providing clear invoices for what State funding has been allocated to actually cover. The result, as you may have seen when we were up for Tin Cup Day, is that the legislators don't know how that money has been spent, and it makes it very difficult to get them to advocate for additional funding and support, and the Governor's FY26 executive budget does not include any new resources for the City in that regard.

However, even after accounting for the continued overestimated spending on asylum seekers and adjusting to those higher revenue figures I mentioned, likely revenues remain insufficient to support the chronic under-budgeting that continues to

be embedded in so many other areas in the Adams Financial Plan. The plan fails to account for an average of nearly 4 billion dollars in underbudgeted costs in FY26 through '29 associated with uniformed overtime, rental assistance, special education Carter cases, public assistance, and similar items. Nearly 400 million dollars in additional annual spending will also be necessary in this budget and the out-years if we simply want to maintain service levels for 3K, pre-K, and preschool special ed, much less expand to cover all kids that need those services. Additional spending will also be required to implement the State's mandate to reduce class size at an additional cost of 168 million in FY26, growing to 1.4 billion by FY29.

We do also need to be laser-focused on safeguarding our budget and safeguarding New Yorkers from the worst impacts of the Trump Administration, something Mayor Adams has failed to do. When Elon Musk took that 80 million last month, the Mayor was nowhere to be found, and it fell to our office to raise the alarm bell and pressure the Law Department into court. As the Daily News reported last week, OMB staff were anxious and even refused to sign the

affidavit, fearful the Mayor would not have their back. Thankfully, the Law Department filed strong papers, and we actually just got word that the judge did not grant the temporary restraining order because the money will be in the Fed's bank account and assigned arguments for next week, and I'm optimistic we'll get that 80 million dollars back, but that, of course, is just the beginning of federal funding cuts to New York that are likely to be severe, and we must act more proactively and strategically to prepare for them.

To help protect New Yorkers from those effects, I'm proposing that the City add 1 billion dollars to the General Reserve Fund for FY26. While this protecting New York City Reserve may not be sufficient to offset potential cuts to federal funding, at least it would ensure that we're not caught entirely flat-footed and that resources are available in the immediate term to sustain critical services. We're seeing how little notice we have. Last week it was reported that payments were held up by NYCHA to landlords with 100,000 low-income tenants. We're going to need a reserve in order to be

able to cover the hits we're so likely, unfortunately, to take.

In addition, based on the policies previously proposed by my office to establish minimum deposits into the Revenue Stabilization or Rainy Day Fund, for which there's still not a policy in place, our proposed policy would call for the placement of 847 million dollars into the City's Rainy Day Fund at the end of this year, FY25, based on excess non-property tax revenues that we've received and are receiving through the end of this year, which we will need in case of an economic downturn, which unfortunately is more likely in light of recent changes in fiscal and international trade policies.

Taken together, adding all of that up, my office projects higher budget gaps than OMB, including those reserves, by 1.48 billion for FY25, 4.46 billion for FY26, and increasing to 7.8 billion or 6.3 percent of total reserves by FY29. As I've advocated every time I've come here, addressing those gaps requires the Administration to strategically implement efficiencies and cost savings with each budget modification, rather than waiting for a moment when you have a problem. Given the risks on the

horizon, it is mind-boggling that there's no savings plan included with the Preliminary Budget.

At the same time, it is incumbent upon us to protect core services that the most vulnerable New Yorkers rely on in light of the same cuts, and so we've identified a few areas where we think it's critical for the Council to increase resources. No parent or child in this city should live in fear of family separation, so we identify some programs the Council has supported in the past that could get additional resources in this budget to protect immigrant families. The same is true for transgender New Yorkers and the Trans Equity Fund that the Council has supported in the past. Workers are not going to be protected by the National Labor Relations Board in the Trump era, and some additional resources that the Commission on Human Rights, DCWP, and the Comptroller's Bureau of Labor Law use to enforce and protect workers' rights would be wise as well.

Shoring up and advancing child care work makes a lot of sense right now as families continue to be crushed under the high cost of living in New York City, and so delivering on the promise of not just a pre-K seat but a 3K seat for every child and supporting the

workers who deliver that work with the pay parity that they were promised would also be a strong role for the Council to play.

I loved at the Speaker's State of the City yesterday hearing about CUNY ReConnect and some of the other initiatives that support those CUNY students who are just an amazing and resilient resource, so it's worth remembering that under this Administration, CUNY has seen 95 million dollars of baseline cuts since the start of the Administration. Refunding CUNY ReConnect and the Council initiatives is great. Restoring that 95 billion that was cut by the Adams Administration would also be a very good goal for this year.

Another issue I hear a lot about from New Yorkers is the challenge of folks with mental illness sleeping on the streets and subways of our city. After audits of the Homeless Sweeps and IMT program, my office put out a plan for ending street homelessness for people with serious mental illness, expanding on a Housing First program, a pilot that the Administration actually supported but now is nowhere to be seen, as well as additional resources for some secure treatment beds that DOC and H and H

are operating and additional mental health outreach, but especially for the housing and services that gets people off the streets is a critical investment at this time. Ultimately, it is people, fellow New Yorkers, who provide the care that people with mental need to get off the streets, but unfortunately, staffing shortages across our mental health agencies is a problem there as well.

I noticed yesterday also that one of the largest applause lines in this speech, and I heard it came up again this morning as well, is the crisis in just getting our non-profit human service providers paid on time. I'm pleased to let you know that my office has reduced the amount of time that we take. We've got 30 days to register. We've registered every one of the over 60,000 contracts we've received in this last three years. Our average is 17 days. Nothing produces results like a deadline, so I was encouraged to hear that all of the other agencies might be getting deadlines, and I urge the Council to proceed with legislation that would require that so that we could get our contractors paid on time and in full.

I'll conclude where I began, which is with the need for strong fiscal leadership during this tumultuous time. The Mayor, unfortunately, has done little to prepare the City or shelter its budget from strong federal headwinds, but with the Council's role in demanding greater transparency in budgeting and responsible investments in our reserves, we can be better positioned to weather the storm we are already at the beginning of and others that will be coming in the future.

Look forward to your questions and to working together with you to make sure we can make this a safer, more affordable, more fiscally sound, and better-run city in the years ahead. Thank you so much.

CHAIRPERSON BRANNAN: Thank you, Comptroller Lander. I want to get right into some contract questions around the emergency contracts for the asylum seeker crisis. I think the Administration took the issuance of emergency contracts to mean carte blanche so that they could direct contracts to whomever for whatever they wanted. Has your office been able to look back at any or all the contracts that were approved under the emergency provision to

ensure that there was no abuse of the procurement rules?

DEPUTY COMPTROLLER OLSON: We review each request for emergency procurement that comes to our office at that time, and we have done some look backs, you know, in terms of the overall. We released also a report in November of 2023 on emergency procurement and practices, and we do have some recommendations that came out of that. And one of those main recommendations is for the Administration to move towards competitive procurement, and we are seeing some of that. Because of delays in those contracts that are going through the appropriate process and coming to us, we still are slow in receiving them and being able to do a full assessment.

COMPTROLLER LANDER: And we did reports. We looked specifically at the staffing contracts. So we looked, we did content focused dives on emergency procurement for hotels, and in that one found that actually the cost per night scanned out and was pretty reasonable across that contract. Then we looked at the staffing contracts and found that the costs were all over the place, that the amount that

we were paying for a security guard varied like 100 percent from contract to contract. So, we have done a couple of deep dives into the specific procurement. But, you know, I think your question is important here, and, you know, if I could do one thing over again, it would have been to revoke the emergency, the prior approval we gave much sooner than we did. It was reasonable for them to have the authority in July of 2022 and for a few months following, but it was quickly got out of control.

CHAIRPERSON BRANNAN: I want to talk about business taxes. The business tax collections have remained strong. In a recently released report from your office, you highlighted business tax collections have outpaced other revenue sources and consistently outperformed forecasts. But the Comptroller's Office business tax forecast shows FY25 total business taxes at 522 million above prior fiscal year, which is a significant deceleration considering we've already collected 500 million above last fiscal year in business taxes. Could you talk about that a bit?

EXECUTIVE DEPUTY COMPTROLLER BRINDISI:
Yeah. So, I'm glad that you looked at our fiscal notes.

CHAIRPERSON BRANNAN: I'm the guy.

EXECUTIVE DEPUTY COMPTROLLER BRINDISI: We worked very hard on them, and, you know, they're all technical, so we're grateful for that. We were actually the first to raise the baseline forecast for business taxes before other forecasters, certainly, and as is shown in that fiscal note. We found a number of things that are important to note, the very strong revenues from C corporations, as well as, you know, the increase, the broad-based increase in unincorporated business tax. Our new U.S. forecast is a little weaker than what we use for our December forecast, and, you know, that sort of is reflected in a little bit less optimistic projection. We raised 40 million for this year. It's entirely possible that, you know, there is going to be more revenue coming in this year, you know, to the tune, possibly, of what your economists are projecting, but it's a reflection of our U.S. forecast.

CHAIRPERSON BRANNAN: What factors would cause collections to drop?

EXECUTIVE DEPUTY COMPTROLLER BRINDISI: Profit margins from tariffs would be one. The

slowdown of GDP, also due to restrictive fiscal policy and international trade policy.

CHAIRPERSON BRANNAN: Is that part of why you think that business taxes are so difficult to forecast?

EXECUTIVE DEPUTY COMPTROLLER BRINDISI: Business taxes have been, historically, very difficult to forecast, and, you know, there is no persistency in its growth rate. It's a very unusual time period where there has been consistent growth from one year to the next, you know, and significant growth as well, so that is something that is not typical of these taxes, and that's one of the reasons why we brought that fiscal note, to investigate that issue.

CHAIRPERSON BRANNAN: I want to talk about property tax forecasting for FY25. Your forecast for FY25 property tax collections is below OMB's forecast. As a result, our forecast for FY25 property taxes differ by about 400 million dollars. Did you incorporate the lien sale revenues and its impact on your collections?

EXECUTIVE DEPUTY COMPTROLLER BRINDISI: No. That, I think, is the biggest difference between

our numbers. It's the reserve. It's not necessarily the levy, because that's already been fixed. We did not make an assumption regarding the potential impact of lien sale on the delinquency rate, which, you know, 1 percent would be 300-something million dollars, explaining most of the difference.

CHAIRPERSON BRANNAN: Comptroller, why do you think the Mayor is so afraid to tackle property tax reform?

COMPTROLLER LANDER: It's funny, you know, you and I have been at this a long time, and, you know, it is one of those challenges that has some winners and some losers. The thing is the way that the prior mayor, who had the courage to file his proposal for reform three days before the end of his second term, that Commission did show that you could make it, you know, more or less, let's say, 75 percent winners, 10 or 15 percent people who have to pay more, including myself, and then the remainder of the people neutral. But unfortunately, he and others have just chickened out rather than go forward and say, this is a system that's inequitable. It's a system that's so random and confusing that we don't really have good handle on our core tax, and I hope

the next mayor will, in their first year in office, go up to Albany and put a proposal on the table for real property tax reform and have an honest conversation with New Yorkers.

CHAIRPERSON BRANNAN: Yeah. Can you update our Committee on the year-to-date returns for the City's five pension systems?

EXECUTIVE DEPUTY COMPTROLLER BRINDISI: 6.1 percent preliminary as of the end of February.

CHAIRPERSON BRANNAN: Okay. And how much, I mean, I guess this is the million-dollar question, but how much of the uncertainty we're seeing from Washington can be, how do we prepare for it?

COMPTROLLER LANDER: So, I'll start here, and then, you know, and then Francesco can dig in a little more. I mean, first, we're proposing increasing the general reserve by a billion dollars, which is a big step. I mean, that is really an emergency. That means coming up with a billion dollars that we don't commit to spending somewhere, but this is a prudent year to do that. I mean, the likelihood of really devastating federal cuts, if they do to Medicaid, what the budget resolution last year proposed, that by itself could hit our budget in

that way. So, and, you know, we've tried in all the reports that we've laid out, we've now three separate reports, you know, protecting New York City, a deeper dive into the budget, and then a look at the money that flows through to non-profit human service providers, just to try to outline where our vulnerabilities are. The challenge is they've just like thrown spaghetti at the wall, (cough) excuse me, against all those vulnerabilities, and it's hard to really focus and say, here's where we think the problem will be. So that's, you know, what we would recommend as step one is putting one billion dollars more in the general reserve.

CHAIRPERSON BRANNAN: Have you gotten any sense that the Administration shares the urgency of this moment?

COMPTROLLER LANDER: I mean, again, it was surprising to me. Obviously, the Preliminary Budget was presented, you know, some, you know, time ago now, but already with enough clarity about what the Trump Administration's plans are going to be to put forward something. I mean, the Preliminary Budget does not include any attention, no savings plan, no

increase in reserves, no proposal for, you know, any kind of contingency that we can find.

CHAIRPERSON BRANNAN: Can you quickly walk us through how and when you noticed the 80 million dollars had been taken out of the account, and how long did it take the Administration to care about it?

COMPTROLLER LANDER: So, I learned about it from Executive Deputy Controller Brindisi, so on that more.. yeah, well, go ahead. I mean, I...

CHAIRPERSON BRANNAN: You just wake up and refresh the accounts?

EXECUTIVE DEPUTY COMPTROLLER BRINDISI: Yeah, it is. Well, you know, there is very little left at the end of the day. It's all invested in the short term, and before there was a big...

CHAIRPERSON BRANNAN: So you just... seriously, you just happened to notice that there was... like, walk us through exactly what happened.

EXECUTIVE DEPUTY COMPTROLLER BRINDISI: Well, in the general treasury, there was a negative balance of 79.4 million.

CHAIRPERSON BRANNAN: Wow.

COMPTROLLER LANDER: It was really because of the overdraft.

CHAIRPERSON BRANNAN: Right.

COMPTROLLER LANDER: You know, it wasn't that we... that staff noticed the withdrawal.

CHAIRPERSON BRANNAN: Right.

DEPUTY COMPTROLLER OLSON: It was that because the balance had been brought down and therefore went to about a million dollars, and then when they took the 80.5 out, that led to a 79-million-dollar overdraft, and that is what called attention to it.

CHAIRPERSON BRANNAN: And at that point, OMB had no idea?

EXECUTIVE DEPUTY COMPTROLLER BRINDISI: We don't know about that. I mean, you know, our accountancy folks called DOF and DOF was aware. I'm not sure what OMB knew at what time.

