

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  
Start: 10:34 a.m.  
Recess: 5:49 p.m.

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

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.

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

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

2                   We're here today to examine the Mayor's  
3 114.5-billion-dollar preliminary budget for FY26,  
4 which is 2.1 billion dollars less than our current  
5 year budget.

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

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

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

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

21                   The Fiscal Year 2026 Preliminary Budget  
22 totals 114.5 billion dollars, a decrease of roughly 1  
23 billion dollars since adoption of the Fiscal Year  
24 2025 Budget last June. The Preliminary Budget closes  
25 the 5.5-billion-dollar gap that was estimated in the

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

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

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

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

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

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

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

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

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

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

20           If the Administration is serious about  
21 having an honest conversation about the City's  
22 finances, we are ready to work as partners in good  
23 faith, as we always are. But what we will not accept  
24 is a budget process that manufactures crises to  
25

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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

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

13           Today, I will give you a budget overview,  
14 including the investment we will be making in  
15 working-class New Yorkers and families and, of  
16 course, I will discuss the challenges we face as we  
17 approach the Executive Budget in hopes that we can  
18 once again work together to overcome these hurdles  
19 and ultimately deliver a fourth successful and on-  
20 time adopted budget that delivers for New Yorkers.  
21 The Fiscal Year 2026 Preliminary Budget is balanced  
22 at 114.5 billion dollars, with gaps of 4.2 billion  
23 dollars, 5.4, and 5.1 billion dollars in Fiscal Year  
24 '27 through Fiscal Year 2029, which are all lower  
25 than at the November 2024 Financial Plan update. Not

2 only did we close the 5.5-billion-dollar budget gap  
3 in the upcoming Fiscal Year, but we also made a 2.3-  
4 billion-dollar prepayment from Fiscal Year '25 into  
5 Fiscal Year '26. Also, we are going into Fiscal Year  
6 '26 with a reserve of 8.5 billion dollars,  
7 demonstrating our responsible stewardship of the  
8 City's long-term finances.

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

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

4 Savings in this plan total 3.4 billion  
5 dollars over Fiscal Year '25 and '26, which includes  
6 2.7 billion dollars in citywide savings, over 270  
7 million dollars in pension savings, and 400 million  
8 dollars in labor reserve savings. As we typically do  
9 over the final months of the budget cycle, we will  
10 work with agencies to identify underspending savings.  
11 This will have no impact on programs or service  
12 delivery.

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

2 43,300 now. As a result of the census decline, we  
3 have consolidated sites and closed 37 sites this  
4 Fiscal Year to date, and will have closed 53  
5 emergency migrant shelters between June '24 and June  
6 '25. These closures, alongside ongoing efforts to  
7 renegotiate contracts, rebuild services, and reduce  
8 utilization of for-profit service providers, have  
9 generated total asylum seeker savings over just three  
10 fiscal years of nearly 5.2 billion dollars. Through  
11 February, New York City has spent more than 7.1  
12 billion dollars to feed, house, and care for more  
13 than 232,600 asylum seekers since the spring of 2022,  
14 and we have done this without raising taxes, laying  
15 off employees, or making major cuts to programs or  
16 services. While the State contributed 3.1 billion  
17 dollars in direct financial aid over Fiscal Years '23  
18 through '25, the Governor's Executive Budget does not  
19 include the 1 billion dollars that we assumed in our  
20 financial plan to help balance the Fiscal Year 2026  
21 budget. We will continue to work with the State to  
22 secure resources to cover the costs of the over  
23 43,300 asylum seekers that are still in our care.  
24 However, by failing to provide funding next Fiscal  
25 Year, we now have a 1-billion-dollar hole in the

2 budget that must be filled within seven weeks.  
3 Further, in mid-February, the federal government  
4 seized 80 million dollars in reimbursement funding  
5 from the City's bank account. In the Preliminary  
6 Budget, we applied 59 of those funds toward balancing  
7 Fiscal Year 2026. In response to the seizure, the  
8 City filed a lawsuit on February 21st to reclaim  
9 those funds, though it is unlikely to be resolved  
10 before the Executive Budget is released in early May.

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

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

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

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

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

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

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

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

10           On top of the investment this  
11 Administration has already made in our youngest New  
12 Yorkers, we are continuing support for the Summer  
13 Rising and enrichment programming, which includes a  
14 saving restoration for extended hours and Friday  
15 services to about 30,000 middle school participants.  
16 We are also maintaining our commitment to the Learn  
17 to Work program, which helps re-engage students who  
18 have fallen behind earn a high school diploma, and  
19 prepare for college and careers. And recognizing the  
20 importance of keeping our children safe, we are  
21 expanding swim safety programming to an additional  
22 4,800 students. To provide career readiness  
23 opportunities for students, we have expanded the  
24 Pathways program. Over the course of the  
25 administration, our young people have earned a record

2 18 million dollars in paid apprenticeships and work-  
3 based learning opportunities in New York City's  
4 public schools. This expansion will include new  
5 pathways for HVAC, decarbonization, and social and  
6 human services, and adds 36 more schools to the  
7 program.

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

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

2           Finally, we have invested in the City's  
3 largest ever 10-year capital plan. Over the next  
4 decade, we will invest 170 billion dollars to build  
5 and maintain roads, bridges, schools, water and sewer  
6 facilities, libraries, and transportation systems in  
7 neighborhoods across the five boroughs. This includes  
8 24.5 billion dollars for affordable housing, 26  
9 billion dollars for schools, 10 billion dollars for  
10 New York City parks, and 2.8 billion dollars for  
11 cultural institutions and libraries.

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

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

19 CHAIRPERSON BRANNAN: Thank you, Director  
20 Jiha.

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

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

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

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

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

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

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

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

5 DIRECTOR JIHA: Rest assured that we are.

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

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

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

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

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

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

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

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

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

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

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

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

1 COMMITTEE ON FINANCE 35  
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.

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

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

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

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

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

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

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

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

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

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

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

18 DIRECTOR JIHA: Sure.

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

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

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

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

5 SPEAKER ADAMS: What were the reduction  
6 targets?

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

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

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

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

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

6 DIRECTOR JIHA: It's already spent.

7 SPEAKER ADAMS: It's already spent.

8 DIRECTOR JIHA: It's already spent.

9 SPEAKER ADAMS: What is the backstop?

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

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

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

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

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

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

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

2 1.9 percent. It's obvious that the hiring freezes are  
3 negatively affecting, as you're just saying, are  
4 negatively affecting agency ability to provide  
5 necessary services, such as the processing of  
6 benefits, paying invoices to DOE-contracted child  
7 care providers, and issuing payments to our non-  
8 profit contract providers, and as you are stating in  
9 your testimony this morning as well. Seemingly, you  
10 haven't seen the need to initiate a full-scale PEG in  
11 over a year. What is the rationale for leaving the  
12 hiring freeze in place when you have just testified  
13 that we do have a need for a headcount to accelerate,  
14 so what is the rationale for leaving the hiring  
15 freeze in place?

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

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

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

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

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

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

9 FIRST DEPUTY DIRECTOR GODINER: Yeah.

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

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

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

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

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

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

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

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

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

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

11 SENIOR DEPUTY DIRECTOR BOIRARD: The State  
12 funding is, as Jacques said, is going directly from  
13 the State to the various, to benefit housing projects  
14 within New York City. In terms of the housing  
15 priorities that you mentioned, we're looking at the  
16 825 million dollars that went into HPD's budget, and  
17 we anticipate that we'll be working together on Home  
18 First, NYC 15, and some of the other areas that  
19 you've identified.

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

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

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

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

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

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

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

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

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

4 DIRECTOR JIHA: Thank you.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2 500 million dollars to your forecast, but I  
3 appreciate that. I mean we don't take any solace,  
4 like, being told, I mean, look, the Mayor famously  
5 said that the migrant crisis was going to bankrupt  
6 the City. We all know that that was never true. The  
7 Council doesn't take any solace in being told, hey,  
8 you guys were right, because ultimately cuts were  
9 made that we now see were never necessary in the  
10 first place so I understand why OMB has a reputation  
11 for being way more conservative, and it's fine if  
12 we're just talking about sort of hypothetical  
13 forecasts, but when those conservative estimates are  
14 used to justify cuts, that's, that's, that's the  
15 problem.

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

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

21 CHAIRPERSON BRANNAN: So, I want to talk  
22 about the labor reserves now. In the Preliminary  
23 Plan, the City's labor reserve was slashed by 400  
24 million dollars for FY25. We are concerned about how  
25 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?

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

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

7 FIRST DEPUTY DIRECTOR GODINER: That's  
8 correct.

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

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

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

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

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

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

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

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

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

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

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

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

3 So, we continue to go through the same process and

4 make the decision working with your staff in terms of

5 which one we're going to fund long term, which one

6 we're going to fund one year at a time.

7 CHAIRPERSON BRANNAN: I think for the

8 Council, the Parks Department would fall under the

9 public health and public safety bucket as well.

10 DIRECTOR JIHA: Everything is critical.

11 But again...

12 CHAIRPERSON BRANNAN: But everything isn't

13 critical. Some stuff is on the critical list and some

14 stuff isn't, right?

15 DIRECTOR JIHA: Everything is critical.

16 And as I said, it's a question of which one we're

17 going to have to choose. Because once you're making

18 priority decisions, everybody's going to tell you

19 their thing is priority. But at the end of the day,

20 one or two people are going to have to make that

21 decision, it's the Council and the Mayor.

22 CHAIRPERSON BRANNAN: Okay. I want to move

23 along to give some time for my Colleagues. I want to

24 talk about emergency contracting. The Administration

25 currently has 54, correct me if I'm wrong, emergency

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

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

15 CHAIRPERSON BRANNAN: HPD what?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 DEPUTY SPEAKER AYALA: Okay.

2 DIRECTOR JIHA: We're down to like from  
3 69,000 to about 43,000 now, okay? So, we're taking  
4 care of fewer people, okay? So, obviously, we're  
5 consolidating the sites. We're closing sites. As  
6 you're closing sites, you're saving resources. So,  
7 this is the process that we're going through right  
8 now.

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

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

2 DEPUTY SPEAKER AYALA: Yeah.

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

6 DEPUTY SPEAKER AYALA: Yeah.

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

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

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

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

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

20 DIRECTOR JIHA: About 300-something.

21 FIRST DEPUTY DIRECTOR GODINER: 370 as of  
22 January.

23 DIRECTOR JIHA: As of January, it's about  
24 370.

25 DEPUTY SPEAKER AYALA: 3-7-8?

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

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

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

18 DEPUTY SPEAKER AYALA: Okay.

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

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

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

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

12 DEPUTY SPEAKER AYALA: Yeah. The  
13 Preliminary Plan includes 1 billion of State funding  
14 for the asylum seeker response efforts in both Fiscal  
15 Year '26 and '27 and 350 million in both Fiscal Years  
16 '28 and '29. The Governor did not include this 2.7  
17 billion in her Executive Budget, and she said that  
18 the cost-sharing between the City and the State would  
19 not continue. Do you plan to replace the State  
20 funding with City funding in the Executive Budget?

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

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

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

12 DIRECTOR JIHA: Conversation is still  
13 ongoing with the State.

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

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

20 DEPUTY SPEAKER AYALA: Okay.

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

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

4 DEPUTY SPEAKER AYALA: Okay. The rental  
5 assistance programs for HRA, you just mentioned, for  
6 the last, past several fiscal years, actual spending  
7 on rental assistance program has been considerably  
8 higher than the baseline budget. As of the  
9 Preliminary Plan, the budget for all rental  
10 assistance programs is 1.3 billion in Fiscal Year  
11 '25, dropping to 635 million in Fiscal Year '26 and  
12 the outyears. What is the City's current year-to-date  
13 expenditures on rental assistance, and how much of  
14 that was for CityFHEPS, and when will OMB increase  
15 the baseline budget for HRA's rental assistance  
16 program so that it more accurately reflects the  
17 current level of demand? I know we ask this every  
18 year. We're going to keep asking.

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

2 appropriate adjustment to the budget to reflect the  
3 reality.

4 DEPUTY SPEAKER AYALA: Yeah.

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

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

18 HRA Fair Fares. In the Fiscal Year 2025  
19 Adopted Budget, the eligibility for Fair Fares was  
20 expanded to include those making up to 145 percent of  
21 the federal poverty level. This expansion of  
22 eligibility became effective on January 7th. Funding  
23 for this expansion was added in Fiscal Year '25 only.  
24 10.8 million of new funding and 10 million in unspent  
25 funding rolled from the prior Fiscal Year in the

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

8 DIRECTOR JIHA: At this point in time, the  
9 program is, I believe, is well funded for Fiscal Year  
10 2025 and, as we go again to the budget cycle, we will  
11 see the needs to see what can be done to adjust to  
12 reflect basically reality. Because at the end of the  
13 day, like you said, we basically rolled some savings  
14 because the program has been underutilized. So, we're  
15 going to see as the year progresses to see how many  
16 more people use the system, and we will adjust our  
17 budget to reflect the increased population. We're  
18 doing a lot of outreach. We have like 2 million  
19 dollars in budget for outreach to make sure that  
20 people use the program. But again, as I said, as we  
21 go move toward adoption, we'll review and if there is  
22 a need, we will adjust the budget appropriately.

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

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

9 DIRECTOR JIHA: A lot.

10 DEPUTY SPEAKER AYALA: A lot?

11 DIRECTOR JIHA: A lot of them.

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

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

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

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

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

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

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

14 DEPUTY SPEAKER AYALA: Okay. The Community  
15 Food Connections Program. In Fiscal Year '25  
16 Preliminary Budget response, the Council called on  
17 the Administration to baseline the budget for CFC at  
18 60 million to help combat the high levels of food  
19 insecurity in the city, which persists today. Some  
20 funding was added at adoption for Fiscal Year '25,  
21 but it was not baselined in the outyears, and  
22 approximately 39 million is still needed for Fiscal  
23 Year '26 and beyond. The Preliminary Plan includes 60  
24 million in Fiscal Year '25 budget for CFC, but only  
25 20.6 million in Fiscal Year '26 and the outyears.

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

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

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

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

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

15 DIRECTOR JIHA: Yeah. Based on the  
16 program, the way the program was designed, we added  
17 about 44 million dollars in the baseline for 900  
18 additional Safe Haven and low barrier beds. We added  
19 16 million dollars in terms of 24/7/365 outreach  
20 operations citywide, and 6 million dollars for 100  
21 additional runaway and homeless youth beds. And as  
22 you mentioned, we increased funding for the Subway  
23 Safety Plan, basically, to existing low barriers and  
24 robust outreach. So that's where we are. I think  
25 they're doing the best that they can in terms of

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

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

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

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

21 DIRECTOR JIHA: At this moment in time, I  
22 don't know. I'm not aware of any conversation with  
23 the State in terms of state giving us additional  
24 resources for this. I mean, we had the whole public  
25

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

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.

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

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

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

14 DIRECTOR JIHA: Thank you.

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

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

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

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

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

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

4 MAJORITY WHIP BROOKS-POWERS: The need is  
5 there.

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

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

12 DIRECTOR JIHA: Of course. Yes.

13 MAJORITY WHIP BROOKS-POWERS: Thank you  
14 for that. In terms of transportation and  
15 infrastructure, DOT traffic fatalities, according to  
16 traffic data, in the first nine months of '24, 193  
17 people died in traffic crashes, which is a higher  
18 rate than eight of the last 10 years. In the Fiscal  
19 '25 budget response, the Council called on the  
20 Administration to restore 3 million dollars in  
21 funding for Vision Zero education and outreach that  
22 was eliminated as part of the Administration's PEG  
23 program. To date, the funding has not been restored,  
24 so I just wanted to understand, will the Vision Zero  
25 funding be restored in the Executive Plan, and how

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

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

14           MAJORITY WHIP BROOKS-POWERS: Jumping to  
15 MTA, particularly the cost shifts to the City and the  
16 payroll mobility tax. Beginning with the Fiscal 2020  
17 enacted state budget, the City was required to  
18 increase its funding contribution from 33 percent to  
19 50 percent for the MTA's paratransit operating  
20 expenses. Subsequently, in the enacted state Fiscal  
21 '24 budget, the City's contribution rate was  
22 increased again, but for two years, only to 80  
23 percent, with the maximum annual contribution of 50  
24 percent plus 165 million dollars. However, the  
25 Governor's current Fiscal '26 executive budget

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

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

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

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

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

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

9 MAJORITY WHIP BROOKS-POWERS: The other  
10 questions?

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

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

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

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

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

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

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

14 MAJORITY WHIP BROOKS-POWERS: Thank you.

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

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

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

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

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

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

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

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

13           DIRECTOR JIHA: I don't know what's  
14 adequate, what's not adequate. That's an operational  
15 question. What I can tell you is we have added  
16 funding to the Parks Department budget, and we've  
17 been working with the Parks Department as best as we  
18 can. We just added 12.4 million dollars to fund the  
19 second shift, and this is for 100 hotspot locations  
20 in 64 parks throughout New York City. We added money  
21 for the Shirley Chisholm Recreational Center, about  
22 54 heads, and OTPS, and we added swim safety  
23 expansion resources for 4,800 students so it's not  
24 like we're not adding. We're adding resources to the  
25 Parks Department.

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

9 Now you look at the urban park rangers,  
10 there's about 350 urban park rangers. That's about  
11 70, give or take, urban park rangers for every single  
12 borough in New York City. Do you think that's a  
13 sufficient number?

