



THE COUNCIL
THE CITY OF NEW YORK

TESTIMONY of DOMENIC M. RECCHIA, Jr.
Chair, Finance Committee
January 28, 2013

Good afternoon Chairman Farrell, Chairman DeFrancisco, Assembly Member Oaks, Senator Krueger, and members of the Finance and Ways and Means committees. Thank you for this opportunity to testify before you today. I am Domenic M. Recchia, Jr., and I have the privilege of chairing the New York City Council's Finance Committee. I am here today on behalf of our Speaker, Christine C. Quinn, and the members of the New York City Council.

Governor Cuomo's Executive Budget for 2013-2014 builds on the success of the past 2 years in bringing the growth of State government costs under control. This is important for New York's future:

- It sends a message that we're serious about getting control of the high cost of doing business in New York, and
- it gives us room to make the kinds of productive investments that are needed to keep our State and its people successful in the future.

There are a number of proposals in Governor Cuomo's budget that we welcome:

- The CUNY2020 program will provide \$55 million dollars in additional investment in our senior and community colleges, which is vital to preparing our workforce for success in a competitive, knowledge-driven economy.
- The Budget proposes to move the State's Mitchell-Lama portfolio under the supervision of Homes and Community Renewal and provides critically-needed investment to preserve these important affordable housing assets.
- We are hopeful that the Governor's proposed Preschool Special Education reform for New York City will help us bring those costs – which are over a billion dollars and the fastest growing components of DOE spending – under control. These are important first steps toward better oversight and control of these costs, and I hope that they can help us meet the needs of all our students cost-effectively.
- We also applaud funding for Full-Day Pre-K – something we in New York City have long had a need for more of – and for the Extended School Day and Community Schools initiatives. These are all programs that Speaker Quinn and I have expressed our support for and we hope they can be expanded in the future.

There are a few areas where we have some concerns as well:

- Obviously, we are all very disappointed that the Administration and the UFT failed to reach an agreement on teacher evaluations, forgoing at least \$250 million in State Aid this year. The Executive Budget makes next year's increase contingent on an agreement as well, and of course we're all hopeful that happens. I have two observations I'd like to make about our education funding:
 - First – it seems that next year's increase will be based on this year's funding level after the removal of this year's education aid – which means we'd lose that money forever. That would be a blow to New York City schoolchildren, and I would hope we could find a way to recapture that increase – assuming of course, we have a teacher evaluation agreement in place.
 - Second – putting more than \$800 million in Title I and other federal funding at risk this year would be devastating. I cannot emphasize enough how important these funds are. Last year's budget was adopted on the understanding that we needed a teacher evaluation system by January 17th or we would lose the State Aid increase – NOT federal Title I money as well. This would undoubtedly lead to layoffs of thousands of teachers. This cannot be allowed to happen.
- For the 5th year in a row, the Human Services COLA would be deferred, resulting in a cumulative loss of 10% in earnings for these hard-working, mostly minority, and mostly lower-middle income workers. Fortunately the financial plan would make the increase automatic starting next year, but we urge you to implement that in this year's budget, and not make these frontline social services workers wait another year.
- While funding for the Summer Youth Employment Program remains level at \$25 million in the Executive Budget (of which New York City anticipates \$13.7 million), the number of SYEP participants will decline by approximately 4,300 under the Governor's proposal, due to the minimum wage increase. We support the minimum wage increase, but the City would need an additional \$5.6 to \$6 million to maintain the number of state-funded SYEP participants at last year's level.

Of course, very close to home for me are the Governor's proposals for recovery and rebuilding after Superstorm Sandy. It is three months to the day since Sandy hit our shores and thousands of families and businesses in South Brooklyn, Staten Island, the Rockaways, and Lower Manhattan are still hurting. I meet with people every day whose lives have been shattered by this storm, and it is heartbreaking:

- Thousands still remain displaced from their homes;
- Thousands more don't know how they are going to fix the damage to their homes and still pay the bills next month;
- Parents are having to take more and more time off work because day centers are not up and running yet;
- Churches are facing closure;

- Nonprofits and community organizations are worried they are going to have to leave the neighborhood because their facilities were ruined by the storm; and
- Businesses are struggling to pay for repairs and reopen their doors, causing a devastating impact on local economies.

In terms of impact, the storm itself is proving to be nothing compared to the despair and frustration felt by New Yorkers who now face a long, difficult road to rebuilding their lives. Many of them fear that we as a City and State have abandoned them. I cannot stress enough how important it is to start getting them help – and hope – right away. We must use the federal funds we will receive to help people who have lost their whole lives – their homes, their businesses, their possessions – to help them rebuild their lives, and to keep these communities alive and vibrant. If we don't help our fellow citizens now, they will lose faith in us – and if we abandon them, they will abandon us.

That is why I was glad to see the Governor's comprehensive set of proposals for recovery and rebuilding. Of course, a lot of details remain to be worked out. But as we do move forward, it is critical that the voices of the communities impacted by the Storm be heard in this process. We urge the Governor to empower those who have lost so much to play a role in this rebuilding process. Let them have a seat at the table and tell us what they need. As legislators, you know how important this is, and I'm sure you will continue to work with us at the local level to make the voices of our constituents heard.

As you heard from the Mayor, we will be proposing legislation to provide property tax rebates for severely-damaged or destroyed homes, which we will be seeking your support for.

On behalf of Speaker Quinn and my colleagues, thank you for your attention today. We look forward to continuing to work with our fellow legislators over the next couple of months. I'm happy to take any questions you might have for me.