CHAIRPERSON BRANNAN: Right. And even though it took them time to do anything about it, you're pleased with the strong paper that the Law Department put forward?

COMPTROLLER LANDER: Yes. The papers that the Law Department filed 10 days ago now, a week ago, Friday, I urge people to read. I mean, it's a strong argument that'll make you feel proud of the Law

Department of the City of New York, and it's just so clear what an utter violation of law the seizure was. You know, I learned some things in reading those papers. Every single individual who was provided services under this has an A number that was required by the federal government. That means they were released to us, essentially, by the federal government, every single person. They even took out 1.2 percent because of some questions around the A numbers. The federal government came, FEMA came and did a site visit at the Roosevelt Hotel, and FEMA issued a written approval of the invoice during the Trump Administration. (cough) Sorry, I apologize. So, they had literally zero basis for clawing that money back, and yes, the papers make that very clear, and I'm optimistic the judge will rule in our favor.

CHAIRPERSON BRANNAN: Okay, last thing from me. The Mayor has been lobbying in Albany to allow the City to refinance its unfunded accrual liability for three of the pension systems. This action would save the City in the short run, but it would add additional costs in the long run. Council sees the merit of this proposal, but we don't think it's appropriate to move forward unilaterally without

the support of the employees who fund and rely on the pension systems. What is the Comptroller's Office opinion of this proposal?

COMPTROLLER LANDER: Yeah, so we share those concerns, and I'll just make them a little more specific. Currently, the pensions are about, on average, about 85 percent funded across the five funds, which is great. That's not 85 percent funded for next year. That's 85 percent funded for the totality of our obligations as they stretch out for decades. And many folks say, great, you're in good shape, but the City nonetheless has a good plan to get to 100 percent funding that was adopted 20 years ago and put us on a path to reach 100 percent funding by the year 2032. This is a plan or a proposal that the Mayor made and that is included in the Governor's Executive Budget to stretch that out another to 2044. And of course, if you stretch the payments out longer, you can reduce what you would do between now and 2032. But as you say, it would cost the City, you know, meaningfully additionally in the outyears. So, I think we have those numbers. You would see an estimated 4.2-billion-dollar cumulative savings during the period of the Financial Plan with a total

decline in City contributions or, you know, that shows up essentially as savings of 8.6 billion over the years 2025 to 2032. But then, in order to make it up, you'd see an increase in contributions above what's currently projected of \$13.8 billion in FY 2033 to 2044. Now, that all nets out to zero, but still it means substantially more dollars in the outyears than you see savings in the next decade. And just to do that kind of because does not make any sense. Now, you know, if there is a serious emergency created as a result of what happens in Washington and we see more specifically what that looks like, you might say, well, maybe we should take another look at that in the context of looking at long-term retiree health benefit obligations as it becomes more clear what will happen with the resolution of the lawsuit and retiree health benefits, you might say. Let's bring that in and calibrate our long-term obligations more thoughtfully. So, could there be potentially a responsible way of looking at this as part of a real fiscally responsible long-term plan? It's possible and we would be glad to consider it, but the current proposal simply to take some money now and bill it to the future, we do not support.

CHAIRPERSON BRANNAN: Got it. Questions from my Colleagues? Council Member Brewer.

COUNCIL MEMBER BREWER: As you indicated, we're all trying to figure out about the payment structure. Do you have some suggestions for the non-profit community? Obviously, you're doing your part. I do think the head of MOCS is trying, but it does seem to me even in conversations yesterday, it's still the, you know, the T has to be crossed, I has to be dotted, and, you know, that's sometimes just that. So, I'm just wondering if you have any suggestions.

COMPTROLLER LANDER: Well, the first thing we've long wanted to see is what we call contract stat. The Administration has PASSPort, and PASSPort has some pluses and minuses, but it is an automated computer system that didn't exist previously, and they still have yet to provide the data on each contracting and oversight agency and how long they take to perform their functions in a sort of dashboard-like way. Here's how long the average contract takes from RFP to issuance at DYCD versus DHS versus all the other agencies and break it down by contract agency and oversight. That, you know, was

an agreement that I had with the Administration when we did our task force in the very opening months of the term. It was supposed to be online by two years ago. It still is not online. So, that's step one. Be transparent, because you can't figure out really where the bottlenecks are and which agencies are the most problematic without the data, and I honestly don't know whether PASSPort isn't producing it or whether the Administration has it and just won't provide it to the rest of us, but that really is step one.

And then, I guess one other thing I'll say here is there didn't used to be a problem after registration with invoices and payments, but there is now, and invoices are supposed to also wind up in PASSPort, so we would be able to see this as well.

COUNCIL MEMBER BREWER: Thank you. That's very helpful. Thank you.

CHAIRPERSON BRANNAN: Questions? Seeing none. Okay. Thank you very, very much.

COMPTROLLER LANDER: All right.

CHAIRPERSON BRANNAN: Appreciate it.

COMPTROLLER LANDER: Thank you.

CHAIRPERSON BRANNAN: We're going to hear testimony from the Independent Budget Office.

Okay. We'll now hear testimony from the Independent Budget Office, and we're just going to swear you in, and we can start.

COMMITTEE COUNSEL SARFO: Good afternoon. Do you affirm to tell the truth, the whole truth, and nothing but the truth before this Committee, and to respond honestly to Council Member questions? Director Chafee.

DIRECTOR CHAFEE: I do.

COMMITTEE COUNSEL SARFO: Officer Subramanian.

OFFICER SUBRAMANIAN: Yes.

COMMITTEE COUNSEL SARFO: Officer Parker.

OFFICER PARKER: I do.

CHAIRPERSON BRANNAN: Okay. You may begin. Thank you.

DIRECTOR CHAFEE: (INAUDIBLE)

CHAIRPERSON BRANNAN: Make sure your mic's on.

DIRECTOR CHAFEE: Is it on now? It is on now.

DIRECTOR CHAFEE: Good afternoon, Chair Brennan and Members of the Committee. I'm Louisa Chafee, Director of the Independent Budget Office. I'm here with my colleagues, Sarah Parker and Sarita Subramanian, IBO's Senior Research and Strategy Officers. We appreciate the opportunity to testify today.

Last week, IBO published its analysis of the Preliminary Budget and its economic forecast. IBO's single most significant concern is the risk that the federal actions pose to New York City's financial health, and in particular, to New Yorkers who rely upon the City's provision of safety net social services.

So, let's talk about shrinking surpluses and rising risks. As was the case last November, IBO's 2025 estimates are relatively close to those of the Office of Management and Budget. I'll refer to them as OMB. IBO's projected 2025 surplus is about 1.4 billion larger than OMB's, while IBO forecasts a smaller deficit for 2026. Overall, this reflects what would be, in normal times, manageable budget gaps for the City to navigate. But the City's year-end operating surplus has decreased every year since

2022. This means that the City's budgetary cushion is shrinking at a time of very significant changes outside of the City's control.

Historically, the City has used current-year surpluses to prepay expenses to balance the next year's budget. If the Council is considering ways to close the 2026 budget gap, IBO recommends that strong consideration be given to a portion of the 2025 surplus be allocated to the so-called Rainy Day Fund. To state the obvious, it's starting to rain.

Let's talk about the impact of federal policy changes and funding cuts. Recently, the federal government has acted both to take back funding that was duly legislatively appropriated by Congress and reimbursed to New York City, as discussed multiple times this morning, and to rescind federal approval for New York City's pioneering congestion pricing program. Are these two highly publicized events just the beginning? This year, federal funding comprises 38 percent of New York State's budget and 8 percent of the City's budget. For the City, that's nearly 10 billion dollars. Federal funds directly support 7 percent of the Department of Education, 14 percent of the budget of

the Department of Social Services, and fully 58 percent of the Housing Preservation and Development. The risks to such critical functions as classroom instruction, school safety net supports, and affordable housing are really clear. These agencies are the tip of a large iceberg. Our City relies on federal funding to support homeland security initiatives, medical and educational research, child care, public transport, climate resiliency, and many other functions.

And let's talk about the 46,000 federal employees living in New York City. These are workers that form the entirety of the staff responsible for such critical services as Social Security Administration, air traffic control, or the Statue of Liberty.

Reductions in federal aid to New York State will likely also yield compounding impacts to the City. State funding amounts to about 17 percent of this year's City budget, and some of the agencies that have the largest amounts of federal support also have the most State support, particularly Department of Education, with 41 percent of its budget State-

supported. Should the State lose funding, pressure will mount for the City to try and fill these gaps.

Federal funding also directly reaches New Yorkers, especially New Yorkers in need who depend on Social Security and other income supports, federal healthcare programs, food assistance, education loans, to name but a few. It's difficult to see how the budget-cutting plans of the Trump Administration and the House budget "blueprint" can be achieved without cutting in these areas, particularly if the Administration and Congress decide to enact large tax cuts as they have stated the intent to do.

Meanwhile, tariffs are beginning to impact the economy, restricting the supply chain and raising prices and consumers' economic anxiety. Major changes in federal immigration policy are also likely to disrupt the City's labor market across many sectors. During the year to come, federal cuts, economic downturns, an unforeseen crisis, or any combination of these well may put significant increased pressure on the City's budget.

Now let's talk about chronic underfunding practices as the City seeks to navigate these external budget threats. So, the City's financial

challenges extend beyond federal policy and rely on some past surpluses. As I've previously testified, IBO continues to identify a number of chronically underfunded areas, most noticeably, the program known as City Fighting Homelessness and Eviction Prevention Supplement, known as CityFHEPS, the housing voucher program. While the Administration has aligned the 2026 budget for the program with its historical trends, it continues to significantly underfund for future years.

Uniformed overtime. Similarly, IBO estimates that the City is currently on track to spend more than 840 million over and above the budget for uniformed overtime in 2025.

DOE's impartial hearing, known as Carter cases. The cost to support students with disabilities who are not able to appropriately be educated by DOE continue to soar. Although DOE spent 1.2 billion last year, the City has budgeted 258 million less than this year, and we know this cannot be.

The end of federal COVID-19 aid. Finally, the City's budget continues to lack transparency regarding the source of funds to plug the gaps caused by the end of COVID-19 funding, particularly at DOE.

These programs were previously supported by federal stimulus funding sources that have now expired.

I'd also like to talk about procurement choices furthering fiscal risks. Recently, I've had the pleasure of testifying to two Charter Revision Commissions, and I look forward to testifying to this Council's Charter Revision Commission. In each of these testimonies, I'm addressing sound fiscal management, and that really means paying one's bills on time. New York City does not. This is an issue that I know is particularly important to the Council and has been discussed extensively this morning. The Council can continue to use the budget process and your oversight rule to push City agencies to operate more responsibly towards non-profit providers whose stability depends on timely payment for their services to the City. IBO is currently looking into issues of late registration and late payment and expects to report more of our findings this spring.

But to illustrate the scale of the problems, let's consider two data points. IBO reviewed registration for human service contracts with the Department of Youth and Community Development with start dates in Fiscal Year 2025 and

found that while both RFP award and contract extensions tend to be registered late, the late registration gap for RFP awards is about 50 days longer than extensions. For a struggling vendor, that gap is the equivalent of three or four payrolls.

IBO also examined spending data for human service contracts that ended on June 30, 2024. As of two weeks ago, vendors have been paid less than 70 percent of the contract value. That gap most likely indicates agencies' practice of holding up payments while arguing about relatively minor items on each invoice.

So, as we look towards potential budget belt tightening or cliffs, as the Director called them, it's critical for this Council and New Yorkers to be able to track the budgets for the programs that serve New Yorkers. The Council has a useful tool. Section 100C of the Charter says that the budget is supposed to be presented with "particular program, purpose, activity, or institution, having its own unique unit of appropriation." To give two examples, today the Department of Aging lumps together a single UA, home delivered meals, home care, and older adult centers, so it's impossible to know which program is

which. And perhaps my favorite, the police department mixes the budgets of 123 police precincts, all borough-wide offices, and detectives, narcotics, and many other functions into a single operations UA, which contains one quarter of NYPD's 6.4-billion-dollar budget. With the overly broad UAs, what we lose is informed public discourse and more effective oversight.

In recent years, the Council has added UAs. And one way to improve the structure would be to study each agency and their UAs and create a comprehensively revised UA approach, balancing accountability with transparency and fiscal management.

So, in closing, IBO urges this Council's considerations of the ideas we've detailed, particularly in the areas of fiscal responsibility and transparency. With all of the issues coming to a head, it's never been more important for the City of New York to be heard in Washington and in Albany and here in New York City. My team and I are happy to answer any questions and to provide further details as needed. Thank you for the opportunity to testify.

CHAIRPERSON BRANNAN: Thank you very much. I want to ask about the revenue forecast. So, IBO recently issued a revenue forecast that includes approximately 1.2 billion more in tax revenue than OMB's forecast. Can you explain where you're seeing your biggest differences from OMB's forecast?

OFFICER PARKER: Yes. So in the areas of particularly personal income tax, IBO came in with a higher revenue forecast than OMB. To a lesser extent, our estimates on property tax.

CHAIRPERSON BRANNAN: Okay. And on Foundation Aid, you know, IBO recently released a report analyzing the potential impact of changes as proposed by the Rockefeller Institute and their report on Foundation Aid. What were the key takeaways from that report?

OFFICER SUBRAMANIAN: Yes. So, IBO looked at each Rockefeller Institute recommendation independently and estimated the impact to New York City. And so, after the Governor's budget was proposed, we looked at specifically adjusting the poverty count and the impact of that to New York City would be, you know, over a 300-million-dollar decline in revenue, and that would be slightly offset by

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2 adjusting the pupil need index, and that would bring
3 New York City some more revenue, but that doesn't
4 offset the decline. I think another key part of our
5 analysis points to the potential for adjusting the
6 regional cost index and updating that part of the
7 formula being particularly impactful for New York
8 City in terms of bringing additional revenue. We also
9 pulled from previous testimony to say what of the
10 Rockefeller Institute recommendations were not
11 included, and I think one area in particular that's
12 impacting New York City is adjusting for students in
13 temporary housing as a key need as well as a general
14 ability to fund districts that experience large
15 increases in enrollment, for example, as what
16 happened during the asylum seekers.

17 CHAIRPERSON BRANNAN: Okay. Questions from
18 my colleagues? Okay. IBO...

19 COUNCIL MEMBER BREWER: Excellent
20 testimony.

21 CHAIRPERSON BRANNAN: Yeah.

22 COUNCIL MEMBER WILLIAMS: Yes, I have a
23 question. Me, I'm on Zoom.

24 CHAIRPERSON BRANNAN: Okay. Hang on one
25 sec, guys. Nantasha, hang on.

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2 All right. Thank you so much, guys.
3 Appreciate it.