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

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

2 DIRECTOR JIHA: No.

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

24 DIRECTOR JIHA: And I share your concerns  
25 as well.

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

5 Now, finally, our...

6 CHAIRPERSON BRANNAN: Council Member, wrap  
7 up.

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

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

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

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

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

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

21

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

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

2 DOHMH about the opioid settlement funds, and I think  
3 we had about two hearings regarding where the money  
4 has gone. The second one was better than the first,  
5 and we had more information for the second hearing  
6 most recently, but still I think I wanted to just  
7 drill a little bit more. In the Preliminary Plan, the  
8 City has received a total of 48 million dollars in  
9 opioid settlement funding for Fiscal '26 with nearly  
10 27 million allocated to the DOHMH, 20.3 million  
11 allocated to Health and Hospitals, and 850,000  
12 allocated to the Office of the Medical Examiner. Both  
13 DOHMH and H and H have received additional funding  
14 since the Fiscal '25 adopted budget for an additional  
15 3.5 million each so I just wanted to know, have you  
16 met with the three agencies to discuss how they will  
17 spend the opioid settlement funding, and have you  
18 given them any directive, making sure that there are,  
19 for example, the funds that are going to the most  
20 needed zip codes? How is that being followed and  
21 tracked? If you could get more detailed information  
22 about that.

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

2 the zip code resources. We know for sure we announced  
3 in September 50 million dollars in funding by Fiscal  
4 '26, you know, to combat the crisis. But how they  
5 manage it on a day-to-day basis, which neighborhood,  
6 you know, I don't have those operational details.

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

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

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

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

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

11 DIRECTOR JIHA: I don't know.

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

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

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

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

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

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

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

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

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

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.

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

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

15           DIRECTOR JIHA: Ken, you want to take  
16 this?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 DIRECTOR JIHA: In this Preliminary  
15 Budget, we gave the PD the authorization to recruit  
16 1,600 police officers, and we gave them a headcount  
17 of about 35,000. So, we understand the challenges  
18 that they're dealing with, and we're open to any  
19 suggestions that the new Commissioner has in terms of  
20 what kind of things that she needs to put in place,  
21 okay, to see how best she could attract, you know,  
22 the best qualified folks to the Department.

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

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

4 DIRECTOR JIHA: Yes.

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

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

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

2 control migrants' shelter costs, among other things.

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

8 DIRECTOR JIHA: Yeah, I believe our  
9 forecast for the end of this year is like, what,  
10 30,000, is it? By the end of this year is like, I  
11 can't tell you exactly when we're going to get to  
12 zero, but our goal is 30,000, was it?

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

2 make a difference. So we could, you know, depending  
3 on what's happening, we could be, you know, in the  
4 25,000 to 30,000 range, but we have to keep  
5 monitoring, and we'll have a new update forecast in  
6 Exec that reflects what we've learned in terms of  
7 data because, you know, I was telling people for a  
8 long time in the first 18 months going up, it was  
9 always like brand new, right, and now that it's been  
10 trending down, it hasn't been doing that for that  
11 long either so it's hard to have like a solid trend  
12 that you can rely on, but we keep looking at it and  
13 making updates to our forecast so, if things continue  
14 with pace, we'll probably have a lower forecast at  
15 that time.

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

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

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

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

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

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

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.

1                   And just if I can quickly turn, because I  
2 know I'm probably out of time with all these tech  
3 difficulties. The Mayor's Office of Equity and Racial  
4 Justice had a total budgeted headcount of 38 compared  
5 to the 16 positions at CORE. If you could share why  
6 such a stark difference in the budgeted headcount.

7                   And this is what I'm really passionate about and  
8 really important is the racial equity plans that are  
9 quite overdue, set to release January 16, 2024, and  
10 now it's 430 days late. Does OMB plan to ensure that  
11 agencies issue their mandatory reports on time and  
12 will all City agencies with the racial equity plan  
13 can OMB compile the racial equity plans of all City  
14 agencies and send them to the Council? So it appears  
15 that there might be some racial equity plans that you  
16 all have internally that you have not released so the  
17 request is would you be able to send them to the  
18 Council? And is your office adjusting your budget  
19 based off of the racial equity plans that the  
20 agencies have submitted?

21                   DIRECTOR JIHA: OMB, we don't control the  
22 release of the plan. It's something that you have to  
23 discuss with the Commissioner and City Hall. We  
24 review the plan. We give them, I believe, approval in  
25

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

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

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

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

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

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

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

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

2 services and programs in our neighborhoods, this  
3 stagnation in funding has directly harmed New York  
4 City residents. I wanted to know would it be possible  
5 to outline the current parameters by which OMB funds  
6 community boards? Community boards should have parity  
7 with citywide borough hall budgets. If we take the  
8 total budget of all five borough halls and divide by  
9 59, that figure should serve as the baseline for  
10 community board funding. Given the community boards  
11 are responsible for hyperlocal engagement, land use  
12 recommendations, and holding City agencies  
13 accountable, will OMB commit to assessing this  
14 approach to increase, stabilize, and baseline  
15 community board budgets?

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

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

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

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

7 Regarding the third one was community  
8 board.

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

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

19 COUNCIL MEMBER LOUIS: Now the model for  
20 community board.

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

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

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

6 DIRECTOR JIHA: Yeah. We, again, continue  
7 to work with the agencies and we, as I promised on  
8 many occasions, we will work with the agency to make  
9 sure that we find the resources needed so that they  
10 don't have to deal with the cliff that is coming in  
11 2026.

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

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

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

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

14 DIRECTOR JIHA: It's on our radar.

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

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

23 COUNCIL MEMBER HUDSON: I mean, I think  
24 you can also understand it's a shared objective,  
25

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

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

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

18 Older adults represent 20 percent of our  
19 city's population. The 2021 CUNY Graduate Center  
20 study reports that the population of adults ages 65  
21 and older in New York State will soar 25 percent  
22 between 2021 and 2040. In the city alone, the  
23 population of older adults is expected to increase by  
24 40 percent by the year 2040. Despite the growth in  
25 the city's older adult population, DFTA's budget

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

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

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

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

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

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

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

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

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

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

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

16 DIRECTOR JIHA: Okay.

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

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

2           Coming back to my work. Federal funding  
3 make up less than half a percent of H and H Fiscal  
4 2026 Preliminary Budget. Despite the small percentage  
5 of the federal funding, does the Administration  
6 foresee any financial challenges for H and H arising  
7 from potential federal budget cuts? How would any  
8 reductions to Medicaid and federal dollars impact H  
9 and H budget?

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

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

9 COUNCIL MEMBER HUDSON: I'm hoping you can  
10 handle that. The New York State Fiscal 2026 Executive  
11 Budget proposes the discontinuation of the State's  
12 indigent care pool, which is ICP payments for the  
13 City's public hospital. The State's share of these  
14 ICP payments totals 56.7 million dollars. This action  
15 presumably reflects New York City Health and  
16 Hospitals seeking to receive Medicaid funding at the  
17 average commercial rate for New York City, which  
18 would be a significant increase to the system. This  
19 Medicaid funding mechanism is called a directed  
20 payment template, DPT, and requires federal approval  
21 for the Department of Health and Human Services. The  
22 State submitted its DPT request on December 23, 2024.  
23 The City Council is seeking a change such that the  
24 56.7-million-dollar reduction would only go into  
25 effect if the Medicaid reimbursement were approved or

2 are covered by alternate forms of Medicaid funding.

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

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

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

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

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

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

23 DIRECTOR JIHA: Okay.

24

25

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?

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

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

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

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

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

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

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.

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

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

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

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

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

19 DIRECTOR JIHA: Yeah.

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

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

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

14                   COUNCIL MEMBER NURSE: Okay.

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

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

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

5 COUNCIL MEMBER NURSE: You are planning on  
6 doing one?

7 SENIOR DEPUTY DIRECTOR BOIRARD: Yes.

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

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

19 DIRECTOR JIHA: Tara.

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

23 COUNCIL MEMBER NURSE: For December. Yeah.

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

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

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

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

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

16 DIRECTOR JIHA: Nothing is on hold.

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

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

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.

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

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

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

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.

2 COUNCIL MEMBER RESTLER: And the  
3 Administration chose not to continue to fund it in  
4 the Preliminary Budget so, if there is no further  
5 action and we do not fund this program, then we face  
6 112-million-dollar cut year over year to 3K. Now,  
7 just a few years ago, we had 70,000 kids enrolled in  
8 pre-K. This year, I think we have 40,000 in 3K. We  
9 are leaving tens of thousands of families who  
10 desperately need the help in the cold, unable to  
11 access the free, high-quality early childhood  
12 education they need. I'm just disappointed that we  
13 can't get a crisp number because these cuts have a  
14 huge impact on the accessibility of early childhood  
15 for working families, and we're getting stonewalled.

16 Relatedly, on vouchers, I'm very  
17 concerned about cuts to vouchers. I believe ACS just  
18 recently informed child care providers that between  
19 4,000 and 7,000 children will lose access to vouchers  
20 this summer given a lack of State funding for child  
21 care block grant CCBG funding. In the past, when  
22 there had been reductions in State funding, the City  
23 stepped up, created the SCCF voucher, the special  
24 child care funded voucher, to ensure that families  
25 access the vouchers that they need. Is this cut to

2 4,000 to 7,000 families on your radar? What plans  
3 does the City have in place to ensure that families  
4 who need vouchers are able to get them?

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

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

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

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

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

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

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

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

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

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

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

15 DIRECTOR JIHA: Looking forward to working  
16 with you.

17 CHAIRPERSON BRANNAN: Okay. Rivera,  
18 Stevens, Menin.

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

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

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

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

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

2 COUNCIL MEMBER RIVERA: Absolutely. I  
3 mean...

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

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

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

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

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

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

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

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

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

12 And just my last question on libraries,  
13 we know the role that they play. They're civic  
14 centers. They nourish creativity. They promote  
15 literacy. They cultivate a love of reading, and they  
16 have a combined Fiscal 2026 unmet expense need of  
17 44.8 million dollars. That's everything from  
18 uncovered wage growth, health insurance, liability  
19 insurance, rents, capital and eligible IT, and  
20 deferred maintenance needs, supplies, among other  
21 expenses. Will the Administration prioritize giving  
22 the libraries additional resources to fund their  
23 unmet needs, and does the Preliminary Budget have  
24 funding to support increasing seven-day service to  
25 more neighborhoods?

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

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

24                   DIRECTOR JIHA: Of course.

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

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

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

8 DIRECTOR JIHA: Thank you.

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

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

24 DIRECTOR JIHA: Appreciate it.

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

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

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

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

21 COUNCIL MEMBER STEVENS: Of course, I know  
22 them. As much as I call you, I call everybody else  
23 too. Don't worry. But do you have information about  
24 the 1.6 for the housing navigators? Is that something  
25

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

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

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

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

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

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

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

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

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

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

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

6 DIRECTOR JIHA: Thank you.

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

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

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

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

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

4 DIRECTOR JIHA: Okay.

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

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

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

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

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

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

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

10 DIRECTOR JIHA: We welcome your advocacy  
11 in Albany. We've been pushing, we've been discussing  
12 with every single stakeholder in Albany to make sure  
13 that they understand that the City would be losing  
14 347 million dollars under the new formula than under  
15 the old one. Okay. So, we're in conversation with the  
16 Governor's folks, the Assembly, the Senate. And  
17 again, as I said, the more people talking to Albany,  
18 the better off we are. I don't know at the end of the  
19 day if we could influence the formula, but I know  
20 we've been talking to them, and we propose certain  
21 changes to them. And we're hoping that they could  
22 take those changes into account, and hopefully that  
23 would yield, you know, they would take them into  
24 account and, as a result, we'll get some additional  
25 resources. But again, I don't know for sure, but

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

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

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

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

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

10           COUNCIL MEMBER JOSEPH: And that's not a  
11 good thing. So, Carter cases, 2025 spending on Carter  
12 cases will exceed Fiscal 2024 at around 1.19 billion,  
13 and in Fiscal 2026 budget for Carter cases, you have  
14 934 million. Does OMB expect Fiscal 2026 spending in  
15 Carter cases to exceed what is already happening in  
16 2024?

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

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

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

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

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

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

13 SENIOR DEPUTY DIRECTOR MCKINNERY: Right.

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

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

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

2 SENIOR DEPUTY DIRECTOR MCKINNERY: We are  
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

2 additional teacher and staffing teacher positions at  
3 a faster rate?

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

7 COUNCIL MEMBER JOSEPH: Thank you.

8 CHAIRPERSON BRANNAN: Now we have Council  
9 Member Ariola.

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

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

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,

2 okay, so nothing new here. The first-due company, if  
3 it's a four-person company, arrives at the scene,  
4 starts to take the hydrant, starts to perform the  
5 hose stretch, the second-due company is immediately  
6 dispatched, right, so that by the time they have to  
7 enter the structure, there are actually eight  
8 firefighters rather than five when they first enter  
9 the structure. We have not seen any downside in  
10 running this this way. In fact, we think this is a  
11 more effective and safer way to fight fires. In terms  
12 of the apparatus being as old as you said, there are  
13 no frontline apparatus, you know, trucks and engines  
14 that are anywhere near that age. There's actually a  
15 labor contract provision in the UFOA contract that  
16 requires us to replace the vehicles after 11 or 12  
17 years, and we are on that mandated replacement cycle,  
18 so there is, you know, we may have vehicles that are  
19 25 years old but not frontline firefighting  
20 apparatus.

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

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

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

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

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

5 DIRECTOR JIHA: Trust me, I do...

6 COUNCIL MEMBER ARIOLA: That's my last  
7 word.

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

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

16 DIRECTOR JIHA: Thank you.

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

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

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

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

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

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

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

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

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

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

24 COMPTROLLER LANDER: I do.

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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

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

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

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

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

2 current trends and net of state and federal aid that  
3 is unlikely to materialize, my office estimates  
4 budgetary savings of 472 million dollars versus the  
5 City budget for FY25, 589 million in FY26, and a full  
6 1 billion in FY27. The Adams Administration, as the  
7 IBO has shown us well, has historically inflated  
8 these costs only to bring them down in subsequent  
9 budgets and in negotiations with you. The Mayor has  
10 continued to scapegoat immigrants for his own  
11 management deficiencies while showing no urgency in  
12 providing clear invoices for what State funding has  
13 been allocated to actually cover. The result, as you  
14 may have seen when we were up for Tin Cup Day, is  
15 that the legislators don't know how that money has  
16 been spent, and it makes it very difficult to get  
17 them to advocate for additional funding and support,  
18 and the Governor's FY26 executive budget does not  
19 include any new resources for the City in that  
20 regard.

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

2 be embedded in so many other areas in the Adams  
3 Financial Plan. The plan fails to account for an  
4 average of nearly 4 billion dollars in underbudgeted  
5 costs in FY26 through '29 associated with uniformed  
6 overtime, rental assistance, special education Carter  
7 cases, public assistance, and similar items. Nearly  
8 400 million dollars in additional annual spending  
9 will also be necessary in this budget and the out-  
10 years if we simply want to maintain service levels  
11 for 3K, pre-K, and preschool special ed, much less  
12 expand to cover all kids that need those services.  
13 Additional spending will also be required to  
14 implement the State's mandate to reduce class size at  
15 an additional cost of 168 million in FY26, growing to  
16 1.4 billion by FY29.

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

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

13           To help protect New Yorkers from those  
14 effects, I'm proposing that the City add 1 billion  
15 dollars to the General Reserve Fund for FY26. While  
16 this protecting New York City Reserve may not be  
17 sufficient to offset potential cuts to federal  
18 funding, at least it would ensure that we're not  
19 caught entirely flat-footed and that resources are  
20 available in the immediate term to sustain critical  
21 services. We're seeing how little notice we have.  
22 Last week it was reported that payments were held up  
23 by NYCHA to landlords with 100,000 low-income  
24 tenants. We're going to need a reserve in order to be  
25

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

4           In addition, based on the policies  
5 previously proposed by my office to establish minimum  
6 deposits into the Revenue Stabilization or Rainy Day  
7 Fund, for which there's still not a policy in place,  
8 our proposed policy would call for the placement of  
9 847 million dollars into the City's Rainy Day Fund at  
10 the end of this year, FY25, based on excess non-  
11 property tax revenues that we've received and are  
12 receiving through the end of this year, which we will  
13 need in case of an economic downturn, which  
14 unfortunately is more likely in light of recent  
15 changes in fiscal and international trade policies.

16           Taken together, adding all of that up, my  
17 office projects higher budget gaps than OMB,  
18 including those reserves, by 1.48 billion for FY25,  
19 4.46 billion for FY26, and increasing to 7.8 billion  
20 or 6.3 percent of total reserves by FY29. As I've  
21 advocated every time I've come here, addressing those  
22 gaps requires the Administration to strategically  
23 implement efficiencies and cost savings with each  
24 budget modification, rather than waiting for a moment  
25 when you have a problem. Given the risks on the

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

4           At the same time, it is incumbent upon us  
5 to protect core services that the most vulnerable New  
6 Yorkers rely on in light of the same cuts, and so  
7 we've identified a few areas where we think it's  
8 critical for the Council to increase resources. No  
9 parent or child in this city should live in fear of  
10 family separation, so we identify some programs the  
11 Council has supported in the past that could get  
12 additional resources in this budget to protect  
13 immigrant families. The same is true for transgender  
14 New Yorkers and the Trans Equity Fund that the  
15 Council has supported in the past. Workers are not  
16 going to be protected by the National Labor Relations  
17 Board in the Trump era, and some additional resources  
18 that the Commission on Human Rights, DCWP, and the  
19 Comptroller's Bureau of Labor Law use to enforce and  
20 protect workers' rights would be wise as well.  
21 Shoring up and advancing child care work makes a lot  
22 of sense right now as families continue to be crushed  
23 under the high cost of living in New York City, and  
24 so delivering on the promise of not just a pre-K seat  
25 but a 3K seat for every child and supporting the

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

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

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

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

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

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

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

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

2 ensure that there was no abuse of the procurement  
3 rules?