4 The rules say because we don't have
5 quorum.

6 COUNCIL MEMBER WILLIAMS: Oh, okay. No
7 problem. Thanks.

8 CHAIRPERSON BRANNAN: Thank you, IBO.

9 Okay. Next, we will hear from the
10 Department of Finance.

11 SERGEANT-AT-ARMS: Can everybody settle
12 down and find a seat? We're getting ready to
13 continue.

14 CHAIRPERSON BRANNAN: Okay. We will now
15 hear testimony from the Department of Finance. Before
16 we begin, we'll swear you in, and let's get started.
17 Thank you.

18 COMMITTEE COUNSEL SARFO: Good afternoon.
19 Do you affirm to tell the truth, the whole truth, and
20 nothing but the truth before this Committee, and to
21 respond honestly to Council Member questions?
22 Commissioner Niblack.

23 COMMISSIONER NIBLACK: I do.

24 COMMITTEE COUNSEL SARFO: Deputy
25 Commissioner Shear.

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2 DEPUTY COMMISSIONER SHEAR: I do.

3 COMMITTEE COUNSEL SARFO: Deputy

4 Commissioner James.

5 DEPUTY COMMISSIONER JAMES: I do.

6 CHAIRPERSON BRANNAN: You may begin. Thank

7 you.

8 COMMISSIONER NIBLACK: Okay. Thank you.

9 Good afternoon, Chair Brannan. My name is Preston

10 Niblack. I'm the Commissioner of the New York City

11 Department of Finance. Thank you for the opportunity

12 to testify today on our Fiscal Year 2026 Preliminary

13 Budget. I'm joined by Jeffrey Shear, our First Deputy

14 Commissioner, and Jacqueline James, our Chief

15 Financial Officer and Deputy Commissioner for

16 Administration.

17 The Department of Finance plays a

18 fundamental role for the City of New York, collecting

19 over 50 billion dollars in taxes and other revenues,

20 which accounts for over 60 percent of City funds. In

21 this upcoming Fiscal Year, the agency's direction

22 remains clear, to continue to administer the City's

23 tax laws and perform our other responsibilities

24 fairly, effectively, and with our customers, New

25 Yorkers, squarely in mind at all times.

To begin, I'd like to give you a brief overview of the Department of Finance's proposed budget for the coming Fiscal Year. Our Preliminary Budget for the Fiscal Year 2026 is 358.5 million dollars, split between 200.5 million for personal services and 158 million for other-than-personal services. As you are aware, DOF continues to operate below our total authorized headcount of 1,993 positions. I'm happy to report that we've recently onboarded our largest ever class of Deputy Sheriffs, totaling 87, who started their training on February 24th. And we continue to work on filling our other vacancies as rapidly as we can within the constraints of City hiring rules and procedures. Our Office of Employee Services, led by Associate Commissioner Corinne Dickey, has been working with DCAS to schedule open competitive exams, establish civil service lists, and hold hiring pools for our most-used titles, including auditors, tax auditors, assessors, principal administrative associates, and clerical associates. In the meantime, DOF staff continue to perform their jobs with professionalism and dedication every day, and I cannot thank them

enough for all that they do every day in the service of our mission.

The last time I sat before this Committee, it was to discuss a significant joint accomplishment with the Council, the passage of Local Law 82. Thanks to the partnership of the Council with special thanks to you, Chair Brannan and Council Member Nurse, we enacted the most sweeping reforms to the tax lien sale since its inception almost 30 years ago. Our goal is simple, to ensure that property owners who can pay do, and to assist homeowners who are struggling to pay to get the help they need to resolve their outstanding debt. Thanks to our outreach teams, we are engaged in an intensive effort right now to reach property owners who have fallen behind on their taxes, especially homeowners in low-income communities and communities of color, to make them aware of what they owe and of the options available to them, including exemptions and payment plans. I want to thank the DOF External Affairs Outreach Team, the Office of the Taxpayer Advocate, our Personal Exemptions Unit, and the staff at our business centers, as well as our external partners in our outreach efforts, our sister agencies, HPD and

DEP, the Center for New York City Neighborhoods, the Mayor's Public Engagement Unit, and you, the City Council. This has been an unprecedented level of outreach, and we hope to reduce even further the number of property owners whose liens are ultimately sold.

Throughout our agency, we continue to focus on adopting modern technology and customer service best practices to make the public's interaction with us easier. This year, our Personal Exemptions Unit, which is led by Assistant Commissioner Pierre Dejean, and processes tens of thousands of applications every year, implemented a new co-op and condo abatement system. The new system is designed to streamline and simplify the application process for managing agents and buildings. We road tested this system during development, working alongside managing agents, which was incredibly helpful in the design, and we appreciate their continued partnership.

We've also implemented electronic signatures for more documents, including property tax payment plans, making it easier to fully complete transactions online without the need to visit a

business center in person or send documents in the mail.

I'd be remiss if I didn't briefly mention the important work that the Sheriff's Office has been conducting over the past year. Last year, the Sheriff's Office was given, as you know, enforcement authority over the sale of unlicensed cannabis. Since May of last year, the Sheriff's Office, working with the NYPD, DCWP, and the Law Department, has completed 5,700 inspections and closed 1,300 stores. We have all seen the results of Operation Padlock to Protect firsthand in our neighborhoods.

Lastly, I'm happy to report that we received a grade of A-plus from the Mayor's Office of Minority and Women Business Enterprises for Fiscal Year 2024. Our team, led by CFO James, our ACO Roman Shpolyansky, and our M/WBE Program Director Christine Chen, has put in a great deal of effort to ensure that we are doing our part to meet the Administration's M/WBE procurement goals, and we're very pleased and proud to be recognized for those efforts.

So let me turn to the upcoming year. This spring, we're aiming to introduce a property tax

reform bill in the State Legislature. It's time to reform the system and make the burden of paying property taxes fairer. We look forward to the Council's support in this important endeavor.

In Fiscal Year 2026, we will kick off the replacement of our 30-year-old system for tracking parking violations, STARS, with a new, modern system. Parking and camera violations in New York City account for a billion dollars in revenue. We'll be replacing an outdated, mainframe-based system to provide better service to the millions of motorists who interact with DOF and the Parking Violations Bureau.

Today, right now, the Department of Finance is in the middle of the exemption application season. We're looking to build on last year's success in increasing enrollment in the Senior Citizen Homeowners Exemption Program. Last year, we mailed SCHE applications to over 19,000 households, and this year we mailed to 42,000 households. Our focus remains the same, and it is to find every eligible New Yorker and encourage them to apply for our personal exemptions.

Finally, we're constantly striving to meet our customers where they are and make interactions with us as smooth as possible. Led by Deputy Commissioner for Customer Operations Annette Hill, we've simplified access for our business and parking customers by combining platforms for multiple account types into one easily accessible system. We've enabled self-service payment plans, we've launched a chatbot, and we've begun cross-training our call center staff to address the full range of inquiries we receive expeditiously.

As these improvements continue, we're exploring ways to better communicate with our customers via email and text. It's a point of pride for us that the 3-1-1 Resolution Satisfaction Dashboard ranks DOF as the top agency in customer satisfaction, and we plan to stay there. We remain committed to providing the best customer service in all City government.

We're grateful for the many DOF initiatives you've supported in the past, and know that we can continue to count on your support in the future. Our door is always open to assist you with any needs that your constituents might have. Thank

you for the opportunity to testify today, and we will be happy to answer any questions.

CHAIRPERSON BRANNAN: Thank you, Commissioner. I wanted to jump right into the federal funding clawback that we saw earlier this month, where 80 million dollars of FEMA grant money that was allocated appropriated by Congress was clawed back, and the City supposedly only became aware of this action because the cash balance dipped below zero. Was there any notification provided to the City by our depository institution when this action occurred?

COMMISSIONER NIBLACK: So, the transaction that reversed the payment that had been made, the two payments, actually, that had been made, occurred around 4 o'clock in the afternoon on the 11th for payments that had been deposited on the 4th. The banks batch process transactions during the day, so it probably would not have posted to our account until later that evening. We saw it in the course of the morning review that the cash staff at the Treasury take each morning, we saw it around 7 a.m., verified what it was, and reported it. They reported it to the Treasurer, who reported it to me, to OMB, and we reported it to City Hall. I'm not sure that

there was much time for actual notification. We have discussed with Citi, who's our central Treasury account holder, sort of what steps might be possible in that regard. It was an unprecedented action, obviously. We've never seen that before, so I think it took us all a little bit unaware.

CHAIRPERSON BRANNAN: How was the federal government able to access funds in our account?

COMMISSIONER NIBLACK: That has been the question of the hour. I mean, I think ultimately the answer really is the federal government regulates, manages, and runs the payment system, and manages and oversees and regulates the banks, and is not necessarily subject to the same kind of controls that we might put in place on a private party. It was within, and I think this is important to note, under the rules of the National Automated Clearinghouse Association, NACCHA, payments can be reversed within five days, and under the Code of Federal Regulation, in general, the federal government is supposed to abide by NACCHA rules. There is provision in there for erroneous or duplicative transactions to be reversed. I gathered that the Trump Administration is characterizing this as erroneous now, but we are

disputing that, as you know, in court. We filed a lawsuit against the Trump Administration and the federal government.

CHAIRPERSON BRANNAN: Just to clarify, the Law Department is suing basically for the act. The money was put back?

COMMISSIONER NIBLACK: No. The money has not...

CHAIRPERSON BRANNAN: Okay. So, what's the status of the 80 million right now?

COMMISSIONER NIBLACK: I mean, it was withdrawn from our account.

CHAIRPERSON BRANNAN: Okay. So, they didn't follow the NACCHA rules then to put it back. They are admitting it was erroneous, but they didn't put it back.

COMMISSIONER NIBLACK: There was no obligation for them to put it back. If they're characterizing an erroneous payment, it can be reversed within five days of the initial deposit, business days, under NACCHA rules.

CHAIRPERSON BRANNAN: But they're not saying that?

COMMISSIONER NIBLACK: I have not been party to the whole lawsuit process here, so I know that we've filed a suit, and they've made counterclaims, but I honestly haven't read them.

CHAIRPERSON BRANNAN: Okay. Are there contingencies being put in place to ensure that this won't happen again, or is there no way to prevent the federal government from raiding our account?

COMMISSIONER NIBLACK: You know, I think, under normal procedures that we have seen in the past, if the federal government thinks that it has made a payment in error or thinks it's overpaid us or whatever, they'll notify us, and we'll have an opportunity to respond or at least certainly put the money in the bank account.

CHAIRPERSON BRANNAN: So historically, they give you a heads-up first?

COMMISSIONER NIBLACK: Yes. This did not happen in this instance.

CHAIRPERSON BRANNAN: Okay. So, in January of this year, the New York State Supreme Court ruled that raids performed by the sheriff were done improperly. This ruling enjoined both the New York State Office of Cannabis Management and the Sheriff's

Office from warrantless searches and unlawful seizures. How is the Sheriff's Office handling the ruling, and what will be done moving forward with regard to raids and investigations? Has it had a chilling effect on any of the operations?

COMMISSIONER NIBLACK: No, the Sheriff's Office and our partners, the NYPD, DCWP, etc., continue to inspect alleged illegal cannabis operations across the city. We're complying with the court order as it relates to that enforcement. We've appealed through the Law Department the judge's ruling, but we continue to conduct Padlock to Protect operations.

CHAIRPERSON BRANNAN: Okay. I want to talk about the Sheriff's Office and overtime expenditures. In FY25, DOF had about 900,000 dollars budgeted for sheriff overtime at adoption. As of February, the actual spending is around 3.5 million. Are there limits placed to OT spending that are more in line with the budgeted amount for the Sheriff's Office?

COMMISSIONER NIBLACK: Let me say first, I think that we are expecting that the new class of deputy sheriffs that we're onboarding currently will help us with managing overtime spending. The

Sheriff's Office has gone from a kind of 9-to-5 operation prior to the pandemic to a more 24/7 operation now, and has added responsibilities, rising electronic monitoring caseload, etc., so we have to meet the operational demands that are on the Sheriff's Office. Believe me, we are in continual conversation with OMB about our spending, and I believe, CFO James can address this, but I think we've funded our overtime out of PS accruals in our budget, so we've not actually spent more than our budget for that purpose.

CHAIRPERSON BRANNAN: But is the issue that... I mean, because I look back at FY21, before your time, adopted budgeted headcount was about 590,000. Actual expenditures were 6.1 million, so almost 1,000 percent over budget so is it an issue of we need to hire more sheriffs? I mean, is that what's going on?

COMMISSIONER NIBLACK: You know, I think there's two things going on, right? One is we have more duties. I mean, the Sheriff has duties, right, and those duties have expanded, and they require a certain amount of time and of overtime. I think the standard approach or standard budgeting approach is

1 honestly to sort of not give you all the overtime
2 that you spent last year, but to give you a number
3 that you're expected to try and manage toward. But if
4 operational demands are such that you exceed that
5 number, then, you know, we're going to have to deal
6 with that with the Budget Office. As I said, I think
7 we've pretty consistently funded our overtime
8 spending that's over beyond what we were budgeted
9 with PS accruals, so we haven't had to go back to get
10 a new need for money for our overtime spending.

11
12 CHAIRPERSON BRANNAN: I'm looking back at
13 your testimony. I don't know if you mentioned the
14 current budgeted and actual headcount in the
15 Sheriff's Department.

16 COMMISSIONER NIBLACK: I'd let CFO James
17 address the headcount and the budget if we have that
18 information.

19 DEPUTY COMMISSIONER JAMES: The current
20 authorized headcount for the Sheriff's Office is 317
21 employees. Active headcount is 227, and the current
22 vacancy is 36.

23 CHAIRPERSON BRANNAN: Okay. According...

24 DEPUTY COMMISSIONER JAMES: 277. Just want
25 to make sure we understood that.

CHAIRPERSON BRANNAN: 277 and 30...

DEPUTY COMMISSIONER JAMES: 2-7-7.

CHAIRPERSON BRANNAN: 36 vacancies, right?

DEPUTY COMMISSIONER JAMES: Yes.

CHAIRPERSON BRANNAN: Yeah. So, according to the FY25 PMMR, field audit completion times increased from 432 days in the first four months of FY24 to 567 days in the first four months of FY25. This is due to DOF losing 21 auditors due to attrition. So, what is the current budgeted and actual headcount of broken down by title?

COMMISSIONER NIBLACK: CFO James.

DEPUTY COMMISSIONER JAMES: Yep.

COMMISSIONER NIBLACK: I actually have it in front of me, if you want.

DEPUTY COMMISSIONER JAMES: The current authorized headcount for city tax auditor is 401. Active headcount is 292. We do have a substantial vacancy, 102 vacancies.

CHAIRPERSON BRANNAN: Now, is that due to folks not applying, OMB taking six months to onboard people? Why are there so many vacancies?

DEPUTY COMMISSIONER JAMES: We're actually waiting on the civil service list to be established.

Once that is established, it allows us to hire city tax auditors.

CHAIRPERSON BRANNAN: Yeah. And one of the things this Council has pushed for is, you know, prioritizing folks that are, you know, assessors, folks that are going to go out there and ultimately get people to pay their bills owed to the City should be prioritized. I haven't really seen that as far as OMB is concerned.

COMMISSIONER NIBLACK: If I may, I think one of the issues has been in the prior presidential administration, the IRS got a lot of funding and was on a big hiring spree. Not so much anymore.

CHAIRPERSON BRANNAN: Yeah.

COMMISSIONER NIBLACK: We were competing against the IRS, and that was causing... I mean, it was... we were quite successful in hiring sort of new tax auditors, but we were starting to lose people after they'd been there a couple of years or longer to the IRS. That flow is starting to reverse, and as CFO said, we have a list that's in the process of being established that we intend to call for new auditors, so we expect that we will be able to fill a lot of our vacancies in the coming few months.

CHAIRPERSON BRANNAN: Has there been any discussion internally with the Administration as far as trying to attract some of the federal workers, you know, the Washington diaspora that's happening here?

COMMISSIONER NIBLACK: I just had a conversation, actually, this morning with City Hall and with Commissioner Molina from DCAS about us hiring back some DOF auditor personnel who had left and gone to the IRS and who now, you know, are interested in returning to City employment and sort of how we can facilitate that.

CHAIRPERSON BRANNAN: Do you have an idea of how much additional revenue DOF could generate if all those 102 vacancies were filled?

COMMISSIONER NIBLACK: That's hard to quantify, honestly. I mean, my general approach here, our general approach and our Deputy Commissioner for Tax Audit, Cesar Bencosme, and our Assistant Commissioner, Akeema Dey (phonetic), are both very conscious of... we're all very conscious of the need to have kind of a pipeline and the right mix of auditors, right, so we need to have new people that we're bringing on and training and developing, and then we need to have more senior auditors who can

handle more complex cases and can sort of do real-time team training with our newer auditors. So, in general, I think we've been in pretty good shape. Our hiring allowed us to reduce the number of cases that were sitting in the supervisors' queues that were not being actively worked. You know, as we bring on more auditors in the coming months, I expect that that will come down even further.

CHAIRPERSON BRANNAN: Is 102 vacancies high?

COMMISSIONER NIBLACK: It's high, yes. I don't like any vacancy number that starts with a one and is followed by two digits.

CHAIRPERSON BRANNAN: I appreciate that. I want to ask about, where the hell did I put my lien sale question? Oh, here it is. I got a lien sale question. The City is not authorized to sell tax liens on HDFC co-ops.

COMMISSIONER NIBLACK: Correct.

CHAIRPERSON BRANNAN: However, our staff has identified that there's 11 HDFC co-ops on the recently published 90-day warning list. Do you know why those HDFC co-ops were included on the list?

COMMISSIONER NIBLACK: So, I'm going to turn this over to First Deputy Commissioner Shear, otherwise known as the King of the Lien Sale.

DEPUTY COMMISSIONER SHEAR: Thank you, Council Member. So first, we want to thank you for bringing this to our attention. We do an awful lot of screening before we issue the 90-day lien sale list. We run through processes internal to DOF, so we involve all the units that touch the lien sale, our business centers, our payment operations unit, the lien sale unit itself, our IT unit, and others, and we look for HDFCs. We pull properties where owners have homeowner exemptions. We remove properties that have had outstanding legal issues, properties with pending appeals before the Tax Commission, payment plans, and others. And after we take that step, we then reach out to our partners so HPD, DEP, sometimes they may have issues with properties on the list that we're not aware of. We also include the Law Department, and we also, of course, share lists with the Council and with Council Finance, and so all of that goes into a screening process. Sometimes things slip through the cracks, and we certainly want to see this list that you have of the 11, and we will take

action right away. Sometimes, we just don't have the information so it may be information that the property owner knows it's not with us, or maybe it's a timing issue so we will get right on that, and we will address that, but we want to assure you that we are cleansing the list as thoroughly as we possibly can and proactively removing any properties where we see an issue.

CHAIRPERSON BRANNAN: Great. Thank you. We will get you that list if we haven't already.

Last from me is about Con Ed. On January, Con Ed filed for steep electric and gas rate increases that would raise the average gas and electric bills by over 10 percent, and they blamed everything on property taxes. What do you guys think of that?

COMMISSIONER NIBLACK: I don't think it's appropriate, honestly, for me to comment on a specific owner's tax liability in a public hearing. I'm not sure whether they filed with the Tax Commission, or I wouldn't do that for any other owner. I think we hear fairly regularly from Con Ed regarding their tax bill. I can get back to you with some more specifics about their tax bill, etc., but

they own a lot of property. We value their property according to State law. We tax them according to State law using the rates that are adopted so we're administering the law, and that's as much as I could really say about it right now.

CHAIRPERSON BRANNAN: Understood. Okay. I have questions from my Colleagues, Majority Whip Brooks-Powers followed by Council Member Hudson. Thank you.

MAJORITY WHIP BROOKS-POWERS: Thank you, Chair. Hi, Commissioners. Good to see you.

COMMISSIONER NIBLACK: Nice to see you.

MAJORITY WHIP BROOKS-POWERS: It's been so long.

So, I have three questions for you. The first one is around equity and tax burdens. The current property tax system disproportionately impacts homeowners and renters in lower-income neighborhoods, often imposing higher effective tax rates compared to wealthier areas. What steps is the Department of Finance taking to address these inequities, and are there any plans to reassess how market values and tax burdens are determined across different tax classes? And a follow-up to that is

wanting to get a better sense in terms of what your plans are for tax reform working with the State.

COMMISSIONER NIBLACK: Thank you. You know, we review every property annually. We do the best job that we can using sales of comparable properties in order to make valuations particularly of Class I homes, and there's always the option of appeal to the Tax Commission, of course. I believe that we do our assessments fairly. There are some limits on what we are able to do because of the tax law, and that's why we have been working on tax reform. And the tax reform, the goal above all is to introduce greater equity into the system to make sure that we have protections and benefits for lower-income homeowners and to make sure that people pay proportionate to the value of their homes as fairly and equitably as possible.

MAJORITY WHIP BROOKS-POWERS: But has anything to date been done yet to make some of those proposed changes? I know you and I spoke about this a number of times, but I just wanted to know, since at least last year's prelim hearing, what work the Department of Finance has done around that?

COMMISSIONER NIBLACK: We have been working on legislation. We had lots of rounds of input with folks on the proposal. We're making some revisions to that proposal. We're working with the Law Department, and I expect our aim is to have something to take to the Legislature once they're done with the budget in order to put that into the legislative process.

MAJORITY WHIP BROOKS-POWERS: And I'd love to be a part of that as well.

COMMISSIONER NIBLACK: We'd love to have you.

MAJORITY WHIP BROOKS-POWERS: And assessment methodology for co-ops and condos, the method used to estimate market values for co-ops and condos is widely criticized as being disconnected from their actual sale prices. Given this disconnect, does the Department of Finance have plans to revise the assessment methodology to ensure more accurate and equitable taxation for these properties?

COMMISSIONER NIBLACK: So, we are limited under State law, and I could almost quote this from memory, but I'll probably screw it up, so I won't try. The State law requires us to value co-ops and

condos essentially as if they were rental properties. So, we use rental properties, buildings, as the comparables when we are valuing Class II co-op and condo buildings. We're constantly, and our Deputy Commissioner for the Property Division, Tim Shears, and our Assistant Commissioner for Property Valuation, Carmela Quintos, are constantly kind of looking at how we can improve those valuations to, as much as possible, reflect within the confines of the state law to reflect market values, sales values of properties, but we are very constrained in that respect.

MAJORITY WHIP BROOKS-POWERS: Chair, if I could ask one more question? Impact on commercial property and affordable housing. Many commercial property owners and apartment building landlords face significantly higher tax burdens compared to other cities, making it challenging to sustain businesses and develop affordable housing. How does the Department of Finance plan to balance the City's revenue needs with creating a fairer tax environment that supports economic growth and affordability?

COMMISSIONER NIBLACK: I will say as a general statement here, and I know people are

skeptical about this statement, but I'm going to say it because it's true. We're not in the business of raising revenue. We're in the business of assessing property fairly. We try to assess property every year in a way that reflects what we believe to be the market conditions and our assessment methodology, and that yields ultimately what is the tax revenue. I am aware, certainly, of the burden on all properties of the property tax system. I will say one thing that we noticed this year was that we looked at rental buildings, regulated versus unregulated. The regulated buildings did not have any growth in their assessed value. I believe it was slightly negative, if I recall correctly. So that really reflects, I think, that we are doing a decent job at distinguishing properties that are regulated and don't have the ability to raise their rents at the market rate compared to regulated buildings, which saw big increases because of the increases in rents that we're all familiar with. So, I think, again, we do our best to value properties as fairly and accurately as we can.

MAJORITY WHIP BROOKS-POWERS: Thank you for that, and I look forward to engaging with the

Department of Finance around the tax reform that's much needed, especially in places like Southeast Queens, where we know that the taxes are a heavy burden for a lot of our house-rich, cash-poor families that exist there. Thank you.

COMMISSIONER NIBLACK: Understood. Thank you.

CHAIRPERSON BRANNAN: Council Member Hudson.

COUNCIL MEMBER HUDSON: Thank you. And those folks aren't only in Southeast Queens. They're in Brooklyn, too. Just want to share that for the record.

Does the Department of Finance...

COMMISSIONER NIBLACK: Bay Ridge, too, I believe.

COUNCIL MEMBER HUDSON: What was that?

COMMISSIONER NIBLACK: Bay Ridge, too, I hear.

COUNCIL MEMBER HUDSON: Yeah, Brooklyn.

Does the Department of Finance have data indicating who is eligible for SCRIE, DRIE, and SCHE, and does it conduct active outreach to get these individuals enrolled?

COMMISSIONER NIBLACK: So, the first part of that question is, no, we don't. We don't really know characteristics of renters in particular units so we don't have information that says, you know, oh, Preston Niblack, who rents in this building and is 67 years old and makes X thousand dollars a year, he's eligible, great, he should apply. We don't have the ability to target that specifically. We do a lot of outreach every year to try and make people as aware as we can of the benefits that are available, including the rent freeze program. Our outreach team, led by Kieran Mahoney, hosts lots of events every year, works with Council Members. I think Council Member Hudson, I'm sure we've worked with you, I think, relatively recently on some events in your District, but we will go anywhere, anytime to help, you know, bring awareness to people of the rent freeze program. I don't know, First Deputy Commissioner, if you want to add anything or if my answer was brilliant and sufficient as it was. Okay, great.

DEPUTY COMMISSIONER SHEAR: As always.

COUNCIL MEMBER HUDSON: That was on the record, too.

Have you considered any advocacy in Albany for raising the eligibility levels for any of those programs?

COMMISSIONER NIBLACK: There's a budgetary element to that that I think I should not speak to without consulting with my colleague, the Budget Director, but, you know, it's true that it has not been changed in a while, and there's probably additional people who would certainly benefit if we were to be able to raise the level.

COUNCIL MEMBER HUDSON: Okay. Thank you. Thanks, Chair.

CHAIRPERSON BRANNAN: Okay. Thank you, DOF. I appreciate you.

COMMISSIONER NIBLACK: Thank you.

CHAIRPERSON BRANNAN: Okay, we'll take like a three-second break, and we're going to start hearing testimony from the public.

Okay, we're going to call up the first panel of the public session today. Forgive me if I mispronounce the name. Kerinn Pauls... or, sorry, Keriann Pauls, Candice Ficalora, Gabriela Sandoval Requena, and George Sweeting. Keriann, Candice, Gabriela, and George.

Okay, George, you want to start?

GEORGE SWEETING: Good afternoon. I'm George Sweeting. I'm a Senior Fellow at the Center for New York City Affairs at the New School. And, Chair Brannan, thank you for the opportunity to testify here. We will be submitting written testimony shortly.

I was going to go over sort of the budget picture itself, but I think you've heard a lot of that today, so I'm going to jump to another part of our written testimony, which is focusing on two tax credits that are in the Mayor's budget. The first is called the Axe the Tax, which it efficiently removes personal income tax liability from really essentially all lower-income or working-poor New Yorkers who have at least one dependent in the household. And this accomplishes something that's on and off has drawn some attention in the city, that we actually tax at the lower-income levels more heavily, say, than the federal government does. And there are people in New York who have to pay New York City tax currently who don't owe anything to the federal government, for example so this Axe the Tax is going to, I think, probably be the final necessary step to really, truly

get all of those people that are currently still forced to pay some relatively small amount of tax off the tax rolls. The cost for doing that, as estimated by OMB, it's 63 million dollars for Fiscal Year 2026. It grows to about 70 million by 2028. And this credit actually does its job, in a sense, better than two of the Governor's proposals that are also labeled, one is a (TIMER CHIME) middle-class tax cut, and one is giving back what's, supposedly returning the windfall that the State got due to inflation, pushing up sales tax revenues. Both of those are much less efficient, meaning we spend money there that winds up helping people that are not the designated beneficiaries for the program. The places where they make adjustments in the tax code are probably higher than you would need to make them to accomplish the stated goal. And the efficient design in the Axe the Tax program does leave more money available to help deal with what's likely to be coming from Washington. So, I think it's a good compromise of solving this problem of having people on the tax rolls, that the federal government doesn't put them on the tax rolls, and also, but doing it in a way that doesn't give money to people further up the income distribution who, by most

definitions, wouldn't count as a lower-income or working poor.