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

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

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

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

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

2 CHAIRPERSON BRANNAN: I'm the guy.

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

21 CHAIRPERSON BRANNAN: What factors would  
22 cause collections to drop?

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

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

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

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

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

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

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

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

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

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

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

9 EXECUTIVE DEPUTY COMPTROLLER BRINDISI:  
10 6.1 percent preliminary as of the end of February.

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

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

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

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

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

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

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

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

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

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

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

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

23 CHAIRPERSON BRANNAN: Wow.

24 COMPTROLLER LANDER: It was really because  
25 of the overdraft.

2 CHAIRPERSON BRANNAN: Right.

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

5 CHAIRPERSON BRANNAN: Right.

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

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

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

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

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

2 Department of the City of New York, and it's just so  
3 clear what an utter violation of law the seizure was.  
4 You know, I learned some things in reading those  
5 papers. Every single individual who was provided  
6 services under this has an A number that was required  
7 by the federal government. That means they were  
8 released to us, essentially, by the federal  
9 government, every single person. They even took out  
10 1.2 percent because of some questions around the A  
11 numbers. The federal government came, FEMA came and  
12 did a site visit at the Roosevelt Hotel, and FEMA  
13 issued a written approval of the invoice during the  
14 Trump Administration. (cough) Sorry, I apologize. So,  
15 they had literally zero basis for clawing that money  
16 back, and yes, the papers make that very clear, and  
17 I'm optimistic the judge will rule in our favor.

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

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

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

2 decline in City contributions or, you know, that  
3 shows up essentially as savings of 8.6 billion over  
4 the years 2025 to 2032. But then, in order to make it  
5 up, you'd see an increase in contributions above  
6 what's currently projected of \$13.8 billion in FY  
7 2033 to 2044. Now, that all nets out to zero, but  
8 still it means substantially more dollars in the  
9 outyears than you see savings in the next decade. And  
10 just to do that kind of because does not make any  
11 sense. Now, you know, if there is a serious emergency  
12 created as a result of what happens in Washington and  
13 we see more specifically what that looks like, you  
14 might say, well, maybe we should take another look at  
15 that in the context of looking at long-term retiree  
16 health benefit obligations as it becomes more clear  
17 what will happen with the resolution of the lawsuit  
18 and retiree health benefits, you might say. Let's  
19 bring that in and calibrate our long-term obligations  
20 more thoughtfully. So, could there be potentially a  
21 responsible way of looking at this as part of a real  
22 fiscally responsible long-term plan? It's possible  
23 and we would be glad to consider it, but the current  
24 proposal simply to take some money now and bill it to  
25 the future, we do not support.

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

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

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

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

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

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

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

22           COMPTROLLER LANDER: All right.

23           CHAIRPERSON BRANNAN: Appreciate it.

24           COMPTROLLER LANDER: Thank you.

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

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

7 COMMITTEE COUNSEL SARFO: Good afternoon.  
8 Do 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 Chafee.

12 DIRECTOR CHAFEE: I do.

13 COMMITTEE COUNSEL SARFO: Officer  
14 Subramanian.

15 OFFICER SUBRAMANIAN: Yes.

16 COMMITTEE COUNSEL SARFO: Officer Parker.

17 OFFICER PARKER: I do.

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

20 DIRECTOR CHAFEE: (INAUDIBLE)

21 CHAIRPERSON BRANNAN: Make sure your mic's  
22 on.

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

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

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

16 So, let's talk about shrinking surpluses  
17 and rising risks. As was the case last November,  
18 IBO's 2025 estimates are relatively close to those of  
19 the Office of Management and Budget. I'll refer to  
20 them as OMB. IBO's projected 2025 surplus is about  
21 1.4 billion larger than OMB's, while IBO forecasts a  
22 smaller deficit for 2026. Overall, this reflects what  
23 would be, in normal times, manageable budget gaps for  
24 the City to navigate. But the City's year-end  
25 operating surplus has decreased every year since

2 2022. This means that the City's budgetary cushion is  
3 shrinking at a time of very significant changes  
4 outside of the City's control.

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

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

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

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

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

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

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

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

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

2 challenges extend beyond federal policy and rely on  
3 some past surpluses. As I've previously testified,  
4 IBO continues to identify a number of chronically  
5 underfunded areas, most noticeably, the program known  
6 as City Fighting Homelessness and Eviction Prevention  
7 Supplement, known as CityFHEPS, the housing voucher  
8 program. While the Administration has aligned the  
9 2026 budget for the program with its historical  
10 trends, it continues to significantly underfund for  
11 future years.

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

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

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

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

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

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

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

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

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

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

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

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

2 CHAIRPERSON BRANNAN: Thank you very much.

3 I want to ask about the revenue forecast. So, IBO  
4 recently issued a revenue forecast that includes  
5 approximately 1.2 billion more in tax revenue than  
6 OMB's forecast. Can you explain where you're seeing  
7 your biggest differences from OMB's forecast?

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

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

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

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

2 enough for all that they do every day in the service  
3 of our mission.

4           The last time I sat before this  
5 Committee, it was to discuss a significant joint  
6 accomplishment with the Council, the passage of Local  
7 Law 82. Thanks to the partnership of the Council with  
8 special thanks to you, Chair Brannan and Council  
9 Member Nurse, we enacted the most sweeping reforms to  
10 the tax lien sale since its inception almost 30 years  
11 ago. Our goal is simple, to ensure that property  
12 owners who can pay do, and to assist homeowners who  
13 are struggling to pay to get the help they need to  
14 resolve their outstanding debt. Thanks to our  
15 outreach teams, we are engaged in an intensive effort  
16 right now to reach property owners who have fallen  
17 behind on their taxes, especially homeowners in low-  
18 income communities and communities of color, to make  
19 them aware of what they owe and of the options  
20 available to them, including exemptions and payment  
21 plans. I want to thank the DOF External Affairs  
22 Outreach Team, the Office of the Taxpayer Advocate,  
23 our Personal Exemptions Unit, and the staff at our  
24 business centers, as well as our external partners in  
25 our outreach efforts, our sister agencies, HPD and

2 DEP, the Center for New York City Neighborhoods, the  
3 Mayor's Public Engagement Unit, and you, the City  
4 Council. This has been an unprecedented level of  
5 outreach, and we hope to reduce even further the  
6 number of property owners whose liens are ultimately  
7 sold.

8           Throughout our agency, we continue to  
9 focus on adopting modern technology and customer  
10 service best practices to make the public's  
11 interaction with us easier. This year, our Personal  
12 Exemptions Unit, which is led by Assistant  
13 Commissioner Pierre Dejean, and processes tens of  
14 thousands of applications every year, implemented a  
15 new co-op and condo abatement system. The new system  
16 is designed to streamline and simplify the  
17 application process for managing agents and  
18 buildings. We road tested this system during  
19 development, working alongside managing agents, which  
20 was incredibly helpful in the design, and we  
21 appreciate their continued partnership.

22           We've also implemented electronic  
23 signatures for more documents, including property tax  
24 payment plans, making it easier to fully complete  
25 transactions online without the need to visit a

2 business center in person or send documents in the  
3 mail.

4 I'd be remiss if I didn't briefly mention  
5 the important work that the Sheriff's Office has been  
6 conducting over the past year. Last year, the  
7 Sheriff's Office was given, as you know, enforcement  
8 authority over the sale of unlicensed cannabis. Since  
9 May of last year, the Sheriff's Office, working with  
10 the NYPD, DCWP, and the Law Department, has completed  
11 5,700 inspections and closed 1,300 stores. We have  
12 all seen the results of Operation Padlock to Protect  
13 firsthand in our neighborhoods.

14 Lastly, I'm happy to report that we  
15 received a grade of A-plus from the Mayor's Office of  
16 Minority and Women Business Enterprises for Fiscal  
17 Year 2024. Our team, led by CFO James, our ACO Roman  
18 Shpolyansky, and our M/WBE Program Director Christine  
19 Chen, has put in a great deal of effort to ensure  
20 that we are doing our part to meet the  
21 Administration's M/WBE procurement goals, and we're  
22 very pleased and proud to be recognized for those  
23 efforts.

24 So let me turn to the upcoming year. This  
25 spring, we're aiming to introduce a property tax

2 reform bill in the State Legislature. It's time to  
3 reform the system and make the burden of paying  
4 property taxes fairer. We look forward to the  
5 Council's support in this important endeavor.

6           In Fiscal Year 2026, we will kick off the  
7 replacement of our 30-year-old system for tracking  
8 parking violations, STARS, with a new, modern system.  
9 Parking and camera violations in New York City  
10 account for a billion dollars in revenue. We'll be  
11 replacing an outdated, mainframe-based system to  
12 provide better service to the millions of motorists  
13 who interact with DOF and the Parking Violations  
14 Bureau.

15           Today, right now, the Department of  
16 Finance is in the middle of the exemption application  
17 season. We're looking to build on last year's success  
18 in increasing enrollment in the Senior Citizen  
19 Homeowners Exemption Program. Last year, we mailed  
20 SCHE applications to over 19,000 households, and this  
21 year we mailed to 42,000 households. Our focus  
22 remains the same, and it is to find every eligible  
23 New Yorker and encourage them to apply for our  
24 personal exemptions.

2           Finally, we're constantly striving to  
3 meet our customers where they are and make  
4 interactions with us as smooth as possible. Led by  
5 Deputy Commissioner for Customer Operations Annette  
6 Hill, we've simplified access for our business and  
7 parking customers by combining platforms for multiple  
8 account types into one easily accessible system.  
9 We've enabled self-service payment plans, we've  
10 launched a chatbot, and we've begun cross-training  
11 our call center staff to address the full range of  
12 inquiries we receive expeditiously.

13           As these improvements continue, we're  
14 exploring ways to better communicate with our  
15 customers via email and text. It's a point of pride  
16 for us that the 3-1-1 Resolution Satisfaction  
17 Dashboard ranks DOF as the top agency in customer  
18 satisfaction, and we plan to stay there. We remain  
19 committed to providing the best customer service in  
20 all City government.

21           We're grateful for the many DOF  
22 initiatives you've supported in the past, and know  
23 that we can continue to count on your support in the  
24 future. Our door is always open to assist you with  
25 any needs that your constituents might have. Thank

2 you for the opportunity to testify today, and we will  
3 be happy to answer any questions.

4 CHAIRPERSON BRANNAN: Thank you,  
5 Commissioner. I wanted to jump right into the federal  
6 funding clawback that we saw earlier this month,  
7 where 80 million dollars of FEMA grant money that was  
8 allocated appropriated by Congress was clawed back,  
9 and the City supposedly only became aware of this  
10 action because the cash balance dipped below zero.  
11 Was there any notification provided to the City by  
12 our depository institution when this action occurred?

13 COMMISSIONER NIBLACK: So, the transaction  
14 that reversed the payment that had been made, the two  
15 payments, actually, that had been made, occurred  
16 around 4 o'clock in the afternoon on the 11th for  
17 payments that had been deposited on the 4th. The  
18 banks batch process transactions during the day, so  
19 it probably would not have posted to our account  
20 until later that evening. We saw it in the course of  
21 the morning review that the cash staff at the  
22 Treasury take each morning, we saw it around 7 a.m.,  
23 verified what it was, and reported it. They reported  
24 it to the Treasurer, who reported it to me, to OMB,  
25 and we reported it to City Hall. I'm not sure that

2 there was much time for actual notification. We have  
3 discussed with Citi, who's our central Treasury  
4 account holder, sort of what steps might be possible  
5 in that regard. It was an unprecedented action,  
6 obviously. We've never seen that before, so I think  
7 it took us all a little bit unaware.

8 CHAIRPERSON BRANNAN: How was the federal  
9 government able to access funds in our account?

10 COMMISSIONER NIBLACK: That has been the  
11 question of the hour. I mean, I think ultimately the  
12 answer really is the federal government regulates,  
13 manages, and runs the payment system, and manages and  
14 oversees and regulates the banks, and is not  
15 necessarily subject to the same kind of controls that  
16 we might put in place on a private party. It was  
17 within, and I think this is important to note, under  
18 the rules of the National Automated Clearinghouse  
19 Association, NACCHA, payments can be reversed within  
20 five days, and under the Code of Federal Regulation,  
21 in general, the federal government is supposed to  
22 abide by NACCHA rules. There is provision in there  
23 for erroneous or duplicative transactions to be  
24 reversed. I gathered that the Trump Administration is  
25 characterizing this as erroneous now, but we are

2 disputing that, as you know, in court. We filed a  
3 lawsuit against the Trump Administration and the  
4 federal government.

5 CHAIRPERSON BRANNAN: Just to clarify, the  
6 Law Department is suing basically for the act. The  
7 money was put back?

8 COMMISSIONER NIBLACK: No. The money has  
9 not...

10 CHAIRPERSON BRANNAN: Okay. So, what's the  
11 status of the 80 million right now?

12 COMMISSIONER NIBLACK: I mean, it was  
13 withdrawn from our account.

14 CHAIRPERSON BRANNAN: Okay. So, they  
15 didn't follow the NACCHA rules then to put it back.  
16 They are admitting it was erroneous, but they didn't  
17 put it back.

18 COMMISSIONER NIBLACK: There was no  
19 obligation for them to put it back. If they're  
20 characterizing an erroneous payment, it can be  
21 reversed within five days of the initial deposit,  
22 business days, under NACCHA rules.

23 CHAIRPERSON BRANNAN: But they're not  
24 saying that?

2 COMMISSIONER NIBLACK: I have not been  
3 party to the whole lawsuit process here, so I know  
4 that we've filed a suit, and they've made  
5 counterclaims, but I honestly haven't read them.

6 CHAIRPERSON BRANNAN: Okay. Are there  
7 contingencies being put in place to ensure that this  
8 won't happen again, or is there no way to prevent the  
9 federal government from raiding our account?

10 COMMISSIONER NIBLACK: You know, I think,  
11 under normal procedures that we have seen in the  
12 past, if the federal government thinks that it has  
13 made a payment in error or thinks it's overpaid us or  
14 whatever, they'll notify us, and we'll have an  
15 opportunity to respond or at least certainly put the  
16 money in the bank account.

17 CHAIRPERSON BRANNAN: So historically,  
18 they give you a heads-up first?

19 COMMISSIONER NIBLACK: Yes. This did not  
20 happen in this instance.

21 CHAIRPERSON BRANNAN: Okay. So, in January  
22 of this year, the New York State Supreme Court ruled  
23 that raids performed by the sheriff were done  
24 improperly. This ruling enjoined both the New York  
25 State Office of Cannabis Management and the Sheriff's

2 Office from warrantless searches and unlawful  
3 seizures. How is the Sheriff's Office handling the  
4 ruling, and what will be done moving forward with  
5 regard to raids and investigations? Has it had a  
6 chilling effect on any of the operations?

7           COMMISSIONER NIBLACK: No, the Sheriff's  
8 Office and our partners, the NYPD, DCWP, etc.,  
9 continue to inspect alleged illegal cannabis  
10 operations across the city. We're complying with the  
11 court order as it relates to that enforcement. We've  
12 appealed through the Law Department the judge's  
13 ruling, but we continue to conduct Padlock to Protect  
14 operations.

15           CHAIRPERSON BRANNAN: Okay. I want to talk  
16 about the Sheriff's Office and overtime expenditures.  
17 In FY25, DOF had about 900,000 dollars budgeted for  
18 sheriff overtime at adoption. As of February, the  
19 actual spending is around 3.5 million. Are there  
20 limits placed to OT spending that are more in line  
21 with the budgeted amount for the Sheriff's Office?

22           COMMISSIONER NIBLACK: Let me say first, I  
23 think that we are expecting that the new class of  
24 deputy sheriffs that we're onboarding currently will  
25 help us with managing overtime spending. The

2 Sheriff's Office has gone from a kind of 9-to-5  
3 operation prior to the pandemic to a more 24/7  
4 operation now, and has added responsibilities, rising  
5 electronic monitoring caseload, etc., so we have to  
6 meet the operational demands that are on the  
7 Sheriff's Office. Believe me, we are in continual  
8 conversation with OMB about our spending, and I  
9 believe, CFO James can address this, but I think  
10 we've funded our overtime out of PS accruals in our  
11 budget, so we've not actually spent more than our  
12 budget for that purpose.

13 CHAIRPERSON BRANNAN: But is the issue  
14 that... I mean, because I look back at FY21, before  
15 your time, adopted budgeted headcount was about  
16 590,000. Actual expenditures were 6.1 million, so  
17 almost 1,000 percent over budget so is it an issue of  
18 we need to hire more sheriffs? I mean, is that what's  
19 going on?