The other credit that is in the budget— actually, the second one is not in the budget, although the enabling legislation is in the Governor's Executive Budget Legislative Package, and that's called the Relocation Assistance Credit Employees, or RACE is the term they use, and this is trying to deal with the problems of vacancy in older office buildings in the city, which are having a hard time attracting tenants. So what the RACE credit would do is it creates a credit of 5,000 dollars per employee that you can relocate from outside New York State into New York City. It's set up as a pilot study and with only three years. I think this program (TIMER CHIME) there are some more questions about what's going on there, but I think this is an opportunity to try to, this would be a different way of evaluating tax expenditures than what we typically wait until after the program has been up and running. With this pilot, if we approach it openly, we can let this program run for three years and see if it's accomplishing its goals and also are the costs relatively well aligned with the benefits to the

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2 City, then you could extend it and let it go on. But
3 if it's not working, it's easier to shut a program
4 off very early than to let it get established, and a
5 lot of people are using it. The other point...

6 CHAIRPERSON BRANNAN: I'll give you 20
7 seconds to wrap it up.

8 GEORGE SWEETING: Okay. The other point I
9 would just want to make is, and hopefully the City is
10 working on this, but there are real concerns coming
11 out of Washington in terms of some of the tax
12 proposals that President Trump is talking about,
13 ending the taxation of Social Security benefits,
14 ending overtime pay, and ending tips. That would flow
15 through into the New York City budget, or at least
16 the New York City tax system, and therefore into the
17 City budget. We have a rough estimate that that might
18 cost about 2 billion dollars a year if the City did
19 nothing. If the federal government went ahead and
20 implemented that and then the City did nothing, there
21 would be about a 2-billion-dollar hit. The City could
22 decouple the taxes from the federal definition of
23 income, but that makes real complications for city
24 residents trying to do their taxes. (TIMER CHIME)

25 CHAIRPERSON BRANNAN: All right.

GEORGE SWEETING: The other point is that it makes enforcement of the tax from the City's perspective much harder if you're not going to... the federal government would presumably stop collecting the data on tips and wages, tips and overtime and Social Security income, and therefore the City wouldn't have that available to start assembling the tax liability for individuals. So, there are some real issues that hopefully the City is looking at.

CHAIRPERSON BRANNAN: Thank you. Will you be submitting testimony?

GEORGE SWEETING: Yes.

CHAIRPERSON BRANNAN: Okay, good. Thank you, George.

GEORGE SWEETING: Thank you.

CHAIRPERSON BRANNAN: Just say your name before you start.

GABRIELA SANDOVAL REQUENA: Of course. Gabriela Sandoval Requena, the one with the most complicated name of the panel, probably.

Good afternoon, Chair Brannan, Deputy Speaker Ayala, and Council Member Hudson, and City Council Central Staff for the opportunity to testify at this long but very important Preliminary Budget

hearing. Again, my name is Gabriela Sandoval Requena. I am the Director of Policy and Communications at New Destiny Housing. New Destiny is the only organization in New York City that is 100 percent focused on permanent housing solutions for domestic violence survivors. We implemented the first rapid rehousing program in New York City, and we're also the largest provider of supportive housing in New York, supportive housing that is exclusive for domestic violence survivors, that is, including Raven Hall in your District, Chair Brannan. New Destiny is also a co-convener of the Family Homelessness Coalition.

Why do we do this work? Because domestic violence is the leading cause of family homelessness in New York. It pushes more families into shelter than evictions, and because access to affordable and a safe home is key for survivors to leave their abuser and really stay alive. We are going to submit extended written testimony, but I want to spend this time to just highlight our priorities. The proposed federal budget cuts will be devastating for domestic violence survivors, specifically the cuts to the programs that are funded through the U.S. Department of Housing and Urban Development, HUD. Since 2018,

New Destiny has received HUD funding to help hundreds of survivors find a safe, affordable home in New York City, and in many cases, we also provide temporary rental assistance to them. But our program and hundreds of others like it in New York City are at risk of disappearing. So, this year, more than ever, we need our City to step up and protect survivors.

One is to enhance CityFHEPS vouchers. (TIMER CHIME)

Just a few more seconds, thank you. Two is to expedite NYCHA emergency transfers for domestic violence survivors, and if I may add, this is a budget-neutral administrative decision. Three is to invest 6 million dollars in NGBV's micro-grant program for domestic violence survivors. And four is investing in New York City 15/15 reallocation as the Supportive Housing Network of New York proposes.

Thank you, and I'm happy to answer your questions.

CHAIRPERSON BRANNAN: Thank you.

CANDICE FICALORA: Good afternoon, Chair Brannan, the Members of the Finance Committee, and the Members of the City Council. My name is Candice Ficalora. I am the President of Local 1757 of DC37, and we represent New York City assessors, appraisers, and assistant city assessors. The majority of our

assessors work at the New York City Department of Finance and the New York City Tax Commission.

So, currently at New York City Department of Finance, we have a total of 83 districts that need assessors, right, and we have a total of 112 assessors as a staff. So, it seems like we're actually overstaffed, but we aren't. We're understaffed because of those 83 districts, that's non-supervisory roles, and that's not including assessors in different units or different areas, right? So, of the vacancies at Department of Finance, we have different levels of assessors. It's Level 1, Level 2, Level 3A. Then Level 3B includes supervising assessor, a supervisory role. So that's not a part of the 83. Of our vacancies at Department of Finance, we're vacant 12 supervisors, right? And currently, Department of Finance, they went ahead and they posted for two supervisory positions of the 12 that are vacant, and they only promoted one to that position. So why does this matter, right? We would need additional funding in order to fill these positions because right now the supervisors are overwhelmed with work, and then it just, you know, trickles down to the entry-level assessor at Level 1.

So currently, we have an overstaff of Level 1 assessors. We have vacancy of the supervisors, vacancy of Level 3A, which is the more advanced, and vacancy of the Level 2, which is the intermediate. This matters at Department of Finance because the Council Member that was just here recently asked the Commissioner of Finance about (TIMER CHIME) property tax inequity, right? So, we have certain areas of New York City that are considered less valuable. I don't like to use that word, but in terms of market value and assessed value, versus other areas of New York City, but they're paying more taxes, right? So why is this happening? There's something in New York State Real Property Tax Law, it's Section 1805. It's called maximum permissible assessment, meaning that the assessed values are capped. The way that we can uncap those assessed values are by capturing physicals, which are major alterations, new buildings, and demolitions. We need assessors in order to do that, and we need assessors in those higher positions, Level 2, Level 3A, and Level 3B, in order to do so. So, for instance, just as an example, in Brooklyn, Greenpoint, Brooklyn, which is undergoing a lot, right? It's vacant right now. It's a Level 3A

district, and it's vacant. But then in Brooklyn, we have a Level 1 district that has three Level 1 assessors assigned to it. So, we need a greater budget for Level 3B, Level 3A, Level 2 for Department of Finance. We tried to do the math on this, and we got approximately an additional 2.8 million dollars to fulfill all of those positions, and then also within the Tax Commission, which is the Office of Administrative Trials for Tax Appeals, they have five vacancies, and it would be an additional 530,000 towards them. I am going to submit written testimony to you. It will be through the Council. Thank you.

CHAIRPERSON BRANNAN: Thank you very much. It's important.

CANDICE FICALORA: And I'll answer any questions you have, or I'll try.

CHAIRPERSON BRANNAN: Thank you.

KERIANN PAULS: Hi. Good afternoon. My name is Keriann Pauls, and I'm the Interim Executive Director at TakeRoot Justice. I'm honored to be here on behalf of my organization to testify before the Finance Committee, the Council, and my fellow members of the public.

We are in a moment of increased cruelty and oppression targeting the very communities that make New York the vibrant city that it is. And I'd be lying if I didn't admit that this is scary and chaotic, but TakeRoot's mission and its very model is to take moments like these and work collectively with organizers mobilizing to build the kind of power needed to stand up and fight back. And we are asking for the Council's support to join us in this effort by increasing funding and resources, especially for organizations like ours that provide legal support for immigrant communities. TakeRoot's talented and dedicated staff provide legal, participatory research, and policy support to strengthen the work of grassroots and community-based groups in New York City to dismantle racial, economic, and social oppression, and we approach this work holistically to meet the needs of our community partners. We have a variety of practice areas, including immigrants' rights, tenants' rights, workers' rights, consumer justice, equitable neighborhoods, capacity building, participatory research and policy, and coalition coordination. And I'd like to take this moment to amplify TakeRoot's budget priorities that align with

our value of working in coalition with our community partners and allies. The need for legal support is increasing daily. And for the following initiatives, we seek enhancements to both meet this need and also address the rising cost of living for our staff and increasing costs for our operations as an organization. And so TakeRoot's initiative priorities include the Stabilizing NYC Initiative, Legal Services for the Working Poor, Low-Wage Worker Support, the Worker Cooperative Business Development Initiative, Support for the Community Land (TIMER CHIME) Trust Initiative, the Community Housing Preservation Strategies Initiative, and other initiatives where we are working with Council Members directly to support their work. The City Council can expand the protection and empowerment of marginalized communities that are under attack by increasing funding for these essential initiatives. And I'd like to say thank you so much to Chair Brannan and the rest of the Committee for your leadership, and we look forward to continuing in the fight for New Yorkers together. Thank you so much.

CHAIRPERSON BRANNAN: Thank you. Questions from my Colleagues?

Thank you all very much for your testimony. Thank you for being here.

Okay, next panel, we have Sarita Daftary, Hailey Nolasco, Alice Mo, and Jane Fox.

Start from the left. Just say your name and you can begin. Thank you.

SARITA DAFTARY: Good afternoon, Chair Brannan, Deputy Speaker, Council Member Hudson. My name is Sarita Daftary. I'm Co-Director of Freedom Agenda. We lead the campaign to close Rikers, and our members are survivors of Rikers and their family members.

We're calling on the City Council to ensure that the adopted budget paves the way to strengthening our communities and closing Rikers Island. Instead of allocating 150 million dollars to hire 1,100 more correction officers, which is the City's current plan, the City should allocate an additional 39.8 million to meet critical mental health and housing needs, restore 1.8 million in planned cuts to the Office of Criminal Justice for ATIs and reentry, restore proposed cuts to the Board of Correction for jail oversight, and increase their headcount. As we set budget priorities for our city,

Rikers Island stands out as the worst possible use of our dollars. Recently, the Nunez Federal Monitor pointed out what our members know far too well, that the, quote, enormous resources that the City devotes to a system that is at the same time overstaffed and underserved are not being deployed effectively.

Incarcerating one person at Rikers Island for a year costs over 507,000 dollars, equivalent to providing supportive housing for 10 people or engaging 10 people in quality mental health services like intensive mobile treatment. A recent survey of crime survivors in New York City showed that three of four prefer alternatives to incarceration and mental health treatment instead of jail. The plan to close Rikers approved by this Council in 2009 marked a commitment to take a more effective approach to public safety, and that requires spending our money differently. But Mayor Adams has refused to align our City budget with the legal and moral obligation to close Rikers. The Mayor has been willing to let hundreds of people sit on waiting lists for evidence-based programs like community-based mental health treatment teams and justice-involved supportive housing. Compare this to the City's approach to jail

capacity. DOC recently added beds to already crowded dorms at Rikers out of concern they would exceed capacity. What if the City treated preventative investments with the same urgency? What if they took emergency action to ensure that anyone who needs a supportive housing unit or a placement on a mental health treatment team could get one without delay? Instead of helping our communities thrive, Mayor Adams is set on budgeting for their desperation.

(TIMER CHIME) I'll be finishing up in a minute. To prevent more waste and harm, the Council must intervene. We'll submit, along with this testimony, our full budget analysis and priorities that outlines changes needed to the Fiscal Year '26 budget to close the revolving door of Rikers Island. We're also calling on the Council to allocate 3 million dollars to start the Renewable Rikers Transition with a master plan led by DEC. Thank you.

CHAIRPERSON BRANNAN: Thank you very much.

HAILEY NOLASCO: Good afternoon, Chair Brannan, Deputy Speaker Ayala, and Council Member Hudson. My name is Hailey Nolasco, Senior Director of Government Relations at the Center for Justice

Innovation. Thank you so much for the opportunity to testify today.

Public safety remains a critical concern for New Yorkers. Issues such as gun violence, economic instability, inadequate housing, and limited access to mental health services continue to persist. Additionally, the criminal justice system often fails to address the root causes of crime, leaving vulnerable populations at greater risk. True safety requires sustained investment in community-driven solutions focused on prevention, but also fair intervention. We thank the Council for their investments and seek support to sustain and expand our community-based and core reform programs through a comprehensive approach to meet the current need. Our alternative to incarceration programs connect individuals with substance use and mental health issues to vital treatment, reducing reincarceration, aiding reintegration. We aim to expand our Brooklyn felony programs, including the Brooklyn Mental Health Court and seek support for our driver accountability and Bronx DWI initiatives, which address traffic safety through restorative justice principles and reduce financial barriers to treatment.

Programs addressing gender-based issues are also especially vulnerable during these times, as you can imagine. The Center's Staten Island and Queens Community Justice Centers have seen a rise in female-identifying ATI participants, serving 200 women in Staten Island and 334 women in Queens in 2024. Women in the justice system face unique challenges, including higher rates of abuse and mental health issues. To meet these needs, we are requesting support to develop and power a program that will be designed to provide targeted support for these women.

Lastly, the Center is asking for resources to sustain our diversion programs and support pre- and at-arraignment reset programming, ensuring accountability while reducing the justice system's footprint. Programming such as ours help to save taxpayer dollars, increases public safety, and builds a more equitable society. Thank you so much for your time and for your ongoing partnership. We've submitted a full list of our budget proposals with our written testimony. Thank you so much.

CHAIRPERSON BRANNAN: Thank you. Good afternoon. Speak into your mic, Jane.

JANE FOX: All right. Is that better?

Great. Thank you. Thank you to the Committee for this opportunity to speak. My name is Jane Fox. I'm the Chapter Chair of the Legal Aid Society Attorney's Chapter at the Association of Legal Advocates and Attorneys. We are United Auto Workers Local 2325. UAW 2325 represents over 3,400 active and retired legal services workers in over 30 non-profit organizations in New York City and beyond. UAW 2325 members are attorneys, paralegals, social workers, investigators, and support staff. We are the workers who guarantee community safety by making sure New Yorkers have access to justice in our courts and vital social services in our city. While our members are an essential labor force, decades of underfunding has led to untenable working conditions. We are facing an attrition and a workload crisis. We are facing a student debt crisis. Our salaries and retirement benefits have failed to keep pace with our counterparts in district attorneys' offices and corporation counsel. And this inequity in our funding speaks volumes about who is valued in the legal system. When our wages stagnate, the legal services our clients receive are degraded. Our members are

dedicated to public service, and when we can no longer afford to stay, we go to jobs in the public sector that have better salaries and real pensions, such as the Attorney General's Office and Office of Court Administration. Positions requiring experience go unfilled, leaving those who remain overburdened with rising caseloads. We lose talent and institutional knowledge. Attempts to meaningfully fill senior positions have failed. Our salaries are just too low, and the cost of living in this city is too high. In 2025, ALAA has fundamentally changed the terrain of legal services through our union organizing. Now, over 95 percent of legal services workers in New York City are UAW 2325 members. We will no longer accept a race to the bottom, where (TIMER CHIME) austerity budgets reign. At every bargaining table, we demand more. And this year, we have aligned the contracts of over 2,100 of our union members across 12 chapters to expire on June 30, 2025, for a potential sector-wide strike that could shut down City courts. And while we are committed to bargaining in good faith with our employers, and while we do not want to strike, we are prepared to withhold our labor to win the future our members

deserve. I'll finish quickly. In Fiscal Year '26, we are asking the Council to fully fund legal services so our employers can meet our core bargaining demands. Together, we are bargaining to establish a living wage floor of 70,000 dollars for our entry-level members. We are bargaining to guarantee a minimum 4.5 percent COLA. We are bargaining to ensure our retirement benefits match what public sector employees get in the State retirement system. And finally, we are bargaining to increase salaries to keep pace with agencies such as the Federal Defender's and Attorney General's Office to retain our most experienced members. Our members are not immune from the affordability crisis that has hit our city. Austerity budgets and legal services hurt our union, they hurt New Yorkers. Settling fair contracts will provide stability to our members and ensure working-class New Yorkers get the absolute best legal representation, because they deserve nothing less.

Thank you.

CHAIRPERSON BRANNAN: Thank you, Jane.

ALICE MO: Good afternoon, Chair Brannan, Deputy Director Ayala, and Council Member Hudson. My name is Alice Mo, and I am the Public Affairs and

Advocacy Associate at Homecrest Community Services.

Thank you for the opportunity to testify today. For

28 years, Homecrest has been dedicated to providing

Southern Brooklyn residents with high-quality

programs for older adults, youth, and families. In

Fiscal Year 2024, we delivered over 92,000 services

to 1,411 older adults across our three centers,

Bensonhurst, Sheepshead Bay, and our Multisocial

Services Center. We offer daily meals, regularly host

workshops on mental and physical health, safety, and

civic engagement, reaching over 2,100 participants.

We provide a welcoming space where members can engage

in activities like tai chi, singing, discussion

groups, and board games, fostering wellness and

community connection. However, we are deeply

concerned about the proposed 102-million-dollar cuts

to older adult services in the Mayor's budget. These

cuts could force the closure of up to 60 older adult

centers and severely reduce essential programs, even

as the older adult population is projected to grow

from 20 percent of New Yorkers today to 25 percent by

2040, yet the Department for the Aging currently sees

less than 1 percent of the City budget. Instead of

cuts, community-based organizations need increased

funding to expand and strengthen services to meet this growing demand. As a member of LiveOn New York, we support a 2.3 billion investment, 500 million to improve nutrition, including more frequent meals like breakfast at older adult centers, 1 billion to expand affordable housing and help older New Yorkers manage rising rents, and 800 million to enhance social services and community spaces to combat social isolation. These investments will ensure older adults can remain in their homes and communities (TIMER CHIME) and age with dignity and the support that they need. We are also proud members of the Coalition for Asian American Children and Families, CACF, and their 18 Percent and Growing Campaign, which unites over 90 AAPI-led organizations across New York City to advocate for a City budget that addresses the needs of vulnerable communities. We urge your support for expanding the AAPI Community Support Initiative to 7.5 million, allocating 7.5 million for the Communities of Color Non-profit Stabilization Fund and securing 4 million for the Access at New York City. These funds are all critical for organizations like ours that provide culturally responsive services to diverse communities. We ask the City Council not

only to protect but to expand funding to meet the needs of older New Yorkers and underserved communities. Thank you.

CHAIRPERSON BRANNAN: Thank you. Questions from my Colleagues?

Thank you all very much. Thank you.

Okay. Our next panel, we have Agnes Kim, Nikita Boyce, Thomas Gogan, and Kim Olsen.

Okay. I want to start from my left.

AGNES KIM: Hello. My name is Agnes Kim, and I'm a Program Officer at Enterprise Community Partners. I'm here today on behalf of the Family Homelessness Coalition. We are a group of over 20 organizations, including service and housing providers, children's advocacy organizations, and people with lived experience with family homelessness. Thank you to the Chair and the Committee for holding this hearing and for the opportunity to deliver testimony.

Family Homelessness Coalition, or FHC, works to prevent family homelessness, improve the well-being of children and families in shelter, and support the long-term stability of families with children who leave shelter. In New York, the number

of children experiencing homelessness has more than doubled since 2022, translating to nearly one in three of New York's homeless population being children. This humanitarian emergency is also coming at a time when federal support to fight homelessness is under threat, making it more important than ever that this year's adopted budget urgently address this crisis with resources. The current landscape impacts both people experiencing homelessness and the organizations that work to help them, including the members of the Family Homelessness Coalition. Our organizations are directly impacted by real and proposed federal funding cuts to their programs. In addition to support and resources, we call for greatly increased efforts to expedite owed payments to homeless and social service providers. If funds can be delivered expeditiously, providers can better withstand this existential threat that they're facing.

FHC strongly urges the following in the upcoming budget. Increase the budget for home-based by 37.9 million dollars to a total of 100 million dollars. Establish a dedicated funding stream strictly for aftercare services. Release an RFP and

dedicated funding for organizations beyond home-based providers to process CityFHEPS. We also ask to adequately fund the City Commission on Human Rights to enforce source of income discrimination. The City should also commit to a capital needs assessment of the entire shelter portfolio. And finally, we ask to increase the pay of shelter staff to establish parity with comparable settings. Thank you so much for the opportunity to testify, and we have also submitted written testimony.

CHAIRPERSON BRANNAN: Thank you very much.

NIKITA BOYCE: Hi, my name is Nikita Boyce, and I'm the Budget Policy Coordinator at CACF, the Coalition for Asian American Children and Families. Thank you to the Finance Committee and the City Council Members for your time.

Since 1986, CACF is the nation's only pan-Asian children and families advocacy organization that leads the fight for transformative movements in policy, progressive systems change, and racial equity within government institutions to increasingly invest and equitably fund community-based organizations and City initiatives that directly impact and far reach the Asian American and Pacific Islander diaspora.

CACF leads the 18 Percent and Growing Campaign, a critical and diverse citywide campaign uniting over 90 AAPI-led and serving organizations across the city to fight for a fair and equitable budget that protects the needs of our most vulnerable community members. We advocate as a collective in solidarity to hold New York City accountable in providing the necessary resources to serve and empower the diverse needs of all AAPI New Yorkers and other communities of color. The 18 Percent and Growing Campaign is advocating for expanding the AAPI Community Support Initiative to 7.5 million, the Communities of Color Non-profit Stabilization Fund to 7.5 million, and the Access Health Initiative to 4.5 million, among other key citywide initiatives and investments. This includes 134 million per the People's Plan to invest in legal services, sanctuary zones, and rapid response funds to safeguard immigrant New Yorkers from Trump's mass deportation scheme. The AAPI diaspora is the fastest-growing ethnic diaspora in New York City, and yet it faces the highest rates of poverty, linguistic isolation, rising inequities, and widening gaps between social services. Despite this growth of 18 percent, being the number of AAPI in New

York City, 18 percent of the population, in the last few (TIMER CHIME) fiscal years, we've not seen enhancements to our critical initiatives that serve the needs on the ground. AAPI organizations only receive a 5.3 share of discretionary funding per initial Schedule C data. But as our needs become more diverse and require increased capacity, we need more resources. We demand that we receive funding that our communities so desperately need in order to fill the gaps left by City government. And that's why we're urging City Council to uplift our collective priorities, which again are 7.5 million to the AAPI Community Support Initiative, 7.5 million to the Communities of Color Non-profit Stabilization Fund, and 4.5 million to the Access Health Initiative, in order to create a more inclusive, safe, healthy, and sustainable society for our diverse, very diverse diaspora. We need a people's budget that leads to a more values-driven, culturally representative, and human-centered New York City. Thank you.

CHAIRPERSON BRANNAN: Thank you.

THOMAS GOGAN: Good afternoon, Chairman Brannan, and also to Council Members Ayala and Hudson, who have sat through this very long but

informative hearing. I'm Thomas Gogan, representing the Move the Money New York City Coalition, which has, over the last several years, numbered some 60 veterans, community, faith-based, labor, and peace organizations around the city, in all five boroughs. I'm here because I think it's very important that we connect some big dots. As of last night, it became dramatically clear that we have a President that has declared war on New York City, and frankly, every large and small city and town in this country. The Medicaid cuts, in particular, are going to be disastrous, and that's just the first round of what has already been the woodchipper of the Trump-Musk juggernaut. New York is the largest city in the United States. We have some of the biggest problems. We therefore have a very large budget, and it is up to us to lead, and a major element in leading is to challenge the way this federal budget is being structured, and has been for a long time. For a long time, even before this administration, something on the order of 60 percent of the portion of the federal budget that Congress puts together every year, the so-called discretionary budget, has gone for war and weapons and military spending in general. That is not

to say anything against our veterans, because they deserve to be treated well when they get home, if they're well enough to be treated well enough. Mental health is a huge issue for veterans. Suicide is a big issue for veterans. Mental health is huge in our communities. Poor and working-class and immigrant communities are taking the brunt of these cuts, and will. We have to stand up and say, enough is enough. Too much spending on war. We need to take a significant (TIMER CHIME) portion of that budget and redirect it to our communities, regardless of what the members of Congress, mainly led by the Republicans, but not only, have been doing with that money. We've got to stand up and speak up on behalf of not just of New York, but all cities. We're proud to stand in solidarity with the people's budget. We're proud to stand in solidarity with those trying to close Rikers, and we're proud to stand in solidarity with everybody fighting for libraries, better schools, etc., etc., for young and old, and so I thank you for your time, and hope that this City Council will see fit to move a resolution forward to that effect. Thank you.

KIM OLSEN: Thank you so much, Chair Brannan, Council Member Hudson, and Deputy Speaker Ayala for your time and your commitment to arts, education, and culture in New York City. My name is Kimberly Olsen, and I'm proud to be the Executive Director of the New York City Arts and Education Roundtable. I'm testifying as part of the It Starts with the Arts Coalition as well as the Coalition for Equitable Education Funding, calling on our City to prioritize funding for arts education in our schools and communities. The past few years have really underscored the profound need for spaces where young people can process their experiences, think critically about the world around them, and also build resilience. That starts with the arts. However, despite these undeniable benefits, the data reveals a stark reality. Funds budgeted for arts education account for 3 percent of New York City Public Schools' budget. When adjusted for inflation, New York City Public Schools is actually budgeting about 40.8 million less than we were in FY17. And additionally, thanks to the term and condition passed last year by the City Council, we learned that 379 schools currently lack a certified arts teacher,

which is about one in five schools, leaving thousands of students without a dedicated arts teacher in their school. More than 700 arts and cultural organizations worked in partnership with schools last year alone to not only bridge that gap, broaden access to world-class artists, and to provide external funding to schools. But delays in contracting and payment from multiple government agencies cause not only delayed educational opportunities, but also delayed employment for our city's creative workforce.

Investing in arts education is an investment in our city's future. Therefore, I urge our City to take decisive action to ensure that all students have access to high-quality arts learning opportunities. This includes extending and baselining at-risk education funding of 41 million dollars alongside other education programs currently on the chopping block that were previously funded by expiring federal stimulus dollars, ensuring that every school has a certified arts teacher, restoring and enhancing the Support for Arts Instruction initiative at 6 million dollars, (TIMER CHIME) requiring DOE arts funding actually be spent on the arts, and restoring and baselining funding for the Department of Cultural

Affairs. I'll be submitting a full written testimony, but I want to thank you again for your time. We want inviting, colorful, and vibrant, thriving communities. That starts with the arts. Thank you.

CHAIRPERSON BRANNAN: Thank you all very much for your testimony. Thank you.

Okay. Our next panel is Sharon Brown and Christopher Johnson. Okay.

I'll start from the right.

CHRISTOPHER LEON JOHNSON: Hey. What's up, Council Member Brannan? Christopher Leon Johnson here. Thank you, Chair Brannan, Chair Ayala, and Chair Hudson for being here. I'm here to advocate and ask you, Council Member Brannan, since you are the biggest ally of former State Senator Iwen Chu, to support and push for resolution to support Intro. S992 to protect the deliveristas by making sure that if they ever get assaulted, they get charged with a Class C felony. I think you should add a resolution to the City Council to support that for her in honor of her. I know she's not a State Senator no more, but I think you should do that to honor her.

I am calling on 4 million dollars allocated to two non-profits in support of this bill

while this is going on. First one is La Colmena, and the second one is Worker Justice Project, because they need to start going to the hospitals and respond to every call any time that these deliveristas start getting assaulted or even shot or stabbed in the streets of New York City. I say La Colmena because they oversee Staten Island, New York, and they don't have no outreach in the other four boroughs. They need to start doing hospital responding. I know we have a Cure Violence formula in the City Council that is overseen by Council Member Althea Stevens, so at the same time, instead of this worry about people in the neighborhoods getting shot all the time, we need to start worrying about the deliveristas getting shot all the time too and getting assaulted. They need protections too. These non-profits, two of them, I called, I said they need the money to start doing this in the hospitals. They should get the formula and the plan from the Cure Violence (TIMER CHIME) organizations such as Life Camp Inc. and Man Up Incorporated and start doing the same thing any time a deliverista gets assaulted in the streets of New York. So, Council Member Brannan, I know you're a big ally of Iwen Chu. You should be pushing this more in

the City Council to give these deliveristas the protections they need. Thank you.

CHAIRPERSON BRANNAN: Thank you.

SHARON BROWN: Hello. This is Sharon Brown, and before I start, remember Israel, defend Israel, release the hostages, let Yahweh's people go. Okay.