20 COMMISSIONER NIBLACK: You know, I think  
21 there's two things going on, right? One is we have  
22 more duties. I mean, the Sheriff has duties, right,  
23 and those duties have expanded, and they require a  
24 certain amount of time and of overtime. I think the  
25 standard approach or standard budgeting approach is

2 honestly to sort of not give you all the overtime  
3 that you spent last year, but to give you a number  
4 that you're expected to try and manage toward. But if  
5 operational demands are such that you exceed that  
6 number, then, you know, we're going to have to deal  
7 with that with the Budget Office. As I said, I think  
8 we've pretty consistently funded our overtime  
9 spending that's over beyond what we were budgeted  
10 with PS accruals, so we haven't had to go back to get  
11 a new need for money for our overtime spending.

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.

2 CHAIRPERSON BRANNAN: 277 and 30...

3 DEPUTY COMMISSIONER JAMES: 2-7-7.

4 CHAIRPERSON BRANNAN: 36 vacancies, right?

5 DEPUTY COMMISSIONER JAMES: Yes.

6 CHAIRPERSON BRANNAN: Yeah. So, according

7 to the FY25 PMMR, field audit completion times

8 increased from 432 days in the first four months of

9 FY24 to 567 days in the first four months of FY25.

10 This is due to DOF losing 21 auditors due to

11 attrition. So, what is the current budgeted and

12 actual headcount of broken down by title?

13 COMMISSIONER NIBLACK: CFO James.

14 DEPUTY COMMISSIONER JAMES: Yep.

15 COMMISSIONER NIBLACK: I actually have it

16 in front of me, if you want.

17 DEPUTY COMMISSIONER JAMES: The current

18 authorized headcount for city tax auditor is 401.

19 Active headcount is 292. We do have a substantial

20 vacancy, 102 vacancies.

21 CHAIRPERSON BRANNAN: Now, is that due to

22 folks not applying, OMB taking six months to onboard

23 people? Why are there so many vacancies?

24 DEPUTY COMMISSIONER JAMES: We're actually

25 waiting on the civil service list to be established.

2 Once that is established, it allows us to hire city  
3 tax auditors.

4 CHAIRPERSON BRANNAN: Yeah. And one of the  
5 things this Council has pushed for is, you know,  
6 prioritizing folks that are, you know, assessors,  
7 folks that are going to go out there and ultimately  
8 get people to pay their bills owed to the City should  
9 be prioritized. I haven't really seen that as far as  
10 OMB is concerned.

11 COMMISSIONER NIBLACK: If I may, I think  
12 one of the issues has been in the prior presidential  
13 administration, the IRS got a lot of funding and was  
14 on a big hiring spree. Not so much anymore.

15 CHAIRPERSON BRANNAN: Yeah.

16 COMMISSIONER NIBLACK: We were competing  
17 against the IRS, and that was causing... I mean, it  
18 was... we were quite successful in hiring sort of new  
19 tax auditors, but we were starting to lose people  
20 after they'd been there a couple of years or longer  
21 to the IRS. That flow is starting to reverse, and as  
22 CFO said, we have a list that's in the process of  
23 being established that we intend to call for new  
24 auditors, so we expect that we will be able to fill a  
25 lot of our vacancies in the coming few months.

2 CHAIRPERSON BRANNAN: Has there been any  
3 discussion internally with the Administration as far  
4 as trying to attract some of the federal workers, you  
5 know, the Washington diaspora that's happening here?

6 COMMISSIONER NIBLACK: I just had a  
7 conversation, actually, this morning with City Hall  
8 and with Commissioner Molina from DCAS about us  
9 hiring back some DOF auditor personnel who had left  
10 and gone to the IRS and who now, you know, are  
11 interested in returning to City employment and sort  
12 of how we can facilitate that.

13 CHAIRPERSON BRANNAN: Do you have an idea  
14 of how much additional revenue DOF could generate if  
15 all those 102 vacancies were filled?

16 COMMISSIONER NIBLACK: That's hard to  
17 quantify, honestly. I mean, my general approach here,  
18 our general approach and our Deputy Commissioner for  
19 Tax Audit, Cesar Bencosme, and our Assistant  
20 Commissioner, Akeema Dey (phonetic), are both very  
21 conscious of... we're all very conscious of the need to  
22 have kind of a pipeline and the right mix of  
23 auditors, right, so we need to have new people that  
24 we're bringing on and training and developing, and  
25 then we need to have more senior auditors who can

2 handle more complex cases and can sort of do real-  
3 time team training with our newer auditors. So, in  
4 general, I think we've been in pretty good shape. Our  
5 hiring allowed us to reduce the number of cases that  
6 were sitting in the supervisors' queues that were not  
7 being actively worked. You know, as we bring on more  
8 auditors in the coming months, I expect that that  
9 will come down even further.

10 CHAIRPERSON BRANNAN: Is 102 vacancies  
11 high?

12 COMMISSIONER NIBLACK: It's high, yes. I  
13 don't like any vacancy number that starts with a one  
14 and is followed by two digits.

15 CHAIRPERSON BRANNAN: I appreciate that. I  
16 want to ask about, where the hell did I put my lien  
17 sale question? Oh, here it is. I got a lien sale  
18 question. The City is not authorized to sell tax  
19 liens on HDFC co-ops.

20 COMMISSIONER NIBLACK: Correct.

21 CHAIRPERSON BRANNAN: However, our staff  
22 has identified that there's 11 HDFC co-ops on the  
23 recently published 90-day warning list. Do you know  
24 why those HDFC co-ops were included on the list?

2           COMMISSIONER NIBLACK: So, I'm going to  
3 turn this over to First Deputy Commissioner Shear,  
4 otherwise known as the King of the Lien Sale.

5           DEPUTY COMMISSIONER SHEAR: Thank you,  
6 Council Member. So first, we want to thank you for  
7 bringing this to our attention. We do an awful lot of  
8 screening before we issue the 90-day lien sale list.  
9 We run through processes internal to DOF, so we  
10 involve all the units that touch the lien sale, our  
11 business centers, our payment operations unit, the  
12 lien sale unit itself, our IT unit, and others, and  
13 we look for HDFCs. We pull properties where owners  
14 have homeowner exemptions. We remove properties that  
15 have had outstanding legal issues, properties with  
16 pending appeals before the Tax Commission, payment  
17 plans, and others. And after we take that step, we  
18 then reach out to our partners so HPD, DEP, sometimes  
19 they may have issues with properties on the list that  
20 we're not aware of. We also include the Law  
21 Department, and we also, of course, share lists with  
22 the Council and with Council Finance, and so all of  
23 that goes into a screening process. Sometimes things  
24 slip through the cracks, and we certainly want to see  
25 this list that you have of the 11, and we will take

2 action right away. Sometimes, we just don't have the  
3 information so it may be information that the  
4 property owner knows it's not with us, or maybe it's  
5 a timing issue so we will get right on that, and we  
6 will address that, but we want to assure you that we  
7 are cleansing the list as thoroughly as we possibly  
8 can and proactively removing any properties where we  
9 see an issue.

10 CHAIRPERSON BRANNAN: Great. Thank you. We  
11 will get you that list if we haven't already.

12 Last from me is about Con Ed. On January,  
13 Con Ed filed for steep electric and gas rate  
14 increases that would raise the average gas and  
15 electric bills by over 10 percent, and they blamed  
16 everything on property taxes. What do you guys think  
17 of that?

18 COMMISSIONER NIBLACK: I don't think it's  
19 appropriate, honestly, for me to comment on a  
20 specific owner's tax liability in a public hearing.  
21 I'm not sure whether they filed with the Tax  
22 Commission, or I wouldn't do that for any other  
23 owner. I think we hear fairly regularly from Con Ed  
24 regarding their tax bill. I can get back to you with  
25 some more specifics about their tax bill, etc., but

2 they own a lot of property. We value their property  
3 according to State law. We tax them according to  
4 State law using the rates that are adopted so we're  
5 administering the law, and that's as much as I could  
6 really say about it right now.

7 CHAIRPERSON BRANNAN: Understood. Okay. I  
8 have questions from my Colleagues, Majority Whip  
9 Brooks-Powers followed by Council Member Hudson.  
10 Thank you.

11 MAJORITY WHIP BROOKS-POWERS: Thank you,  
12 Chair. Hi, Commissioners. Good to see you.

13 COMMISSIONER NIBLACK: Nice to see you.

14 MAJORITY WHIP BROOKS-POWERS: It's been so  
15 long.

16 So, I have three questions for you. The  
17 first one is around equity and tax burdens. The  
18 current property tax system disproportionately  
19 impacts homeowners and renters in lower-income  
20 neighborhoods, often imposing higher effective tax  
21 rates compared to wealthier areas. What steps is the  
22 Department of Finance taking to address these  
23 inequities, and are there any plans to reassess how  
24 market values and tax burdens are determined across  
25 different tax classes? And a follow-up to that is

2 wanting to get a better sense in terms of what your  
3 plans are for tax reform working with the State.

4           COMMISSIONER NIBLACK: Thank you. You  
5 know, we review every property annually. We do the  
6 best job that we can using sales of comparable  
7 properties in order to make valuations particularly  
8 of Class I homes, and there's always the option of  
9 appeal to the Tax Commission, of course. I believe  
10 that we do our assessments fairly. There are some  
11 limits on what we are able to do because of the tax  
12 law, and that's why we have been working on tax  
13 reform. And the tax reform, the goal above all is to  
14 introduce greater equity into the system to make sure  
15 that we have protections and benefits for lower-  
16 income homeowners and to make sure that people pay  
17 proportionate to the value of their homes as fairly  
18 and equitably as possible.

19           MAJORITY WHIP BROOKS-POWERS: But has  
20 anything to date been done yet to make some of those  
21 proposed changes? I know you and I spoke about this a  
22 number of times, but I just wanted to know, since at  
23 least last year's prelim hearing, what work the  
24 Department of Finance has done around that?

2                   COMMISSIONER NIBLACK: We have been  
3 working on legislation. We had lots of rounds of  
4 input with folks on the proposal. We're making some  
5 revisions to that proposal. We're working with the  
6 Law Department, and I expect our aim is to have  
7 something to take to the Legislature once they're  
8 done with the budget in order to put that into the  
9 legislative process.

10                   MAJORITY WHIP BROOKS-POWERS: And I'd love  
11 to be a part of that as well.

12                   COMMISSIONER NIBLACK: We'd love to have  
13 you.

14                   MAJORITY WHIP BROOKS-POWERS: And  
15 assessment methodology for co-ops and condos, the  
16 method used to estimate market values for co-ops and  
17 condos is widely criticized as being disconnected  
18 from their actual sale prices. Given this disconnect,  
19 does the Department of Finance have plans to revise  
20 the assessment methodology to ensure more accurate  
21 and equitable taxation for these properties?

22                   COMMISSIONER NIBLACK: So, we are limited  
23 under State law, and I could almost quote this from  
24 memory, but I'll probably screw it up, so I won't  
25 try. The State law requires us to value co-ops and

2 condos essentially as if they were rental properties.  
3 So, we use rental properties, buildings, as the  
4 comparables when we are valuing Class II co-op and  
5 condo buildings. We're constantly, and our Deputy  
6 Commissioner for the Property Division, Tim Shears,  
7 and our Assistant Commissioner for Property  
8 Valuation, Carmela Quintos, are constantly kind of  
9 looking at how we can improve those valuations to, as  
10 much as possible, reflect within the confines of the  
11 state law to reflect market values, sales values of  
12 properties, but we are very constrained in that  
13 respect.

14 MAJORITY WHIP BROOKS-POWERS: Chair, if I  
15 could ask one more question? Impact on commercial  
16 property and affordable housing. Many commercial  
17 property owners and apartment building landlords face  
18 significantly higher tax burdens compared to other  
19 cities, making it challenging to sustain businesses  
20 and develop affordable housing. How does the  
21 Department of Finance plan to balance the City's  
22 revenue needs with creating a fairer tax environment  
23 that supports economic growth and affordability?

24 COMMISSIONER NIBLACK: I will say as a  
25 general statement here, and I know people are

2 skeptical about this statement, but I'm going to say  
3 it because it's true. We're not in the business of  
4 raising revenue. We're in the business of assessing  
5 property fairly. We try to assess property every year  
6 in a way that reflects what we believe to be the  
7 market conditions and our assessment methodology, and  
8 that yields ultimately what is the tax revenue. I am  
9 aware, certainly, of the burden on all properties of  
10 the property tax system. I will say one thing that we  
11 noticed this year was that we looked at rental  
12 buildings, regulated versus unregulated. The  
13 regulated buildings did not have any growth in their  
14 assessed value. I believe it was slightly negative,  
15 if I recall correctly. So that really reflects, I  
16 think, that we are doing a decent job at  
17 distinguishing properties that are regulated and  
18 don't have the ability to raise their rents at the  
19 market rate compared to regulated buildings, which  
20 saw big increases because of the increases in rents  
21 that we're all familiar with. So, I think, again, we  
22 do our best to value properties as fairly and  
23 accurately as we can.

24 MAJORITY WHIP BROOKS-POWERS: Thank you  
25 for that, and I look forward to engaging with the

2 Department of Finance around the tax reform that's  
3 much needed, especially in places like Southeast  
4 Queens, where we know that the taxes are a heavy  
5 burden for a lot of our house-rich, cash-poor  
6 families that exist there. Thank you.

7 COMMISSIONER NIBLACK: Understood. Thank  
8 you.

9 CHAIRPERSON BRANNAN: Council Member  
10 Hudson.

11 COUNCIL MEMBER HUDSON: Thank you. And  
12 those folks aren't only in Southeast Queens. They're  
13 in Brooklyn, too. Just want to share that for the  
14 record.

15 Does the Department of Finance..

16 COMMISSIONER NIBLACK: Bay Ridge, too, I  
17 believe.

18 COUNCIL MEMBER HUDSON: What was that?

19 COMMISSIONER NIBLACK: Bay Ridge, too, I  
20 hear.

21 COUNCIL MEMBER HUDSON: Yeah, Brooklyn.

22 Does the Department of Finance have data indicating  
23 who is eligible for SCRIE, DRIE, and SCHE, and does  
24 it conduct active outreach to get these individuals  
25 enrolled?

2                   COMMISSIONER NIBLACK: So, the first part  
3 of that question is, no, we don't. We don't really  
4 know characteristics of renters in particular units  
5 so we don't have information that says, you know, oh,  
6 Preston Niblack, who rents in this building and is 67  
7 years old and makes X thousand dollars a year, he's  
8 eligible, great, he should apply. We don't have the  
9 ability to target that specifically. We do a lot of  
10 outreach every year to try and make people as aware  
11 as we can of the benefits that are available,  
12 including the rent freeze program. Our outreach team,  
13 led by Kieran Mahoney, hosts lots of events every  
14 year, works with Council Members. I think Council  
15 Member Hudson, I'm sure we've worked with you, I  
16 think, relatively recently on some events in your  
17 District, but we will go anywhere, anytime to help,  
18 you know, bring awareness to people of the rent  
19 freeze program. I don't know, First Deputy  
20 Commissioner, if you want to add anything or if my  
21 answer was brilliant and sufficient as it was. Okay,  
22 great.

23                   DEPUTY COMMISSIONER SHEAR: As always.

24                   COUNCIL MEMBER HUDSON: That was on the  
25 record, too.

2 Have you considered any advocacy in  
3 Albany for raising the eligibility levels for any of  
4 those programs?

5 COMMISSIONER NIBLACK: There's a budgetary  
6 element to that that I think I should not speak to  
7 without consulting with my colleague, the Budget  
8 Director, but, you know, it's true that it has not  
9 been changed in a while, and there's probably  
10 additional people who would certainly benefit if we  
11 were to be able to raise the level.

12 COUNCIL MEMBER HUDSON: Okay. Thank you.  
13 Thanks, Chair.

14 CHAIRPERSON BRANNAN: Okay. Thank you,  
15 DOF. I appreciate you.

16 COMMISSIONER NIBLACK: Thank you.

17 CHAIRPERSON BRANNAN: Okay, we'll take  
18 like a three-second break, and we're going to start  
19 hearing testimony from the public.

20 Okay, we're going to call up the first  
21 panel of the public session today. Forgive me if I  
22 mispronounce the name. Kerinn Pauls... or, sorry,  
23 Keriann Pauls, Candice Ficalora, Gabriela Sandoval  
24 Requena, and George Sweeting. Keriann, Candice,  
25 Gabriela, and George.

2 Okay, George, you want to start?

3 GEORGE SWEETING: Good afternoon. I'm  
4 George Sweeting. I'm a Senior Fellow at the Center  
5 for New York City Affairs at the New School. And,  
6 Chair Brannan, thank you for the opportunity to  
7 testify here. We will be submitting written testimony  
8 shortly.