I believe there should be funding for fighting anti-Semitism. New York City is the biggest city that has the Jewish population, and that's in the whole world. This is the second, rather, biggest population of Jews besides Israel. There should be funding for Jewish safety and funding for safety in their communities. Now they have things that they do in their own communities, but we see that we also have to help. There should be funding for teaching about Israel belonging to the Jews. It's not a secret. It's in the Bible. It's in many different artifacts and things that show clearly it belongs to Israel. So, the fight over the land is a frivolous fight, and we need to do things to clear it up, and we could do it through teaching.

We need funds for street to home immediately. We need people who are homeless to get into homes immediately. I'll go into that more.

We need to fund businesses and housing and transportation for military homeless, homeless veterans, and those who need homes. We need to fund this. They need it now. We have the monies. Someone said they're paying 507,000 to house someone at Rikers Island a year or whatever the figure is. That is much more than it requires for a person to have a home. Multiple people can have homes, and Rikers Island should be (TIMER CHIME) defunded and closed down before the year of 2027.

I believe we need to fund the police, and they need to have more police officers. We don't need less police officers. Fund the police, and we need Jewish and Christian police, and we have to acknowledge that this is a Jewish, Judeo-Christian nation so that we can get to be that great nation that everyone wants to see and great city. Thank you.

CHAIRPERSON BRANNAN: Thank you very much.

Okay, next panel on Zoom. We're going to start with Ruth Lopez Martinez and Elizabeth Polanco.

RUTH LOPEZ MARTINEZ: Hi.

CHAIRPERSON BRANNAN: Hi there. You can start when you're ready.

RUTH LOPEZ MARTINEZ: Yes. I am ready.

CHAIRPERSON BRANNAN: Okay, go ahead.

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

(TIMER CHIME)

INTERPRETER: (SPEAKING SPANISH)

SERGEANT-AT-ARMS: (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

Okay. Thank you.

INTERPRETER: (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: My name is Mrs. Lopez Martinez. I am the Director of a trust. (SPEAKING SPANISH) I am the Director of a cooperative, organization (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: And the name is Pa'lante Green Cleans. I want to advocate (INAUDIBLE) workforce you to fight unemployment and have (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: Okay, so my name is Mrs. Lopez Martinez. Yo soy... I'm a worker. I am the (INAUDIBLE) of a cooperative, and the name is Pa'lante Green Cleans.

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: Okay. We offer cleaning services, and we were founded on 2014, and we also offer solutions to the problem that... in the market right now about unemployment. And we also help with the workforce because we need more employment.

(SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: Okay. We also offer services implemented towards cost and production. (SPEAKING SPANISH)

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: So, the cooperative industry has accomplished to give growth to New York by providing economic activity and businesses and employment to the city.

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: I believe...

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

CHAIRPERSON BRANNAN: Okay. Could you just summarize so we can move on?

INTERPRETER: Yes. I believe it is important that you know that cooperatives exist and that, because of the pandemic, we had to close a lot of the small businesses and that we are here to advocate for the growth and that...

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: We believe that we need to establish the future of New York and that we're a part and that cooperatives are important in the topic of having land trust. We need more land trust, and we need more public land to make sure that all the different trusts have the funds that they need to operate and contribute the growth of New York City.

RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

INTERPRETER: We want you to know two important things, and they are that cooperatives do exist and that we are part of the economy. This is a part of the economy, and we grow in a (INAUDIBLE) way and that we need... that we have overcome, yeah, we have overcome (INAUDIBLE) in New York City and that we need you to know that we exist and that we need the support from New York City to not have the decline that could happen if we don't get the support that we need for the growth of New York City.

CHAIRPERSON BRANNAN: Got it. Okay. Thank you. We're gonna move on. Thank you, Ruth.

Now, we have Elizabeth Polanco. I believe she needs translation as well.

SERGEANT-AT-ARMS: (SPEAKING SPANISH)

CHAIRPERSON BRANNAN: Elizabeth.

ELIZABETH POLANCO: (SPEAKING SPANISH)

CHAIRPERSON BRANNAN: Okay. So how do you want to do...

ELIZABETH POLANCO: I need the translator.

CHAIRPERSON BRANNAN: Hang on one sec.

INTERPRETER: (SPEAKING SPANISH)

ELIZABETH POLANCO: (SPEAKING SPANISH)

INTERPRETER: Mm-hmm.

ELIZABETH POLANCO: (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH)

ELIZABETH POLANCO: Okay.

INTERPRETER: Good afternoon. My name is Elizabeth Polanco. Thank you to the Committee of Finance for giving me the opportunity and the space to testify. I am part and I lead the Council for Advocacy of Cooperations in New York, and we focus on providing services and cooperative services in the economic and social fields. (SPEAKING SPANISH)

ELIZABETH POLANCO: Okay. (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH) I'm also a worker of Radiate Consulting New York City. We offer accounting services, interpretation services, webpages, design for webpages, administrative services, and we also offer services to a plenty of non-profit organizations, for example, Mixteca and Cabrini. (SPEAKING SPANISH)

ELIZABETH POLANCO: (SPEAKING SPANISH)

INTERPRETER: We were founded on 2019 as a solution for the lack of employment and as a solution to help the migrant community and support them.

ELIZABETH POLANCO: (SPEAKING SPANISH)

(TIMER CHIME)

INTERPRETER: There are plenty of cooperatives just as mine, and we offer services such as childcare, senior care, carpentry, yoga workshops, and many more, and we help the city to diminish the unemployment rates. And I know that these services have helped a lot of different people that use our services and cooperatives as well, and that we are a big part of the economic flourishing that we can see in New York City, and I have seen this happen in other several cooperative owners such as me as well.

ELIZABETH POLANCO: (SPEAKING SPANISH)

(TIMER CHIME)

SERGEANT-AT-ARMS: Your time has expired.

ELIZABETH POLANCO: (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH)

CHAIRPERSON BRANNAN: Okay. Could you just summarize so we can move on.

INTERPRETER: Sure. So as part of our work as cooperatives and in Radiate Consulting NYC and also as part of the Council for Advocacy, we do offer several services, and for example, we do pay the UBT tax, and we also help with the deficit that there's

with the necessity for employment, and we also contribute to the growth of the thriving of funds and resources for the city and fight for the unemployment rates.

ELIZABETH POLANCO: Okay. (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH)

ELIZABETH POLANCO: (SPEAKING SPANISH)

INTERPRETER: (SPEAKING SPANISH)

CHAIRPERSON BRANNAN: Okay. Thank you.

INTERPRETER: Okay. (SPEAKING SPANISH)

ELIZABETH POLANCO: (SPEAKING SPANISH)

INTERPRETER: Well, thanks to you. I just wanted to mention, and it was to interpreter, that I want the initiative of the WCBDI to keep going forward so we can give the help that the communities need and that we continue to have the tools and the opportunities and to be part of the administration of these services to help with the needs of the city. Thank you.

CHAIRPERSON BRANNAN: Thank you very much, Elizabeth.

INTERPRETER: (SPEAKING SPANISH)

CHAIRPERSON BRANNAN: Okay. Now we have
Juan Cuautle. Juan, are you there?

INTERPRETER: (SPEAKING SPANISH)

JUAN CUAUTLE: Yes, I'm here. Can you hear
me?

CHAIRPERSON BRANNAN: Yes. Go ahead.
Please start.

JUAN CUAUTLE: Thank you so much. Good
afternoon, Chair Brannan and distinguished Members of
the New York City Council Committee on Finance. My
name is Juan Cuautle. I am the Director of the
Cooperative Development Program at the Center for
Family Life in Sunset Park. We provide resources to
low-income communities in Brooklyn, helping them to
thrive and build sustainable futures.

I am here today to respectfully request
that the New York City Council continue to support
the Worker Cooperative Business Development
Initiative, WCBDI, by allocating 5.1 million for
Fiscal Year 2026. Since 2014, CFL has been a proud
participant in WCBDI, an initiative funded by the
Council that enables organizations like ours to
incubate and nurture worker-owned businesses. Through
this invaluable support, CFL has successfully

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incubated 27 cooperative businesses in the domestic work industry, empowering over 600 immigrant women with a transformative opportunity to take control of their economic and professional lives. Each year, through our Cooperative Development Program, 420 participants benefit from training and information sessions on worker-owned cooperatives, business management, and community leadership. These sessions are designed to equip individuals with the skills and confidence needed to manage their own businesses. At CFL, we firmly believe that with the right resources, anyone, regardless of socioeconomic status, can become a successful entrepreneur. The Council's support also allows us to provide 273 business management consulting services annually to operating cooperatives, ensuring their stability and growth. Importantly, all our services are offered in languages spoken by our participants, breaking down language barriers, and enhancing accessibility with immigrant communities. Your continued support has enabled CFL to innovate and scale our initiatives, broadening the reach of the cooperative business model to other low-income communities across New York

City. One of our proudest (TIMER CHIME) achievements is the creation of OpenGO, an online marketplace...

SERGEANT-AT-ARMS: Your time has expired.
Thank you.

JUAN CUAUTLE: Thank you.

CHAIRPERSON BRANNAN: Thank you, Juan. Now we have Melat Seyoum.

SERGEANT-AT-ARMS: You may begin.

MELAT SEYOUM: Thank you. Good afternoon, Honorable Chairperson and distinguished Members of the New York City Council Committee on Finance. My name is Melat Seyoum, and I'm the Director of Political Affairs and Strategic Partnerships at the New York City Network of Worker-Owned Cooperatives, also known as NYC NOWC. We are the local trade association representing worker-cooperative businesses and democratic workplaces in the New York City metropolitan area. I am here alongside my colleagues from the Working World, Center for Family Life, and our Advocacy Council Members, representing 11 other organizations that make up the Worker-Cooperative Business Development Initiative. We are here asking New York City Council to continue supporting the expansion of worker ownership in next

year's budget and firmly into the future. Since the inception of the initiative, we have created over 197 new cooperative businesses and over 1,200 new jobs that are not only providing higher hourly wages, but also building wealth and assets for individuals who are overwhelmingly BIPOC women and immigrants. We have seen firsthand how the initiative has served to bolster our sector, strengthening existing cooperative businesses, and creating new ones. The initiative partners have collectively worked to create a comprehensive ecosystem of support for cooperative businesses that not only ensures the creation of new cooperatives in low-income areas, but also the technical assistance needed to sustain businesses and create jobs, as well as the education and outreach needed for communities, interested entrepreneurs, and allied organizations. We've done a ton of work during the pandemic and beyond to bring over 10 million in grants and loans to cooperatives and keep them afloat. We did all of this with a 3.8 million budget. Our ask has been similar to where it's been pre-COVID, and we ask that City Council enhance our funding to 5.09 in order for our initiative to double down the essential long-term

work that is necessary for economic recovery for cooperative businesses that (TIMER CHIME) will be needed to claw ourselves out of this economic crisis.

SERGEANT-AT-ARMS: Your time has expired.
Thank you.

MELAT SEYOUM: Thank you. I thank City Council for the opportunity to testify and hope that you consider our budget priorities and recommendations during the budget negotiation process. Thank you.

CHAIRPERSON BRANNAN: Thank you for your testimony. Thanks for waiting.

Now we have Scott Trumbull.

SERGEANT-AT-ARMS: Starting time.

SCOTT TRUMBULL: Hi, all. First, I want to thank the Committee for the opportunity to testify today. My name is Scott Trumbull. I'm the Co-Executive Director at The Working World. We are a non-profit community development financial institution that specializes in providing financing and technical assistance to worker cooperative businesses here in New York City. I'm here today to encourage you and your Colleagues to continue supporting worker ownership in New York City by

enhancing funding for the Worker Cooperative Business Development Initiative to \$5,097,082. For over a decade, this initiative has provided essential services to worker cooperative businesses across all five boroughs and has made New York a leading example of how cities can use worker ownership to develop their local economies in a more equitable way. At The Working World, this funding has been absolutely critical to our technical assistance program. One great example of this is the support we provided to a cooperative called Bright Learning Stars. Back in 2018, there was a daycare center in Windsor Terrace, Brooklyn that closed very unexpectedly, leaving employees without work and parents without a place to leave their kids. One of those parents reached out to The Working World to see if we could help the former employees of that business restart the daycare as a worker cooperative. So, we jumped right in and helped those workers develop a business plan, secure a location, acquire necessary financing, and also licensing to get their business up and running again. Since then, we've continued to provide regular services to that business so that now, over six years later, not only do these workers now have a voice in

their workplace, but for the past three years in a row, each worker owner has been able to earn an additional \$8,000 to \$10,000 in income from profit sharing. This is what worker ownership and WCBI are all about, giving working-class New Yorkers a voice in their workplace and an opportunity to build real wealth in their communities. These stories are only possible because of the critical resources offered by the Worker Cooperative Business Development (TIMER CHIME) Initiative. For that reason...

SERGEANT-AT-ARMS: Your time has expired.

Thank you.

SCOTT TRUMBULL: I ask you again for your support. Thank you so much for your consideration.

CHAIRPERSON BRANNAN: Thank you, Scott.

Now we have Carlyn Cowen.

SERGEANT-AT-ARMS: Starting time.

CARLYN COWEN: Good afternoon, everyone.

Thank you to Chair Brannan and the Members of the City Council for allowing me to testify today. My name is Carlyn Cowen. I am the Chief Policy and Public Affairs Officer of the Chinese American Planning Council, CPC. As you may know, CPC serves about 80,000 Asian American, immigrant, and low-

income New Yorkers each year. We have a full testimony that we've submitted in written form, but I want to actually highlight a couple of stories from our community members just over the last month, and I really want to highlight these for the City Council because I think that these stories of what our community members have been experiencing should really be directing the way that the City Council handles this upcoming budget. Last month, one of our community members asked us if she should be pulling her kids out of school because she was worried that ICE was going to get them either on the way to school or at school or on their way home. This is not the only community member that has done this. In fact, while in January we had 100 kids at our last teen night, in February we only had 40 kids coming to the teen night, an important opportunity for students to get social, emotional, and academic learning. One of our community members asked if they should withdraw from SNAP benefits because they were concerned about how it would be impacting them and their immigration status. And a number of our seniors have refused to come in for meals because they have been worried about what's going to happen to them, which means

that we have had to come to them to bring them their meals.

All of this is to say that I think that right now a lot of people have the instinct that we need to wait and see what's going to happen at the federal level and respond rather than being proactive as a City. As CBC, what we believe is that we need to be investing now to make sure that our community members feel safe and supported and to ensure that New York remains a sanctuary city. For us, that looks like investing deeply in our human services workers who are at the front lines of making sure that our community members are supported (TIMER CHIME) through the Just Pay campaign and through fully funding all of our services.