9 I was going to go over sort of the budget  
10 picture itself, but I think you've heard a lot of  
11 that today, so I'm going to jump to another part of  
12 our written testimony, which is focusing on two tax  
13 credits that are in the Mayor's budget. The first is  
14 called the Axe the Tax, which it efficiently removes  
15 personal income tax liability from really essentially  
16 all lower-income or working-poor New Yorkers who have  
17 at least one dependent in the household. And this  
18 accomplishes something that's on and off has drawn  
19 some attention in the city, that we actually tax at  
20 the lower-income levels more heavily, say, than the  
21 federal government does. And there are people in New  
22 York who have to pay New York City tax currently who  
23 don't owe anything to the federal government, for  
24 example so this Axe the Tax is going to, I think,  
25 probably be the final necessary step to really, truly

2 get all of those people that are currently still  
3 forced to pay some relatively small amount of tax off  
4 the tax rolls. The cost for doing that, as estimated  
5 by OMB, it's 63 million dollars for Fiscal Year 2026.  
6 It grows to about 70 million by 2028. And this credit  
7 actually does its job, in a sense, better than two of  
8 the Governor's proposals that are also labeled, one  
9 is a (TIMER CHIME) middle-class tax cut, and one is  
10 giving back what's, supposedly returning the windfall  
11 that the State got due to inflation, pushing up sales  
12 tax revenues. Both of those are much less efficient,  
13 meaning we spend money there that winds up helping  
14 people that are not the designated beneficiaries for  
15 the program. The places where they make adjustments  
16 in the tax code are probably higher than you would  
17 need to make them to accomplish the stated goal. And  
18 the efficient design in the Axe the Tax program does  
19 leave more money available to help deal with what's  
20 likely to be coming from Washington. So, I think it's  
21 a good compromise of solving this problem of having  
22 people on the tax rolls, that the federal government  
23 doesn't put them on the tax rolls, and also, but  
24 doing it in a way that doesn't give money to people  
25 further up the income distribution who, by most

2 definitions, wouldn't count as a lower-income or  
3 working poor.

4           The other credit that is in the budget—  
5 actually, the second one is not in the budget,  
6 although the enabling legislation is in the  
7 Governor's Executive Budget Legislative Package, and  
8 that's called the Relocation Assistance Credit  
9 Employees, or RACE is the term they use, and this is  
10 trying to deal with the problems of vacancy in older  
11 office buildings in the city, which are having a hard  
12 time attracting tenants. So what the RACE credit  
13 would do is it creates a credit of 5,000 dollars per  
14 employee that you can relocate from outside New York  
15 State into New York City. It's set up as a pilot  
16 study and with only three years. I think this program  
17 (TIMER CHIME) there are some more questions about  
18 what's going on there, but I think this is an  
19 opportunity to try to, this would be a different way  
20 of evaluating tax expenditures than what we typically  
21 wait until after the program has been up and running.  
22 With this pilot, if we approach it openly, we can let  
23 this program run for three years and see if it's  
24 accomplishing its goals and also are the costs  
25 relatively well aligned with the benefits to the

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.

2           GEORGE SWEETING: The other point is that  
3 it makes enforcement of the tax from the City's  
4 perspective much harder if you're not going to.. the  
5 federal government would presumably stop collecting  
6 the data on tips and wages, tips and overtime and  
7 Social Security income, and therefore the City  
8 wouldn't have that available to start assembling the  
9 tax liability for individuals. So, there are some  
10 real issues that hopefully the City is looking at.

11           CHAIRPERSON BRANNAN: Thank you. Will you  
12 be submitting testimony?

13           GEORGE SWEETING: Yes.

14           CHAIRPERSON BRANNAN: Okay, good. Thank  
15 you, George.

16           GEORGE SWEETING: Thank you.

17           CHAIRPERSON BRANNAN: Just say your name  
18 before you start.

19           GABRIELA SANDOVAL REQUENA: Of course.  
20 Gabriela Sandoval Requena, the one with the most  
21 complicated name of the panel, probably.

22           Good afternoon, Chair Brannan, Deputy  
23 Speaker Ayala, and Council Member Hudson, and City  
24 Council Central Staff for the opportunity to testify  
25 at this long but very important Preliminary Budget

2 hearing. Again, my name is Gabriela Sandoval Requena.  
3 I am the Director of Policy and Communications at New  
4 Destiny Housing. New Destiny is the only organization  
5 in New York City that is 100 percent focused on  
6 permanent housing solutions for domestic violence  
7 survivors. We implemented the first rapid rehousing  
8 program in New York City, and we're also the largest  
9 provider of supportive housing in New York,  
10 supportive housing that is exclusive for domestic  
11 violence survivors, that is, including Raven Hall in  
12 your District, Chair Brannan. New Destiny is also a  
13 co-convener of the Family Homelessness Coalition.

14 Why do we do this work? Because domestic  
15 violence is the leading cause of family homelessness  
16 in New York. It pushes more families into shelter  
17 than evictions, and because access to affordable and  
18 a safe home is key for survivors to leave their  
19 abuser and really stay alive. We are going to submit  
20 extended written testimony, but I want to spend this  
21 time to just highlight our priorities. The proposed  
22 federal budget cuts will be devastating for domestic  
23 violence survivors, specifically the cuts to the  
24 programs that are funded through the U.S. Department  
25 of Housing and Urban Development, HUD. Since 2018,

2 New Destiny has received HUD funding to help hundreds  
3 of survivors find a safe, affordable home in New York  
4 City, and in many cases, we also provide temporary  
5 rental assistance to them. But our program and  
6 hundreds of others like it in New York City are at  
7 risk of disappearing. So, this year, more than ever,  
8 we need our City to step up and protect survivors.  
9 One is to enhance CityFHEPS vouchers. (TIMER CHIME)  
10 Just a few more seconds, thank you. Two is to  
11 expedite NYCHA emergency transfers for domestic  
12 violence survivors, and if I may add, this is a  
13 budget-neutral administrative decision. Three is to  
14 invest 6 million dollars in NGBV's micro-grant  
15 program for domestic violence survivors. And four is  
16 investing in New York City 15/15 reallocation as the  
17 Supportive Housing Network of New York proposes.  
18 Thank you, and I'm happy to answer your questions.

19 CHAIRPERSON BRANNAN: Thank you.

20 CANDICE FICALORA: Good afternoon, Chair  
21 Brannan, the Members of the Finance Committee, and  
22 the Members of the City Council. My name is Candice  
23 Ficalora. I am the President of Local 1757 of DC37,  
24 and we represent New York City assessors, appraisers,  
25 and assistant city assessors. The majority of our

2 assessors work at the New York City Department of  
3 Finance and the New York City Tax Commission.

4           So, currently at New York City Department  
5 of Finance, we have a total of 83 districts that need  
6 assessors, right, and we have a total of 112  
7 assessors as a staff. So, it seems like we're  
8 actually overstaffed, but we aren't. We're  
9 understaffed because of those 83 districts, that's  
10 non-supervisory roles, and that's not including  
11 assessors in different units or different areas,  
12 right? So, of the vacancies at Department of Finance,  
13 we have different levels of assessors. It's Level 1,  
14 Level 2, Level 3A. Then Level 3B includes supervising  
15 assessor, a supervisory role. So that's not a part of  
16 the 83. Of our vacancies at Department of Finance,  
17 we're vacant 12 supervisors, right? And currently,  
18 Department of Finance, they went ahead and they  
19 posted for two supervisory positions of the 12 that  
20 are vacant, and they only promoted one to that  
21 position. So why does this matter, right? We would  
22 need additional funding in order to fill these  
23 positions because right now the supervisors are  
24 overwhelmed with work, and then it just, you know,  
25 trickles down to the entry-level assessor at Level 1.

2 So currently, we have an overstaff of Level 1  
3 assessors. We have vacancy of the supervisors,  
4 vacancy of Level 3A, which is the more advanced, and  
5 vacancy of the Level 2, which is the intermediate.  
6 This matters at Department of Finance because the  
7 Council Member that was just here recently asked the  
8 Commissioner of Finance about (TIMER CHIME) property  
9 tax inequity, right? So, we have certain areas of New  
10 York City that are considered less valuable. I don't  
11 like to use that word, but in terms of market value  
12 and assessed value, versus other areas of New York  
13 City, but they're paying more taxes, right? So why is  
14 this happening? There's something in New York State  
15 Real Property Tax Law, it's Section 1805. It's called  
16 maximum permissible assessment, meaning that the  
17 assessed values are capped. The way that we can uncap  
18 those assessed values are by capturing physicals,  
19 which are major alterations, new buildings, and  
20 demolitions. We need assessors in order to do that,  
21 and we need assessors in those higher positions,  
22 Level 2, Level 3A, and Level 3B, in order to do so.  
23 So, for instance, just as an example, in Brooklyn,  
24 Greenpoint, Brooklyn, which is undergoing a lot,  
25 right? It's vacant right now. It's a Level 3A

2 district, and it's vacant. But then in Brooklyn, we  
3 have a Level 1 district that has three Level 1  
4 assessors assigned to it. So, we need a greater  
5 budget for Level 3B, Level 3A, Level 2 for Department  
6 of Finance. We tried to do the math on this, and we  
7 got approximately an additional 2.8 million dollars  
8 to fulfill all of those positions, and then also  
9 within the Tax Commission, which is the Office of  
10 Administrative Trials for Tax Appeals, they have five  
11 vacancies, and it would be an additional 530,000  
12 towards them. I am going to submit written testimony  
13 to you. It will be through the Council. Thank you.

14 CHAIRPERSON BRANNAN: Thank you very much.  
15 It's important.

16 CANDICE FICALORA: And I'll answer any  
17 questions you have, or I'll try.

18 CHAIRPERSON BRANNAN: Thank you.

19 KERIANN PAULS: Hi. Good afternoon. My  
20 name is Keriann Pauls, and I'm the Interim Executive  
21 Director at TakeRoot Justice. I'm honored to be here  
22 on behalf of my organization to testify before the  
23 Finance Committee, the Council, and my fellow members  
24 of the public.

2           We are in a moment of increased cruelty  
3 and oppression targeting the very communities that  
4 make New York the vibrant city that it is. And I'd be  
5 lying if I didn't admit that this is scary and  
6 chaotic, but TakeRoot's mission and its very model is  
7 to take moments like these and work collectively with  
8 organizers mobilizing to build the kind of power  
9 needed to stand up and fight back. And we are asking  
10 for the Council's support to join us in this effort  
11 by increasing funding and resources, especially for  
12 organizations like ours that provide legal support  
13 for immigrant communities. TakeRoot's talented and  
14 dedicated staff provide legal, participatory  
15 research, and policy support to strengthen the work  
16 of grassroots and community-based groups in New York  
17 City to dismantle racial, economic, and social  
18 oppression, and we approach this work holistically to  
19 meet the needs of our community partners. We have a  
20 variety of practice areas, including immigrants'  
21 rights, tenants' rights, workers' rights, consumer  
22 justice, equitable neighborhoods, capacity building,  
23 participatory research and policy, and coalition  
24 coordination. And I'd like to take this moment to  
25 amplify TakeRoot's budget priorities that align with

2 our value of working in coalition with our community  
3 partners and allies. The need for legal support is  
4 increasing daily. And for the following initiatives,  
5 we seek enhancements to both meet this need and also  
6 address the rising cost of living for our staff and  
7 increasing costs for our operations as an  
8 organization. And so TakeRoot's initiative priorities  
9 include the Stabilizing NYC Initiative, Legal  
10 Services for the Working Poor, Low-Wage Worker  
11 Support, the Worker Cooperative Business Development  
12 Initiative, Support for the Community Land (TIMER  
13 CHIME) Trust Initiative, the Community Housing  
14 Preservation Strategies Initiative, and other  
15 initiatives where we are working with Council Members  
16 directly to support their work. The City Council can  
17 expand the protection and empowerment of marginalized  
18 communities that are under attack by increasing  
19 funding for these essential initiatives. And I'd like  
20 to say thank you so much to Chair Brannan and the  
21 rest of the Committee for your leadership, and we  
22 look forward to continuing in the fight for New  
23 Yorkers together. Thank you so much.

24 CHAIRPERSON BRANNAN: Thank you. Questions  
25 from my Colleagues?

2 Thank you all very much for your  
3 testimony. Thank you for being here.

4 Okay, next panel, we have Sarita Daftary,  
5 Hailey Nolasco, Alice Mo, and Jane Fox.

6 Start from the left. Just say your name  
7 and you can begin. Thank you.

8 SARITA DAFTARY: Good afternoon, Chair  
9 Brannan, Deputy Speaker, Council Member Hudson. My  
10 name is Sarita Daftary. I'm Co-Director of Freedom  
11 Agenda. We lead the campaign to close Rikers, and our  
12 members are survivors of Rikers and their family  
13 members.

14 We're calling on the City Council to  
15 ensure that the adopted budget paves the way to  
16 strengthening our communities and closing Rikers  
17 Island. Instead of allocating 150 million dollars to  
18 hire 1,100 more correction officers, which is the  
19 City's current plan, the City should allocate an  
20 additional 39.8 million to meet critical mental  
21 health and housing needs, restore 1.8 million in  
22 planned cuts to the Office of Criminal Justice for  
23 ATIs and reentry, restore proposed cuts to the Board  
24 of Correction for jail oversight, and increase their  
25 headcount. As we set budget priorities for our city,

2 Rikers Island stands out as the worst possible use of  
3 our dollars. Recently, the Nunez Federal Monitor  
4 pointed out what our members know far too well, that  
5 the, quote, enormous resources that the City devotes  
6 to a system that is at the same time overstaffed and  
7 underserved are not being deployed effectively.  
8 Incarcerating one person at Rikers Island for a year  
9 costs over 507,000 dollars, equivalent to providing  
10 supportive housing for 10 people or engaging 10  
11 people in quality mental health services like  
12 intensive mobile treatment. A recent survey of crime  
13 survivors in New York City showed that three of four  
14 prefer alternatives to incarceration and mental  
15 health treatment instead of jail. The plan to close  
16 Rikers approved by this Council in 2009 marked a  
17 commitment to take a more effective approach to  
18 public safety, and that requires spending our money  
19 differently. But Mayor Adams has refused to align our  
20 City budget with the legal and moral obligation to  
21 close Rikers. The Mayor has been willing to let  
22 hundreds of people sit on waiting lists for evidence-  
23 based programs like community-based mental health  
24 treatment teams and justice-involved supportive  
25 housing. Compare this to the City's approach to jail

2 capacity. DOC recently added beds to already crowded  
3 dorms at Rikers out of concern they would exceed  
4 capacity. What if the City treated preventative  
5 investments with the same urgency? What if they took  
6 emergency action to ensure that anyone who needs a  
7 supportive housing unit or a placement on a mental  
8 health treatment team could get one without delay?  
9 Instead of helping our communities thrive, Mayor  
10 Adams is set on budgeting for their desperation.  
11 (TIMER CHIME) I'll be finishing up in a minute. To  
12 prevent more waste and harm, the Council must  
13 intervene. We'll submit, along with this testimony,  
14 our full budget analysis and priorities that outlines  
15 changes needed to the Fiscal Year '26 budget to close  
16 the revolving door of Rikers Island. We're also  
17 calling on the Council to allocate 3 million dollars  
18 to start the Renewable Rikers Transition with a  
19 master plan led by DEC. Thank you.

20 CHAIRPERSON BRANNAN: Thank you very much.

21 HAILEY NOLASCO: Good afternoon, Chair  
22 Brannan, Deputy Speaker Ayala, and Council Member  
23 Hudson. My name is Hailey Nolasco, Senior Director of  
24 Government Relations at the Center for Justice

2 Innovation. Thank you so much for the opportunity to  
3 testify today.

4           Public safety remains a critical concern  
5 for New Yorkers. Issues such as gun violence,  
6 economic instability, inadequate housing, and limited  
7 access to mental health services continue to persist.  
8 Additionally, the criminal justice system often fails  
9 to address the root causes of crime, leaving  
10 vulnerable populations at greater risk. True safety  
11 requires sustained investment in community-driven  
12 solutions focused on prevention, but also fair  
13 intervention. We thank the Council for their  
14 investments and seek support to sustain and expand  
15 our community-based and core reform programs through  
16 a comprehensive approach to meet the current need.  
17 Our alternative to incarceration programs connect  
18 individuals with substance use and mental health  
19 issues to vital treatment, reducing reincarceration,  
20 aiding reintegration. We aim to expand our Brooklyn  
21 felony programs, including the Brooklyn Mental Health  
22 Court and seek support for our driver accountability  
23 and Bronx DWI initiatives, which address traffic  
24 safety through restorative justice principles and  
25 reduce financial barriers to treatment.

2 Programs addressing gender-based issues  
3 are also especially vulnerable during these times, as  
4 you can imagine. The Center's Staten Island and  
5 Queens Community Justice Centers have seen a rise in  
6 female-identifying ATI participants, serving 200  
7 women in Staten Island and 334 women in Queens in  
8 2024. Women in the justice system face unique  
9 challenges, including higher rates of abuse and  
10 mental health issues. To meet these needs, we are  
11 requesting support to develop and power a program  
12 that will be designed to provide targeted support for  
13 these women.

14 Lastly, the Center is asking for  
15 resources to sustain our diversion programs and  
16 support pre- and at-arraignment reset programming,  
17 ensuring accountability while reducing the justice  
18 system's footprint. Programming such as ours help to  
19 save taxpayer dollars, increases public safety, and  
20 builds a more equitable society. Thank you so much  
21 for your time and for your ongoing partnership. We've  
22 submitted a full list of our budget proposals with  
23 our written testimony. Thank you so much.