SERGEANT-AT-ARMS: Your time has expired.
Thank you.

CARLYN COWEN: That looks like investing deeply in legal services, public benefits, and other programs to support immigrants across New York City. Thank you for the opportunity to testify.

CHAIRPERSON BRANNAN: Thank you, Carlyn.
Okay, now we have Sierra Kraft.

SERGEANT-AT-ARMS: Starting time.

SIERRA KRAFT: Hi, good afternoon, Chairperson Brannan and Members of the Committee on Finance. My name is Sierra Kraft, and I'm the Executive Director of ICARE, a coalition dedicated to ensuring unaccompanied immigrant children in New York City have access to free legal representation. Right now, thousands of immigrant children are stuck in a legal limbo that could determine the rest of their lives. Nearly 7,000 unaccompanied children fleeing war, violence, and trauma arrived in our city last year alone. Instead of safety, they face an immigration system so complex that even trained lawyers struggle to navigate it. Yet immigrant children are expected to stand before a judge and argue their case against a government prosecutor. Without an attorney, they're narrowly guaranteed to lose their case, but with an ICARE attorney, they have over a 90 percent chance of success. The need for legal services has never been greater, but federal funding is unreliable. Just two weeks ago, a stop work order froze federal funding for unaccompanied children's legal services, leaving 26,000 children defenseless overnight. Though this was reversed, it was a wake-up call. New York cannot

depend on federal funding to protect immigrant children. Court backlogs are also at an all-time high and legal service providers are overwhelmed. And without City investment, more children will be left vulnerable to deportation, trafficking, and exploitation. For over a decade, City Council's investment in the Unaccompanied Minors and Families Initiative has been a lifeline. ICARE providers have ensured that more than 14,000 children in New York receive legal support, find stability, and build a bright future here. But the demand has surged and funding has remained stagnant for over six years, forcing providers to do more with less. New York prides itself on protecting the most vulnerable, but protection requires action. This year, ICARE is requesting \$6,297,250 to support 2,013 children and families through legal screenings, Know Your Rights trainings, direct representation, and referrals to essential services. These children came here seeking safety, and it's up to New York to ensure they aren't put back into harm's way.

SERGEANT-AT-ARMS: Your time has expired.

Thank you so much.

SIERRA KRAFT: Thank you so much. Really appreciate it.

CHAIRPERSON BRANNAN: Thank you, Sierra. Now we have Kevin Ly.

SERGEANT-AT-ARMS: Starting time.

KEVIN LY: Chair Brennan and Members of the Committee, my name is Kevin Ly. I am a lifelong New Yorker and a proud graduate of New York Public Schools and a resident of Forest Hills, Queens, where I live with my wife and our two children, ages 5 and 3. I am here today to urge the Council to prioritize funding for pre-K at faith-based schools like Catholic Academies, fully fund and enhance New York City Public Schools' Summer Rising programs, and make CBO's after-school programs universal. One of the biggest reasons we chose the Catholic Academy for our children's pre-K education is the extended hours. Right now, we can drop our children off at 7:15 a.m. and pick them up at 5:30 p.m. Public schools alone simply do not offer this flexibility, making it difficult for working parents who rely on a full workday to support their families. I also want to recognize and commend New York City Public Schools and the Department of Youth and Community Development

for making Summer Rising a reality. However, last year, only 40 percent of families who were accepted actually attended the program. This is deeply unfair to the thousands of parents who desperately needed a Summer Rising seat but were turned away due to limited capacity. When a family secures a spot and then does not show up, this is a wasted opportunity for another child. We really do need a more efficient enrollment process. The Summer Rising should be more recreational-based and enrichment-enhancing so that it includes sports activities, arts programs, and hands-on STEM learning. Finally, we must make after-school programs universal with the support of community-based organizations. As a father, as a New Yorker, and a public school graduate, I urge the Council to make these investments in our city's children (TIMER CHIME) and working families. Thank you for your time and leadership.

SERGEANT-AT-ARMS: Time has expired.

CHAIRPERSON BRANNAN: Thank you, Kevin.
Now we have Sienna Fontaine.

SIENNA FONTAINE: Good afternoon, Chair Brannan and esteemed Committee Members. I'm Sienna Fontaine, General Counsel at Make the Road New York.

On behalf of our 28,000 members, I thank the Committee for the opportunity to be here today.

In the face of anti-immigrant attacks, budget cuts, and other assaults on working people, Make the Road is working around the clock to meet the surge in need. In this moment of crisis, the City must fortify critical services and protect New Yorkers of all immigration statuses. We ask the Council to use every available tool to reverse the Mayor's attacks on immigrants and working-class New Yorkers. The services that organizations like us provide are essential. We work in partnership with many organizations who have testified here today and echo their call for the Council to champion the needs of the most underserved and vulnerable in our city.

Here are some examples of the critical work that we're doing right now. Providing immigration legal services to reunite families who have been separated by ICE. Doing Know Your Rights trainings for thousands of New Yorkers so families know how to handle interactions with enforcement agencies. Connecting uninsured families to desperately needed healthcare. Winning back stolen wages for exploited immigrant workers. Organizing

with the vibrant trans-Latinx community in Queens.
And providing high-quality college access support to
low-income high school students who are first-
generation college goers.

We're in dire need of resources to meet
the needs of our communities. Here are five programs
that we need to preserve and expand. The Rapid
Response Legal Collaborative, which provides high-
quality legal representation to individuals on the
precipice of deportation by creating a 25 million
rapid response fund. Allocate an additional 5 million
to the Department of Consumer and Worker Protection
to ensure strong enforcement of paid sick leave and
the new minimum pay rule for delivery workers. Double
baseline funding for adult literacy programs funded
through DYCD from 12 million to 24 million. Restoring
the cuts from last year and enabling programs to
bolster services in a time of increased need. Protect
New Yorkers' health by expanding overall funding for
the Access Health Initiative to (TIMER CHIME) 4
million. Allocate 2.36 million...

SERGEANT-AT-ARMS: Your time has expired.

Thank you.

SIENNA FONTAINE: And we look forward to continuing these conversations, and we'll submit more detailed testimony. So, thanks so much.

CHAIRPERSON BRANNAN: Thank you, Sienna. Now we have Tierra Labrada.

SERGEANT-AT-ARMS: Starting time.

TIERRA LABRADA: Hi. I'm really sorry. I actually just started driving. Can you come back to me, please?

CHAIRPERSON BRANNAN: Okay. Now we have Matthew Weber.

SERGEANT-AT-ARMS: Starting time.

MATTHEW WEBER: Hello. Are you able to hear me?

CHAIRPERSON BRANNAN: Yes. Please begin.

MATTHEW WEBER: Okay. Thank you for the opportunity. For nearly four years, tens of thousands of New York City retirees and active employees have been working around the clock to preserve hard-earned promised retirement healthcare benefits. Reneging on promised benefits brings immeasurable long-term harm to New York City's efforts to recruit and retain quality employees. The Mayor continues to waste pressures between human and financial resources to

appeal related court rulings. The opportunity and costs and hard costs associated with these appeals must be disclosed to the Council and public.

Transparency within government is more important now than ever before. The redirected billions of dollars from the MLC Health Care Stabilization Fund's Office of Active Employees Raises was at best short-sighted.

100 separate union welfare funds are counterintuitive to leveraging group purchasing contracts and achieving maximum efficiency of operating capital expenses. The Council should initiate hearings and forensic audit of the MLC's Health Care Stabilization Fund to ensure there's appropriate accountability.

And bottom line is, facts matter. Intro. 1096 is not illegal. These retirees, we're talking about elderly, infirm, vulnerable populations that's depending upon the City Council to protect them. Please stand up and do the right thing and put political agendas and egos aside. It's been four long years. Thank you, everybody.

CHAIRPERSON BRANNAN: Thank you. Now we have Akiana Smith.

SERGEANT-AT-ARMS: Starting time.

AKIANA SMITH: Good afternoon. As we recognize International Women's Month, we must acknowledge the resilience and strength of women and gender-expansive individuals who have been directly impacted by criminal legal system. My name is Akiana Smith, and I serve as the Director of Community and Court Navigation at the Women's Community Justice Association, WCJA, home to the Beyond Rosie's campaign. Our work is rooted in the mission of ending the incarceration of women and gender-expansive people and advancing gender-responsive community-based alternatives to incarceration. One of the most critical resources for justice-impacted individuals is court peer navigation. Having a dedicated court peer navigator, exclusively a woman or gender-expansive individuals, provides not only practical guidance but also a crucial source of moral support for those navigating the complexities of our criminal legal system. The challenges of the court proceedings re-entry and detainment are deeply traumatic, and peer navigation offers a vital bridge between individuals, their legal representation, and community resources. At WCJA, we recognize that true justice requires a shift in investment from carceral

systems to community-based solutions that prioritize care over punishment. Through our initiatives, including the Court Peer Navigation Program, we advocate for the redistribution of funding to ensure that justice-impacted women and gender-expansive individuals receive the support they need rather than just being left to navigate the system alone. Investing in these resources is not just a necessity, it's a moral imperative. I urge this Body to prioritize funding for programs that provide direct support and guidance for justice-impacted individuals, ensuring that no one has to face the system without the resources they deserve. Thank you.

CHAIRPERSON BRANNAN: Thank you. Now we have Marianne Pizzitola.

SERGEANT-AT-ARMS: Starting time.

MARIANNE PIZZITOLA: Pizzitola. Thank you, Chair Brannan. Thank you for the opportunity to speak. My name is Marianne Pizzitola. I am the President of the New York City Organization of Public Service Retirees, an organization of municipal retirees that represents 250,000 retirees. Since 1967, retiree healthcare has been protected and funded in the New York City budget by law. This

promise has ensured that any City public servant who dedicated a specific number of years of their life serving New Yorkers, whether union or nonunion, received a fully paid Medicare supplemental plan upon retirement. This isn't just a benefit, it's a commitment that stood the test of time, recognizing the sacrifices made by those who served the city, built this city, and rebuilt it after 9/11. It was never part of collective bargaining because it was guaranteed by law, not negotiation. Yet today we see some union leaders stepping outside their lane, acting as though they are elected officials managing the City's budget rather than representing their members' best interest. They claim the City is too poor to uphold these promises, but look at the facts. Under Mayor Adams, the City's budget has grown over 15 billion dollars during his term. The City's not poor. What we're witnessing is a failure of some union leaders to negotiate better contracts for their active members. Instead of focusing on improving wages and benefits for their workers, they're attempting to balance the books on the backs of retired public servants, those who already earned and rely on their promised vested benefits. Union leaders

are not budget managers. They are advocates for their members. Their job is not to strip retirees of healthcare, but to fight for fair contracts for their workers. Retirees upheld their end of the deal when they served this city, and it's time for this city and union leaders to do the same. Thank you, everyone, for this opportunity.

CHAIRPERSON BRANNAN: Thank you, Marianne. Now we have Audacia Ray.

SERGEANT-AT-ARMS: Starting time.

AUDACIA RAY: Good afternoon. My name is Audacia Ray. I use they/them pronouns, and I'm the Interim Executive Director at the New York City Anti-Violence Project. Our organization was founded in 1980, and we are the only LGBTQ-focused rape crisis hotline in the state. We offer free services to LGBTQ survivors of violence. Over the past year, our hotline saw a 20 percent increase in crisis calls, and since Trump's inauguration in January, we've seen a dramatic increase in requests for support around immigration and asylum.

I wanted to share some of our top priorities for the next Fiscal Year with you all and highlight some of the initiatives that we are

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2 requesting for expanded funds on. We are in the
3 process of updating and streamlining our hotline,
4 which has been running for more than 30 years, with a
5 technology upgrade that we'll have in place by July
6 1st that will also increase digital security in
7 addition to being easier to use for both the
8 volunteer and staff operators as well as people
9 calling the hotline. We have 120 volunteers who
10 support that hotline. It operates 24/7, and we hope
11 to keep graduating large cohorts of folks to be able
12 to support that work. Our program department
13 specializes in support for queer survivors of
14 intimate partner and sexual violence as well as queer
15 and trans immigrant survivors, and doing prevention
16 around hate violence throughout the city. And we've
17 also recently introduced a new community safety
18 planning training that includes an active assailant
19 training module. That's for individual New Yorkers
20 and organizations who are under threat of anti-LGBTQ
21 violence. All of our (TIMER CHIME) services are free,
22 and that includes our technical support.

23 SERGEANT-AT-ARMS: The time has expired.

24 Thank you.

25 AUDACIA RAY: Thank you.

CHAIRPERSON BRANNAN: Thank you. Now we have, finally, Tierra Labrada.

SERGEANT-AT-ARMS: Starting time.

TIERRA LABRADA: Hi. I'm still driving, so I hope that you all can hear me. I'll try to make this brief.

Thank you, Chair Brannan, for the opportunity to testify. My name is Tierra Labrada. I'm the Director of Policy and Advocacy with the Supportive Housing Network of New York. We are a membership organization representing over 100 non-profits that operate over 40,000 units of supportive housing throughout the city. Today, I want to focus on our plan for 15/15 reallocation, and I do just want to thank the Council for all of your support in our 15/15 reallocation plan. I'll be brief. I'm going to submit longer written testimony, but today I just want to ask the Council for your continued support in codifying this plan in the FY26 budget. Our data suggests that there are about 6,000 scattered site units that have yet to be unawarded, and in order for the city to reach its goal of 15,000 units by 2030, we estimate that about 944 of those units will have to be developed annually over the next five years.

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2 This year, that will be about 307 million dollars in
3 capital funding to develop and preserve units, and
4 that is inclusive of the 115 million dollars that the
5 Council secured in the City of Yes negotiations. We
6 sincerely thank you for that. Additionally, it'll
7 cost about 45 million dollars in service and
8 operating funding for these new units, and we're also
9 asking the Council to support our proposal to align
10 service and operating rates for existing congregate
11 units so that providers can maintain and operate
12 their buildings in the face of rising costs,
13 insurance costs, maintenance costs, operating costs,
14 and that will cost about 25 million dollars. So, in
15 total, we're asking for 307 million dollars in
16 capital and about 72 million dollars in expenses for
17 our reallocation proposal. I will submit written
18 testimony. Thank you so much for this opportunity,
19 and have a good evening.

20 CHAIRPERSON BRANNAN: Thank you very much.

21 Okay, with that, this first day of
22 Preliminary Budget hearings for FY26 is adjourned.

23 Thank you, everybody. [GAVEL]
24
25

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 March 12, 2025