24 CHAIRPERSON BRANNAN: Thank you. Good  
25 afternoon. Speak into your mic, Jane.

2 JANE FOX: All right. Is that better?

3 Great. Thank you. Thank you to the Committee for this  
4 opportunity to speak. My name is Jane Fox. I'm the  
5 Chapter Chair of the Legal Aid Society Attorney's  
6 Chapter at the Association of Legal Advocates and  
7 Attorneys. We are United Auto Workers Local 2325. UAW  
8 2325 represents over 3,400 active and retired legal  
9 services workers in over 30 non-profit organizations  
10 in New York City and beyond. UAW 2325 members are  
11 attorneys, paralegals, social workers, investigators,  
12 and support staff. We are the workers who guarantee  
13 community safety by making sure New Yorkers have  
14 access to justice in our courts and vital social  
15 services in our city. While our members are an  
16 essential labor force, decades of underfunding has  
17 led to untenable working conditions. We are facing an  
18 attrition and a workload crisis. We are facing a  
19 student debt crisis. Our salaries and retirement  
20 benefits have failed to keep pace with our  
21 counterparts in district attorneys' offices and  
22 corporation counsel. And this inequity in our funding  
23 speaks volumes about who is valued in the legal  
24 system. When our wages stagnate, the legal services  
25 our clients receive are degraded. Our members are

2 dedicated to public service, and when we can no  
3 longer afford to stay, we go to jobs in the public  
4 sector that have better salaries and real pensions,  
5 such as the Attorney General's Office and Office of  
6 Court Administration. Positions requiring experience  
7 go unfilled, leaving those who remain overburdened  
8 with rising caseloads. We lose talent and  
9 institutional knowledge. Attempts to meaningfully  
10 fill senior positions have failed. Our salaries are  
11 just too low, and the cost of living in this city is  
12 too high. In 2025, ALAA has fundamentally changed the  
13 terrain of legal services through our union  
14 organizing. Now, over 95 percent of legal services  
15 workers in New York City are UAW 2325 members. We  
16 will no longer accept a race to the bottom, where  
17 (TIMER CHIME) austerity budgets reign. At every  
18 bargaining table, we demand more. And this year, we  
19 have aligned the contracts of over 2,100 of our union  
20 members across 12 chapters to expire on June 30,  
21 2025, for a potential sector-wide strike that could  
22 shut down City courts. And while we are committed to  
23 bargaining in good faith with our employers, and  
24 while we do not want to strike, we are prepared to  
25 withhold our labor to win the future our members

2 deserve. I'll finish quickly. In Fiscal Year '26, we  
3 are asking the Council to fully fund legal services  
4 so our employers can meet our core bargaining  
5 demands. Together, we are bargaining to establish a  
6 living wage floor of 70,000 dollars for our entry-  
7 level members. We are bargaining to guarantee a  
8 minimum 4.5 percent COLA. We are bargaining to ensure  
9 our retirement benefits match what public sector  
10 employees get in the State retirement system. And  
11 finally, we are bargaining to increase salaries to  
12 keep pace with agencies such as the Federal  
13 Defender's and Attorney General's Office to retain  
14 our most experienced members. Our members are not  
15 immune from the affordability crisis that has hit our  
16 city. Austerity budgets and legal services hurt our  
17 union, they hurt New Yorkers. Settling fair contracts  
18 will provide stability to our members and ensure  
19 working-class New Yorkers get the absolute best legal  
20 representation, because they deserve nothing less.  
21 Thank you.

22 CHAIRPERSON BRANNAN: Thank you, Jane.

23 ALICE MO: Good afternoon, Chair Brannan,  
24 Deputy Director Ayala, and Council Member Hudson. My  
25 name is Alice Mo, and I am the Public Affairs and

2 Advocacy Associate at Homecrest Community Services.

3 Thank you for the opportunity to testify today. For

4 28 years, Homecrest has been dedicated to providing

5 Southern Brooklyn residents with high-quality

6 programs for older adults, youth, and families. In

7 Fiscal Year 2024, we delivered over 92,000 services

8 to 1,411 older adults across our three centers,

9 Bensonhurst, Sheepshead Bay, and our Multisocial

10 Services Center. We offer daily meals, regularly host

11 workshops on mental and physical health, safety, and

12 civic engagement, reaching over 2,100 participants.

13 We provide a welcoming space where members can engage

14 in activities like tai chi, singing, discussion

15 groups, and board games, fostering wellness and

16 community connection. However, we are deeply

17 concerned about the proposed 102-million-dollar cuts

18 to older adult services in the Mayor's budget. These

19 cuts could force the closure of up to 60 older adult

20 centers and severely reduce essential programs, even

21 as the older adult population is projected to grow

22 from 20 percent of New Yorkers today to 25 percent by

23 2040, yet the Department for the Aging currently sees

24 less than 1 percent of the City budget. Instead of

25 cuts, community-based organizations need increased

1 funding to expand and strengthen services to meet  
2 this growing demand. As a member of LiveOn New York,  
3 we support a 2.3 billion investment, 500 million to  
4 improve nutrition, including more frequent meals like  
5 breakfast at older adult centers, 1 billion to expand  
6 affordable housing and help older New Yorkers manage  
7 rising rents, and 800 million to enhance social  
8 services and community spaces to combat social  
9 isolation. These investments will ensure older adults  
10 can remain in their homes and communities (TIMER  
11 CHIME) and age with dignity and the support that they  
12 need. We are also proud members of the Coalition for  
13 Asian American Children and Families, CACF, and their  
14 18 Percent and Growing Campaign, which unites over 90  
15 AAPI-led organizations across New York City to  
16 advocate for a City budget that addresses the needs  
17 of vulnerable communities. We urge your support for  
18 expanding the AAPI Community Support Initiative to  
19 7.5 million, allocating 7.5 million for the  
20 Communities of Color Non-profit Stabilization Fund  
21 and securing 4 million for the Access at New York  
22 City. These funds are all critical for organizations  
23 like ours that provide culturally responsive services  
24 to diverse communities. We ask the City Council not  
25

2 only to protect but to expand funding to meet the  
3 needs of older New Yorkers and underserved  
4 communities. Thank you.

5 CHAIRPERSON BRANNAN: Thank you. Questions  
6 from my Colleagues?

7 Thank you all very much. Thank you.

8 Okay. Our next panel, we have Agnes Kim,  
9 Nikita Boyce, Thomas Gogan, and Kim Olsen.

10 Okay. I want to start from my left.

11 AGNES KIM: Hello. My name is Agnes Kim,  
12 and I'm a Program Officer at Enterprise Community  
13 Partners. I'm here today on behalf of the Family  
14 Homelessness Coalition. We are a group of over 20  
15 organizations, including service and housing  
16 providers, children's advocacy organizations, and  
17 people with lived experience with family  
18 homelessness. Thank you to the Chair and the  
19 Committee for holding this hearing and for the  
20 opportunity to deliver testimony.

21 Family Homelessness Coalition, or FHC,  
22 works to prevent family homelessness, improve the  
23 well-being of children and families in shelter, and  
24 support the long-term stability of families with  
25 children who leave shelter. In New York, the number

2 of children experiencing homelessness has more than  
3 doubled since 2022, translating to nearly one in  
4 three of New York's homeless population being  
5 children. This humanitarian emergency is also coming  
6 at a time when federal support to fight homelessness  
7 is under threat, making it more important than ever  
8 that this year's adopted budget urgently address this  
9 crisis with resources. The current landscape impacts  
10 both people experiencing homelessness and the  
11 organizations that work to help them, including the  
12 members of the Family Homelessness Coalition. Our  
13 organizations are directly impacted by real and  
14 proposed federal funding cuts to their programs. In  
15 addition to support and resources, we call for  
16 greatly increased efforts to expedite owed payments  
17 to homeless and social service providers. If funds  
18 can be delivered expeditiously, providers can better  
19 withstand this existential threat that they're  
20 facing.

21 FHC strongly urges the following in the  
22 upcoming budget. Increase the budget for home-based  
23 by 37.9 million dollars to a total of 100 million  
24 dollars. Establish a dedicated funding stream  
25 strictly for aftercare services. Release an RFP and

2 dedicated funding for organizations beyond home-based  
3 providers to process CityFHEPS. We also ask to  
4 adequately fund the City Commission on Human Rights  
5 to enforce source of income discrimination. The City  
6 should also commit to a capital needs assessment of  
7 the entire shelter portfolio. And finally, we ask to  
8 increase the pay of shelter staff to establish parity  
9 with comparable settings. Thank you so much for the  
10 opportunity to testify, and we have also submitted  
11 written testimony.

12 CHAIRPERSON BRANNAN: Thank you very much.

13 NIKITA BOYCE: Hi, my name is Nikita  
14 Boyce, and I'm the Budget Policy Coordinator at CACF,  
15 the Coalition for Asian American Children and  
16 Families. Thank you to the Finance Committee and the  
17 City Council Members for your time.

18 Since 1986, CACF is the nation's only  
19 pan-Asian children and families advocacy organization  
20 that leads the fight for transformative movements in  
21 policy, progressive systems change, and racial equity  
22 within government institutions to increasingly invest  
23 and equitably fund community-based organizations and  
24 City initiatives that directly impact and far reach  
25 the Asian American and Pacific Islander diaspora.

2 CACF leads the 18 Percent and Growing Campaign, a  
3 critical and diverse citywide campaign uniting over  
4 90 AAPI-led and serving organizations across the city  
5 to fight for a fair and equitable budget that  
6 protects the needs of our most vulnerable community  
7 members. We advocate as a collective in solidarity to  
8 hold New York City accountable in providing the  
9 necessary resources to serve and empower the diverse  
10 needs of all AAPI New Yorkers and other communities  
11 of color. The 18 Percent and Growing Campaign is  
12 advocating for expanding the AAPI Community Support  
13 Initiative to 7.5 million, the Communities of Color  
14 Non-profit Stabilization Fund to 7.5 million, and the  
15 Access Health Initiative to 4.5 million, among other  
16 key citywide initiatives and investments. This  
17 includes 134 million per the People's Plan to invest  
18 in legal services, sanctuary zones, and rapid  
19 response funds to safeguard immigrant New Yorkers  
20 from Trump's mass deportation scheme. The AAPI  
21 diaspora is the fastest-growing ethnic diaspora in  
22 New York City, and yet it faces the highest rates of  
23 poverty, linguistic isolation, rising inequities, and  
24 widening gaps between social services. Despite this  
25 growth of 18 percent, being the number of AAPI in New

2 York City, 18 percent of the population, in the last  
3 few (TIMER CHIME) fiscal years, we've not seen  
4 enhancements to our critical initiatives that serve  
5 the needs on the ground. AAPI organizations only  
6 receive a 5.3 share of discretionary funding per  
7 initial Schedule C data. But as our needs become more  
8 diverse and require increased capacity, we need more  
9 resources. We demand that we receive funding that our  
10 communities so desperately need in order to fill the  
11 gaps left by City government. And that's why we're  
12 urging City Council to uplift our collective  
13 priorities, which again are 7.5 million to the AAPI  
14 Community Support Initiative, 7.5 million to the  
15 Communities of Color Non-profit Stabilization Fund,  
16 and 4.5 million to the Access Health Initiative, in  
17 order to create a more inclusive, safe, healthy, and  
18 sustainable society for our diverse, very diverse  
19 diaspora. We need a people's budget that leads to a  
20 more values-driven, culturally representative, and  
21 human-centered New York City. Thank you.

22 CHAIRPERSON BRANNAN: Thank you.

23 THOMAS GOGAN: Good afternoon, Chairman  
24 Brannan, and also to Council Members Ayala and  
25 Hudson, who have sat through this very long but

2 informative hearing. I'm Thomas Gogan, representing  
3 the Move the Money New York City Coalition, which  
4 has, over the last several years, numbered some 60  
5 veterans, community, faith-based, labor, and peace  
6 organizations around the city, in all five boroughs.  
7 I'm here because I think it's very important that we  
8 connect some big dots. As of last night, it became  
9 dramatically clear that we have a President that has  
10 declared war on New York City, and frankly, every  
11 large and small city and town in this country. The  
12 Medicaid cuts, in particular, are going to be  
13 disastrous, and that's just the first round of what  
14 has already been the woodchipper of the Trump-Musk  
15 juggernaut. New York is the largest city in the  
16 United States. We have some of the biggest problems.  
17 We therefore have a very large budget, and it is up  
18 to us to lead, and a major element in leading is to  
19 challenge the way this federal budget is being  
20 structured, and has been for a long time. For a long  
21 time, even before this administration, something on  
22 the order of 60 percent of the portion of the federal  
23 budget that Congress puts together every year, the  
24 so-called discretionary budget, has gone for war and  
25 weapons and military spending in general. That is not

2 to say anything against our veterans, because they  
3 deserve to be treated well when they get home, if  
4 they're well enough to be treated well enough. Mental  
5 health is a huge issue for veterans. Suicide is a big  
6 issue for veterans. Mental health is huge in our  
7 communities. Poor and working-class and immigrant  
8 communities are taking the brunt of these cuts, and  
9 will. We have to stand up and say, enough is enough.  
10 Too much spending on war. We need to take a  
11 significant (TIMER CHIME) portion of that budget and  
12 redirect it to our communities, regardless of what  
13 the members of Congress, mainly led by the  
14 Republicans, but not only, have been doing with that  
15 money. We've got to stand up and speak up on behalf  
16 of not just of New York, but all cities. We're proud  
17 to stand in solidarity with the people's budget.  
18 We're proud to stand in solidarity with those trying  
19 to close Rikers, and we're proud to stand in  
20 solidarity with everybody fighting for libraries,  
21 better schools, etc., etc., for young and old, and so  
22 I thank you for your time, and hope that this City  
23 Council will see fit to move a resolution forward to  
24 that effect. Thank you.

2 KIM OLSEN: Thank you so much, Chair  
3 Brannan, Council Member Hudson, and Deputy Speaker  
4 Ayala for your time and your commitment to arts,  
5 education, and culture in New York City. My name is  
6 Kimberly Olsen, and I'm proud to be the Executive  
7 Director of the New York City Arts and Education  
8 Roundtable. I'm testifying as part of the It Starts  
9 with the Arts Coalition as well as the Coalition for  
10 Equitable Education Funding, calling on our City to  
11 prioritize funding for arts education in our schools  
12 and communities. The past few years have really  
13 underscored the profound need for spaces where young  
14 people can process their experiences, think  
15 critically about the world around them, and also  
16 build resilience. That starts with the arts. However,  
17 despite these undeniable benefits, the data reveals a  
18 stark reality. Funds budgeted for arts education  
19 account for 3 percent of New York City Public  
20 Schools' budget. When adjusted for inflation, New  
21 York City Public Schools is actually budgeting about  
22 40.8 million less than we were in FY17. And  
23 additionally, thanks to the term and condition passed  
24 last year by the City Council, we learned that 379  
25 schools currently lack a certified arts teacher,

2 which is about one in five schools, leaving thousands  
3 of students without a dedicated arts teacher in their  
4 school. More than 700 arts and cultural organizations  
5 worked in partnership with schools last year alone to  
6 not only bridge that gap, broaden access to world-  
7 class artists, and to provide external funding to  
8 schools. But delays in contracting and payment from  
9 multiple government agencies cause not only delayed  
10 educational opportunities, but also delayed  
11 employment for our city's creative workforce.

12 Investing in arts education is an investment in our  
13 city's future. Therefore, I urge our City to take  
14 decisive action to ensure that all students have  
15 access to high-quality arts learning opportunities.  
16 This includes extending and baselining at-risk  
17 education funding of 41 million dollars alongside  
18 other education programs currently on the chopping  
19 block that were previously funded by expiring federal  
20 stimulus dollars, ensuring that every school has a  
21 certified arts teacher, restoring and enhancing the  
22 Support for Arts Instruction initiative at 6 million  
23 dollars, (TIMER CHIME) requiring DOE arts funding  
24 actually be spent on the arts, and restoring and  
25 baselining funding for the Department of Cultural

2 Affairs. I'll be submitting a full written testimony,  
3 but I want to thank you again for your time. We want  
4 inviting, colorful, and vibrant, thriving  
5 communities. That starts with the arts. Thank you.

6 CHAIRPERSON BRANNAN: Thank you all very  
7 much for your testimony. Thank you.

8 Okay. Our next panel is Sharon Brown and  
9 Christopher Johnson. Okay.

10 I'll start from the right.

11 CHRISTOPHER LEON JOHNSON: Hey. What's up,  
12 Council Member Brannan? Christopher Leon Johnson  
13 here. Thank you, Chair Brannan, Chair Ayala, and  
14 Chair Hudson for being here. I'm here to advocate and  
15 ask you, Council Member Brannan, since you are the  
16 biggest ally of former State Senator Iwen Chu, to  
17 support and push for resolution to support Intro.  
18 S992 to protect the deliveristas by making sure that  
19 if they ever get assaulted, they get charged with a  
20 Class C felony. I think you should add a resolution  
21 to the City Council to support that for her in honor  
22 of her. I know she's not a State Senator no more, but  
23 I think you should do that to honor her.

24 I am calling on 4 million dollars  
25 allocated to two non-profits in support of this bill

2 while this is going on. First one is La Colmena, and  
3 the second one is Worker Justice Project, because  
4 they need to start going to the hospitals and respond  
5 to every call any time that these deliveristas start  
6 getting assaulted or even shot or stabbed in the  
7 streets of New York City. I say La Colmena because  
8 they oversee Staten Island, New York, and they don't  
9 have no outreach in the other four boroughs. They  
10 need to start doing hospital responding. I know we  
11 have a Cure Violence formula in the City Council that  
12 is overseen by Council Member Althea Stevens, so at  
13 the same time, instead of this worry about people in  
14 the neighborhoods getting shot all the time, we need  
15 to start worrying about the deliveristas getting shot  
16 all the time too and getting assaulted. They need  
17 protections too. These non-profits, two of them, I  
18 called, I said they need the money to start doing  
19 this in the hospitals. They should get the formula  
20 and the plan from the Cure Violence (TIMER CHIME)  
21 organizations such as Life Camp Inc. and Man Up  
22 Incorporated and start doing the same thing any time  
23 a deliverista gets assaulted in the streets of New  
24 York. So, Council Member Brannan, I know you're a big  
25 ally of Iwen Chu. You should be pushing this more in

2 the City Council to give these deliveristas the  
3 protections they need. Thank you.

4 CHAIRPERSON BRANNAN: Thank you.

5 SHARON BROWN: Hello. This is Sharon  
6 Brown, and before I start, remember Israel, defend  
7 Israel, release the hostages, let Yahweh's people go.  
8 Okay.

9 I believe there should be funding for  
10 fighting anti-Semitism. New York City is the biggest  
11 city that has the Jewish population, and that's in  
12 the whole world. This is the second, rather, biggest  
13 population of Jews besides Israel. There should be  
14 funding for Jewish safety and funding for safety in  
15 their communities. Now they have things that they do  
16 in their own communities, but we see that we also  
17 have to help. There should be funding for teaching  
18 about Israel belonging to the Jews. It's not a  
19 secret. It's in the Bible. It's in many different  
20 artifacts and things that show clearly it belongs to  
21 Israel. So, the fight over the land is a frivolous  
22 fight, and we need to do things to clear it up, and  
23 we could do it through teaching.

24

25

2 We need funds for street to home  
3 immediately. We need people who are homeless to get  
4 into homes immediately. I'll go into that more.

5 We need to fund businesses and housing  
6 and transportation for military homeless, homeless  
7 veterans, and those who need homes. We need to fund  
8 this. They need it now. We have the monies. Someone  
9 said they're paying 507,000 to house someone at  
10 Rikers Island a year or whatever the figure is. That  
11 is much more than it requires for a person to have a  
12 home. Multiple people can have homes, and Rikers  
13 Island should be (TIMER CHIME) defunded and closed  
14 down before the year of 2027.

15 I believe we need to fund the police, and  
16 they need to have more police officers. We don't need  
17 less police officers. Fund the police, and we need  
18 Jewish and Christian police, and we have to  
19 acknowledge that this is a Jewish, Judeo-Christian  
20 nation so that we can get to be that great nation  
21 that everyone wants to see and great city. Thank you.

22 CHAIRPERSON BRANNAN: Thank you very much.

23 Okay, next panel on Zoom. We're going to  
24 start with Ruth Lopez Martinez and Elizabeth Polanco.

25 RUTH LOPEZ MARTINEZ: Hi.

2 CHAIRPERSON BRANNAN: Hi there. You can  
3 start when you're ready.

4 RUTH LOPEZ MARTINEZ: Yes. I am ready.

5 CHAIRPERSON BRANNAN: Okay, go ahead.

6 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

7 INTERPRETER: (SPEAKING SPANISH)

8 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

9 INTERPRETER: (SPEAKING SPANISH)

10 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

11 INTERPRETER: (SPEAKING SPANISH)

12 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

13 (TIMER CHIME)

14 INTERPRETER: (SPEAKING SPANISH)

15 SERGEANT-AT-ARMS: (SPEAKING SPANISH)

16 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

17 Okay. Thank you.

18 INTERPRETER: (SPEAKING SPANISH)

19 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

20 INTERPRETER: My name is Mrs. Lopez

21 Martinez. I am the Director of a trust. (SPEAKING

22 SPANISH) I am the Director of a cooperative,

23 organization (SPEAKING SPANISH)

24 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

25

2 INTERPRETER: And the name is Pa'lante  
3 Green Cleans. I want to advocate (INAUDIBLE)  
4 workforce you to fight unemployment and have  
5 (SPEAKING SPANISH)

6 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

7 INTERPRETER: (SPEAKING SPANISH)

8 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

9 INTERPRETER: Okay, so my name is Mrs.  
10 Lopez Martinez. Yo soy... I'm a worker. I am the  
11 (INAUDIBLE) of a cooperative, and the name is  
12 Pa'lante Green Cleans.

13 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

14 INTERPRETER: Okay. We offer cleaning  
15 services, and we were founded on 2014, and we also  
16 offer solutions to the problem that... in the market  
17 right now about unemployment. And we also help with  
18 the workforce because we need more employment.

19 (SPEAKING SPANISH)

20 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

21 INTERPRETER: Okay. We also offer services  
22 implemented towards cost and production. (SPEAKING  
23 SPANISH)

24 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

25

2 INTERPRETER: So, the cooperative industry  
3 has accomplished to give growth to New York by  
4 providing economic activity and businesses and  
5 employment to the city.

6 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

7 INTERPRETER: I believe...

8 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

9 CHAIRPERSON BRANNAN: Okay. Could you just  
10 summarize so we can move on?

11 INTERPRETER: Yes. I believe it is  
12 important that you know that cooperatives exist and  
13 that, because of the pandemic, we had to close a lot  
14 of the small businesses and that we are here to  
15 advocate for the growth and that...

16 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

17 INTERPRETER: We believe that we need to  
18 establish the future of New York and that we're a  
19 part and that cooperatives are important in the topic  
20 of having land trust. We need more land trust, and we  
21 need more public land to make sure that all the  
22 different trusts have the funds that they need to  
23 operate and contribute the growth of New York City.

24 RUTH LOPEZ MARTINEZ: (SPEAKING SPANISH)

2 INTERPRETER: We want you to know two  
3 important things, and they are that cooperatives do  
4 exist and that we are part of the economy. This is a  
5 part of the economy, and we grow in a (INAUDIBLE) way  
6 and that we need... that we have overcome, yeah, we  
7 have overcome (INAUDIBLE) in New York City and that  
8 we need you to know that we exist and that we need  
9 the support from New York City to not have the  
10 decline that could happen if we don't get the support  
11 that we need for the growth of New York City.

12 CHAIRPERSON BRANNAN: Got it. Okay. Thank  
13 you. We're gonna move on. Thank you, Ruth.

14 Now, we have Elizabeth Polanco. I believe  
15 she needs translation as well.

16 SERGEANT-AT-ARMS: (SPEAKING SPANISH)

17 CHAIRPERSON BRANNAN: Elizabeth.

18 ELIZABETH POLANCO: (SPEAKING SPANISH)

19 CHAIRPERSON BRANNAN: Okay. So how do you  
20 want to do...

21 ELIZABETH POLANCO: I need the translator.

22 CHAIRPERSON BRANNAN: Hang on one sec.

23 INTERPRETER: (SPEAKING SPANISH)

24 ELIZABETH POLANCO: (SPEAKING SPANISH)

25 INTERPRETER: Mm-hmm.

2 ELIZABETH POLANCO: (SPEAKING SPANISH)

3 INTERPRETER: (SPEAKING SPANISH)

4 ELIZABETH POLANCO: Okay.

5 INTERPRETER: Good afternoon. My name is  
6 Elizabeth Polanco. Thank you to the Committee of  
7 Finance for giving me the opportunity and the space  
8 to testify. I am part and I lead the Council for  
9 Advocacy of Cooperations in New York, and we focus on  
10 providing services and cooperative services in the  
11 economic and social fields. (SPEAKING SPANISH)

12 ELIZABETH POLANCO: Okay. (SPEAKING  
13 SPANISH)

14 INTERPRETER: (SPEAKING SPANISH) I'm also  
15 a worker of Radiate Consulting New York City. We  
16 offer accounting services, interpretation services,  
17 webpages, design for webpages, administrative  
18 services, and we also offer services to a plenty of  
19 non-profit organizations, for example, Mixteca and  
20 Cabrini. (SPEAKING SPANISH)

21 ELIZABETH POLANCO: (SPEAKING SPANISH)

22 INTERPRETER: We were founded on 2019 as a  
23 solution for the lack of employment and as a solution  
24 to help the migrant community and support them.

2 ELIZABETH POLANCO: (SPEAKING SPANISH)

3 (TIMER CHIME)

4 INTERPRETER: There are plenty of  
5 cooperatives just as mine, and we offer services such  
6 as childcare, senior care, carpentry, yoga workshops,  
7 and many more, and we help the city to diminish the  
8 unemployment rates. And I know that these services  
9 have helped a lot of different people that use our  
10 services and cooperatives as well, and that we are a  
11 big part of the economic flourishing that we can see  
12 in New York City, and I have seen this happen in  
13 other several cooperative owners such as me as well.

14 ELIZABETH POLANCO: (SPEAKING SPANISH)

15 (TIMER CHIME)

16 SERGEANT-AT-ARMS: Your time has expired.

17 ELIZABETH POLANCO: (SPEAKING SPANISH)

18 INTERPRETER: (SPEAKING SPANISH)

19 CHAIRPERSON BRANNAN: Okay. Could you just  
20 summarize so we can move on.

21 INTERPRETER: Sure. So as part of our work  
22 as cooperatives and in Radiate Consulting NYC and  
23 also as part of the Council for Advocacy, we do offer  
24 several services, and for example, we do pay the UBT  
25 tax, and we also help with the deficit that there's

2 with the necessity for employment, and we also  
3 contribute to the growth of the thriving of funds and  
4 resources for the city and fight for the unemployment  
5 rates.

6 ELIZABETH POLANCO: Okay. (SPEAKING  
7 SPANISH)

8 INTERPRETER: (SPEAKING SPANISH)

9 ELIZABETH POLANCO: (SPEAKING SPANISH)

10 INTERPRETER: (SPEAKING SPANISH)

11 CHAIRPERSON BRANNAN: Okay. Thank you.

12 INTERPRETER: Okay. (SPEAKING SPANISH)

13 ELIZABETH POLANCO: (SPEAKING SPANISH)

14 INTERPRETER: Well, thanks to you. I just  
15 wanted to mention, and it was to interpreter, that I  
16 want the initiative of the WCBDI to keep going  
17 forward so we can give the help that the communities  
18 need and that we continue to have the tools and the  
19 opportunities and to be part of the administration of  
20 these services to help with the needs of the city.  
21 Thank you.

22 CHAIRPERSON BRANNAN: Thank you very much,  
23 Elizabeth.

24 INTERPRETER: (SPEAKING SPANISH)

2 CHAIRPERSON BRANNAN: Okay. Now we have  
3 Juan Cuautle. Juan, are you there?

4 INTERPRETER: (SPEAKING SPANISH)

5 JUAN CUAUTLE: Yes, I'm here. Can you hear  
6 me?

7 CHAIRPERSON BRANNAN: Yes. Go ahead.  
8 Please start.

9 JUAN CUAUTLE: Thank you so much. Good  
10 afternoon, Chair Brannan and distinguished Members of  
11 the New York City Council Committee on Finance. My  
12 name is Juan Cuaulte. I am the Director of the  
13 Cooperative Development Program at the Center for  
14 Family Life in Sunset Park. We provide resources to  
15 low-income communities in Brooklyn, helping them to  
16 thrive and build sustainable futures.

17 I am here today to respectfully request  
18 that the New York City Council continue to support  
19 the Worker Cooperative Business Development  
20 Initiative, WCBDI, by allocating 5.1 million for  
21 Fiscal Year 2026. Since 2014, CFL has been a proud  
22 participant in WCBDI, an initiative funded by the  
23 Council that enables organizations like ours to  
24 incubate and nurture worker-owned businesses. Through  
25 this invaluable support, CFL has successfully

2 incubated 27 cooperative businesses in the domestic  
3 work industry, empowering over 600 immigrant women  
4 with a transformative opportunity to take control of  
5 their economic and professional lives. Each year,  
6 through our Cooperative Development Program, 420  
7 participants benefit from training and information  
8 sessions on worker-owned cooperatives, business  
9 management, and community leadership. These sessions  
10 are designed to equip individuals with the skills and  
11 confidence needed to manage their own businesses. At  
12 CFL, we firmly believe that with the right resources,  
13 anyone, regardless of socioeconomic status, can  
14 become a successful entrepreneur. The Council's  
15 support also allows us to provide 273 business  
16 management consulting services annually to operating  
17 cooperatives, ensuring their stability and growth.  
18 Importantly, all our services are offered in  
19 languages spoken by our participants, breaking down  
20 language barriers, and enhancing accessibility with  
21 immigrant communities. Your continued support has  
22 enabled CFL to innovate and scale our initiatives,  
23 broadening the reach of the cooperative business  
24 model to other low-income communities across New York

2 City. One of our proudest (TIMER CHIME) achievements  
3 is the creation of OpenGO, an online marketplace...

4 SERGEANT-AT-ARMS: Your time has expired.  
5 Thank you.

6 JUAN CUAUTLE: Thank you.

7 CHAIRPERSON BRANNAN: Thank you, Juan. Now  
8 we have Melat Seyoum.

9 SERGEANT-AT-ARMS: You may begin.

10 MELAT SEYOUM: Thank you. Good afternoon,  
11 Honorable Chairperson and distinguished Members of  
12 the New York City Council Committee on Finance. My  
13 name is Melat Seyoum, and I'm the Director of  
14 Political Affairs and Strategic Partnerships at the  
15 New York City Network of Worker-Owned Cooperatives,  
16 also known as NYC NOWC. We are the local trade  
17 association representing worker-cooperative  
18 businesses and democratic workplaces in the New York  
19 City metropolitan area. I am here alongside my  
20 colleagues from the Working World, Center for Family  
21 Life, and our Advocacy Council Members, representing  
22 11 other organizations that make up the Worker-  
23 Cooperative Business Development Initiative. We are  
24 here asking New York City Council to continue  
25 supporting the expansion of worker ownership in next

2 year's budget and firmly into the future. Since the  
3 inception of the initiative, we have created over 197  
4 new cooperative businesses and over 1,200 new jobs  
5 that are not only providing higher hourly wages, but  
6 also building wealth and assets for individuals who  
7 are overwhelmingly BIPOC women and immigrants. We  
8 have seen firsthand how the initiative has served to  
9 bolster our sector, strengthening existing  
10 cooperative businesses, and creating new ones. The  
11 initiative partners have collectively worked to  
12 create a comprehensive ecosystem of support for  
13 cooperative businesses that not only ensures the  
14 creation of new cooperatives in low-income areas, but  
15 also the technical assistance needed to sustain  
16 businesses and create jobs, as well as the education  
17 and outreach needed for communities, interested  
18 entrepreneurs, and allied organizations. We've done a  
19 ton of work during the pandemic and beyond to bring  
20 over 10 million in grants and loans to cooperatives  
21 and keep them afloat. We did all of this with a 3.8  
22 million budget. Our ask has been similar to where  
23 it's been pre-COVID, and we ask that City Council  
24 enhance our funding to 5.09 in order for our  
25 initiative to double down the essential long-term

2 work that is necessary for economic recovery for  
3 cooperative businesses that (TIMER CHIME) will be  
4 needed to claw ourselves out of this economic crisis.

5 SERGEANT-AT-ARMS: Your time has expired.  
6 Thank you.

7 MELAT SEYOUM: Thank you. I thank City  
8 Council for the opportunity to testify and hope that  
9 you consider our budget priorities and  
10 recommendations during the budget negotiation  
11 process. Thank you.

12 CHAIRPERSON BRANNAN: Thank you for your  
13 testimony. Thanks for waiting.

14 Now we have Scott Trumbull.

15 SERGEANT-AT-ARMS: Starting time.

16 SCOTT TRUMBULL: Hi, all. First, I want to  
17 thank the Committee for the opportunity to testify  
18 today. My name is Scott Trumbull. I'm the Co-  
19 Executive Director at The Working World. We are a  
20 non-profit community development financial  
21 institution that specializes in providing financing  
22 and technical assistance to worker cooperative  
23 businesses here in New York City. I'm here today to  
24 encourage you and your Colleagues to continue  
25 supporting worker ownership in New York City by

2 enhancing funding for the Worker Cooperative Business  
3 Development Initiative to \$5,097,082. For over a  
4 decade, this initiative has provided essential  
5 services to worker cooperative businesses across all  
6 five boroughs and has made New York a leading example  
7 of how cities can use worker ownership to develop  
8 their local economies in a more equitable way. At The  
9 Working World, this funding has been absolutely  
10 critical to our technical assistance program. One  
11 great example of this is the support we provided to a  
12 cooperative called Bright Learning Stars. Back in  
13 2018, there was a daycare center in Windsor Terrace,  
14 Brooklyn that closed very unexpectedly, leaving  
15 employees without work and parents without a place to  
16 leave their kids. One of those parents reached out to  
17 The Working World to see if we could help the former  
18 employees of that business restart the daycare as a  
19 worker cooperative. So, we jumped right in and helped  
20 those workers develop a business plan, secure a  
21 location, acquire necessary financing, and also  
22 licensing to get their business up and running again.  
23 Since then, we've continued to provide regular  
24 services to that business so that now, over six years  
25 later, not only do these workers now have a voice in

2 their workplace, but for the past three years in a  
3 row, each worker owner has been able to earn an  
4 additional \$8,000 to \$10,000 in income from profit  
5 sharing. This is what worker ownership and WCBI are  
6 all about, giving working-class New Yorkers a voice  
7 in their workplace and an opportunity to build real  
8 wealth in their communities. These stories are only  
9 possible because of the critical resources offered by  
10 the Worker Cooperative Business Development (TIMER  
11 CHIME) Initiative. For that reason...

12 SERGEANT-AT-ARMS: Your time has expired.  
13 Thank you.

14 SCOTT TRUMBULL: I ask you again for your  
15 support. Thank you so much for your consideration.

16 CHAIRPERSON BRANNAN: Thank you, Scott.  
17 Now we have Carlyn Cowen.

18 SERGEANT-AT-ARMS: Starting time.

19 CARLYN COWEN: Good afternoon, everyone.  
20 Thank you to Chair Brannan and the Members of the  
21 City Council for allowing me to testify today. My  
22 name is Carlyn Cowen. I am the Chief Policy and  
23 Public Affairs Officer of the Chinese American  
24 Planning Council, CPC. As you may know, CPC serves  
25 about 80,000 Asian American, immigrant, and low-

2 income New Yorkers each year. We have a full  
3 testimony that we've submitted in written form, but I  
4 want to actually highlight a couple of stories from  
5 our community members just over the last month, and I  
6 really want to highlight these for the City Council  
7 because I think that these stories of what our  
8 community members have been experiencing should  
9 really be directing the way that the City Council  
10 handles this upcoming budget. Last month, one of our  
11 community members asked us if she should be pulling  
12 her kids out of school because she was worried that  
13 ICE was going to get them either on the way to school  
14 or at school or on their way home. This is not the  
15 only community member that has done this. In fact,  
16 while in January we had 100 kids at our last teen  
17 night, in February we only had 40 kids coming to the  
18 teen night, an important opportunity for students to  
19 get social, emotional, and academic learning. One of  
20 our community members asked if they should withdraw  
21 from SNAP benefits because they were concerned about  
22 how it would be impacting them and their immigration  
23 status. And a number of our seniors have refused to  
24 come in for meals because they have been worried  
25 about what's going to happen to them, which means

2 that we have had to come to them to bring them their  
3 meals.

4 All of this is to say that I think that  
5 right now a lot of people have the instinct that we  
6 need to wait and see what's going to happen at the  
7 federal level and respond rather than being proactive  
8 as a City. As CBC, what we believe is that we need to  
9 be investing now to make sure that our community  
10 members feel safe and supported and to ensure that  
11 New York remains a sanctuary city. For us, that looks  
12 like investing deeply in our human services workers  
13 who are at the front lines of making sure that our  
14 community members are supported (TIMER CHIME) through  
15 the Just Pay campaign and through fully funding all  
16 of our services.

17 SERGEANT-AT-ARMS: Your time has expired.  
18 Thank you.

19 CARLYN COWEN: That looks like investing  
20 deeply in legal services, public benefits, and other  
21 programs to support immigrants across New York City.  
22 Thank you for the opportunity to testify.

23 CHAIRPERSON BRANNAN: Thank you, Carlyn.  
24 Okay, now we have Sierra Kraft.

25 SERGEANT-AT-ARMS: Starting time.

2                   SIERRA KRAFT: Hi, good afternoon,  
3 Chairperson Brannan and Members of the Committee on  
4 Finance. My name is Sierra Kraft, and I'm the  
5 Executive Director of ICARE, a coalition dedicated to  
6 ensuring unaccompanied immigrant children in New York  
7 City have access to free legal representation. Right  
8 now, thousands of immigrant children are stuck in a  
9 legal limbo that could determine the rest of their  
10 lives. Nearly 7,000 unaccompanied children fleeing  
11 war, violence, and trauma arrived in our city last  
12 year alone. Instead of safety, they face an  
13 immigration system so complex that even trained  
14 lawyers struggle to navigate it. Yet immigrant  
15 children are expected to stand before a judge and  
16 argue their case against a government prosecutor.  
17 Without an attorney, they're narrowly guaranteed to  
18 lose their case, but with an ICARE attorney, they  
19 have over a 90 percent chance of success. The need  
20 for legal services has never been greater, but  
21 federal funding is unreliable. Just two weeks ago, a  
22 stop work order froze federal funding for  
23 unaccompanied children's legal services, leaving  
24 26,000 children defenseless overnight. Though this  
25 was reversed, it was a wake-up call. New York cannot

2 depend on federal funding to protect immigrant  
3 children. Court backlogs are also at an all-time high  
4 and legal service providers are overwhelmed. And  
5 without City investment, more children will be left  
6 vulnerable to deportation, trafficking, and  
7 exploitation. For over a decade, City Council's  
8 investment in the Unaccompanied Minors and Families  
9 Initiative has been a lifeline. ICARE providers have  
10 ensured that more than 14,000 children in New York  
11 receive legal support, find stability, and build a  
12 bright future here. But the demand has surged and  
13 funding has remained stagnant for over six years,  
14 forcing providers to do more with less. New York  
15 prides itself on protecting the most vulnerable, but  
16 protection requires action. This year, ICARE is  
17 requesting \$6,297,250 to support 2,013 children and  
18 families through legal screenings, Know Your Rights  
19 trainings, direct representation, and referrals to  
20 essential services. These children came here seeking  
21 safety, and it's up to New York to ensure they aren't  
22 put back into harm's way.

23 SERGEANT-AT-ARMS: Your time has expired.

24 Thank you so much.

25

2                   SIERRA KRAFT: Thank you so much. Really  
3 appreciate it.

4                   CHAIRPERSON BRANNAN: Thank you, Sierra.  
5 Now we have Kevin Ly.

6                   SERGEANT-AT-ARMS: Starting time.

7                   KEVIN LY: Chair Brennan and Members of  
8 the Committee, my name is Kevin Ly. I am a lifelong  
9 New Yorker and a proud graduate of New York Public  
10 Schools and a resident of Forest Hills, Queens, where  
11 I live with my wife and our two children, ages 5 and  
12 3. I am here today to urge the Council to prioritize  
13 funding for pre-K at faith-based schools like  
14 Catholic Academies, fully fund and enhance New York  
15 City Public Schools' Summer Rising programs, and make  
16 CBO's after-school programs universal. One of the  
17 biggest reasons we chose the Catholic Academy for our  
18 children's pre-K education is the extended hours.  
19 Right now, we can drop our children off at 7:15 a.m.  
20 and pick them up at 5:30 p.m. Public schools alone  
21 simply do not offer this flexibility, making it  
22 difficult for working parents who rely on a full  
23 workday to support their families. I also want to  
24 recognize and commend New York City Public Schools  
25 and the Department of Youth and Community Development

2 for making Summer Rising a reality. However, last  
3 year, only 40 percent of families who were accepted  
4 actually attended the program. This is deeply unfair  
5 to the thousands of parents who desperately needed a  
6 Summer Rising seat but were turned away due to  
7 limited capacity. When a family secures a spot and  
8 then does not show up, this is a wasted opportunity  
9 for another child. We really do need a more efficient  
10 enrollment process. The Summer Rising should be more  
11 recreational-based and enrichment-enhancing so that  
12 it includes sports activities, arts programs, and  
13 hands-on STEM learning. Finally, we must make after-  
14 school programs universal with the support of  
15 community-based organizations. As a father, as a New  
16 Yorker, and a public school graduate, I urge the  
17 Council to make these investments in our city's  
18 children (TIMER CHIME) and working families. Thank  
19 you for your time and leadership.

20 SERGEANT-AT-ARMS: Time has expired.

21 CHAIRPERSON BRANNAN: Thank you, Kevin.  
22 Now we have Sienna Fontaine.

23 SIENNA FONTAINE: Good afternoon, Chair  
24 Brannan and esteemed Committee Members. I'm Sienna  
25 Fontaine, General Counsel at Make the Road New York.

2 On behalf of our 28,000 members, I thank the  
3 Committee for the opportunity to be here today.

4           In the face of anti-immigrant attacks,  
5 budget cuts, and other assaults on working people,  
6 Make the Road is working around the clock to meet the  
7 surge in need. In this moment of crisis, the City  
8 must fortify critical services and protect New  
9 Yorkers of all immigration statuses. We ask the  
10 Council to use every available tool to reverse the  
11 Mayor's attacks on immigrants and working-class New  
12 Yorkers. The services that organizations like us  
13 provide are essential. We work in partnership with  
14 many organizations who have testified here today and  
15 echo their call for the Council to champion the needs  
16 of the most underserved and vulnerable in our city.

17           Here are some examples of the critical  
18 work that we're doing right now. Providing  
19 immigration legal services to reunite families who  
20 have been separated by ICE. Doing Know Your Rights  
21 trainings for thousands of New Yorkers so families  
22 know how to handle interactions with enforcement  
23 agencies. Connecting uninsured families to  
24 desperately needed healthcare. Winning back stolen  
25 wages for exploited immigrant workers. Organizing

2 with the vibrant trans-Latinx community in Queens.  
3 And providing high-quality college access support to  
4 low-income high school students who are first-  
5 generation college goers.

6           We're in dire need of resources to meet  
7 the needs of our communities. Here are five programs  
8 that we need to preserve and expand. The Rapid  
9 Response Legal Collaborative, which provides high-  
10 quality legal representation to individuals on the  
11 precipice of deportation by creating a 25 million  
12 rapid response fund. Allocate an additional 5 million  
13 to the Department of Consumer and Worker Protection  
14 to ensure strong enforcement of paid sick leave and  
15 the new minimum pay rule for delivery workers. Double  
16 baseline funding for adult literacy programs funded  
17 through DYCD from 12 million to 24 million. Restoring  
18 the cuts from last year and enabling programs to  
19 bolster services in a time of increased need. Protect  
20 New Yorkers' health by expanding overall funding for  
21 the Access Health Initiative to (TIMER CHIME) 4  
22 million. Allocate 2.36 million...

23           SERGEANT-AT-ARMS: Your time has expired.

24 Thank you.

25

2 SIENNA FONTAINE: And we look forward to  
3 continuing these conversations, and we'll submit more  
4 detailed testimony. So, thanks so much.

5 CHAIRPERSON BRANNAN: Thank you, Sienna.  
6 Now we have Tierra Labrada.

7 SERGEANT-AT-ARMS: Starting time.

8 TIERRA LABRADA: Hi. I'm really sorry. I  
9 actually just started driving. Can you come back to  
10 me, please?

11 CHAIRPERSON BRANNAN: Okay. Now we have  
12 Matthew Weber.

13 SERGEANT-AT-ARMS: Starting time.

14 MATTHEW WEBER: Hello. Are you able to  
15 hear me?

16 CHAIRPERSON BRANNAN: Yes. Please begin.

17 MATTHEW WEBER: Okay. Thank you for the  
18 opportunity. For nearly four years, tens of thousands  
19 of New York City retirees and active employees have  
20 been working around the clock to preserve hard-earned  
21 promised retirement healthcare benefits. Reneging on  
22 promised benefits brings immeasurable long-term harm  
23 to New York City's efforts to recruit and retain  
24 quality employees. The Mayor continues to waste  
25 pressures between human and financial resources to

2 appeal related court rulings. The opportunity and  
3 costs and hard costs associated with these appeals  
4 must be disclosed to the Council and public.

5 Transparency within government is more important now  
6 than ever before. The redirected billions of dollars  
7 from the MLC Health Care Stabilization Fund's Office  
8 of Active Employees Raises was at best short-sighted.  
9 100 separate union welfare funds are counterintuitive  
10 to leveraging group purchasing contracts and  
11 achieving maximum efficiency of operating capital  
12 expenses. The Council should initiate hearings and  
13 forensic audit of the MLC's Health Care Stabilization  
14 Fund to ensure there's appropriate accountability.  
15 And bottom line is, facts matter. Intro. 1096 is not  
16 illegal. These retirees, we're talking about elderly,  
17 infirm, vulnerable populations that's depending upon  
18 the City Council to protect them. Please stand up and  
19 do the right thing and put political agendas and egos  
20 aside. It's been four long years. Thank you,  
21 everybody.

22 CHAIRPERSON BRANNAN: Thank you. Now we  
23 have Akiana Smith.

24 SERGEANT-AT-ARMS: Starting time.

2 AKIANA SMITH: Good afternoon. As we  
3 recognize International Women's Month, we must  
4 acknowledge the resilience and strength of women and  
5 gender-expansive individuals who have been directly  
6 impacted by criminal legal system. My name is Akiana  
7 Smith, and I serve as the Director of Community and  
8 Court Navigation at the Women's Community Justice  
9 Association, WCJA, home to the Beyond Rosie's  
10 campaign. Our work is rooted in the mission of ending  
11 the incarceration of women and gender-expansive  
12 people and advancing gender-responsive community-  
13 based alternatives to incarceration. One of the most  
14 critical resources for justice-impacted individuals  
15 is court peer navigation. Having a dedicated court  
16 peer navigator, exclusively a woman or gender-  
17 expansive individuals, provides not only practical  
18 guidance but also a crucial source of moral support  
19 for those navigating the complexities of our criminal  
20 legal system. The challenges of the court proceedings  
21 re-entry and detainment are deeply traumatic, and  
22 peer navigation offers a vital bridge between  
23 individuals, their legal representation, and  
24 community resources. At WCJA, we recognize that true  
25 justice requires a shift in investment from carceral

2 systems to community-based solutions that prioritize  
3 care over punishment. Through our initiatives,  
4 including the Court Peer Navigation Program, we  
5 advocate for the redistribution of funding to ensure  
6 that justice-impacted women and gender-expansive  
7 individuals receive the support they need rather than  
8 just being left to navigate the system alone.  
9 Investing in these resources is not just a necessity,  
10 it's a moral imperative. I urge this Body to  
11 prioritize funding for programs that provide direct  
12 support and guidance for justice-impacted  
13 individuals, ensuring that no one has to face the  
14 system without the resources they deserve. Thank you.

15 CHAIRPERSON BRANNAN: Thank you. Now we  
16 have Marianne Pizzitola.

17 SERGEANT-AT-ARMS: Starting time.

18 MARIANNE PIZZITOLA: Pizzitola. Thank you,  
19 Chair Brannan. Thank you for the opportunity to  
20 speak. My name is Marianne Pizzitola. I am the  
21 President of the New York City Organization of Public  
22 Service Retirees, an organization of municipal  
23 retirees that represents 250,000 retirees. Since  
24 1967, retiree healthcare has been protected and  
25 funded in the New York City budget by law. This

2 promise has ensured that any City public servant who  
3 dedicated a specific number of years of their life  
4 serving New Yorkers, whether union or nonunion,  
5 received a fully paid Medicare supplemental plan upon  
6 retirement. This isn't just a benefit, it's a  
7 commitment that stood the test of time, recognizing  
8 the sacrifices made by those who served the city,  
9 built this city, and rebuilt it after 9/11. It was  
10 never part of collective bargaining because it was  
11 guaranteed by law, not negotiation. Yet today we see  
12 some union leaders stepping outside their lane,  
13 acting as though they are elected officials managing  
14 the City's budget rather than representing their  
15 members' best interest. They claim the City is too  
16 poor to uphold these promises, but look at the facts.  
17 Under Mayor Adams, the City's budget has grown over  
18 15 billion dollars during his term. The City's not  
19 poor. What we're witnessing is a failure of some  
20 union leaders to negotiate better contracts for their  
21 active members. Instead of focusing on improving  
22 wages and benefits for their workers, they're  
23 attempting to balance the books on the backs of  
24 retired public servants, those who already earned and  
25 rely on their promised vested benefits. Union leaders

2 are not budget managers. They are advocates for their  
3 members. Their job is not to strip retirees of  
4 healthcare, but to fight for fair contracts for their  
5 workers. Retirees upheld their end of the deal when  
6 they served this city, and it's time for this city  
7 and union leaders to do the same. Thank you,  
8 everyone, for this opportunity.

9 CHAIRPERSON BRANNAN: Thank you, Marianne.  
10 Now we have Audacia Ray.

11 SERGEANT-AT-ARMS: Starting time.

12 AUDACIA RAY: Good afternoon. My name is  
13 Audacia Ray. I use they/them pronouns, and I'm the  
14 Interim Executive Director at the New York City Anti-  
15 Violence Project. Our organization was founded in  
16 1980, and we are the only LGBTQ-focused rape crisis  
17 hotline in the state. We offer free services to LGBTQ  
18 survivors of violence. Over the past year, our  
19 hotline saw a 20 percent increase in crisis calls,  
20 and since Trump's inauguration in January, we've seen  
21 a dramatic increase in requests for support around  
22 immigration and asylum.

23 I wanted to share some of our top  
24 priorities for the next Fiscal Year with you all and  
25 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.

2 CHAIRPERSON BRANNAN: Thank you. Now we  
3 have, finally, Tierra Labrada.

4 SERGEANT-AT-ARMS: Starting time.

5 TIERRA LABRADA: Hi. I'm still driving, so  
6 I hope that you all can hear me. I'll try to make  
7 this brief.

8 Thank you, Chair Brannan, for the  
9 opportunity to testify. My name is Tierra Labrada.  
10 I'm the Director of Policy and Advocacy with the  
11 Supportive Housing Network of New York. We are a  
12 membership organization representing over 100 non-  
13 profits that operate over 40,000 units of supportive  
14 housing throughout the city. Today, I want to focus  
15 on our plan for 15/15 reallocation, and I do just  
16 want to thank the Council for all of your support in  
17 our 15/15 reallocation plan. I'll be brief. I'm going  
18 to submit longer written testimony, but today I just  
19 want to ask the Council for your continued support in  
20 codifying this plan in the FY26 budget. Our data  
21 suggests that there are about 6,000 scattered site  
22 units that have yet to be unawarded, and in order for  
23 the city to reach its goal of 15,000 units by 2030,  
24 we estimate that about 944 of those units will have  
25 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