

8

Testimony of Hon. Melissa Mark-Viverito  
Speaker, New York City Council

Joint Hearing of the Senate Finance and Assembly Ways and Means Committees  
February 25, 2015

Good afternoon Chairman DeFrancisco and Chairman Farrell, and members of the Finance and Ways and Means Committees. I am Melissa Mark-Viverito and I am the Speaker of the New York City Council where I also represent East Harlem and the Bronx.

Governor Cuomo's Executive Budget for State Fiscal Year 2015-2016 is a budget that contains many things that are good for New York City and that the Council can fully support.

It is a budget that is balanced by generally accepted accounting principles, something the State has not always achieved. It is a budget that emphasizes education and economic investment throughout the state. With a healthier economy revenues are up in New York State as they are in New York City. As we look forward to the State budget and New York City's budget, the Council will dedicate itself to ensuring that all New Yorkers have a share in the comeback that is underway.

That being said, there are some proposals that deserve a closer look. For many years, New York City has felt that the State has balanced its budget on the back of New York City. In my second year as Speaker and with the Governor and Legislature I hope that New York City can finally realize what it has fought for and what it deserves. To do that, we will need your support.

Let's start with the minimum wage. The Council calls upon the State to give local municipalities control over setting a minimum wage that reflects the needs of the local economy. This is an instance in which one size does not fit all and there are local concerns that should outweigh a state mandated minimum.

Next, I would like to address the Asset Forfeiture, as also known as the bank settlement. The State is expecting to receive approximately \$5.7 billion in settlements from 12 financial institutions, with the largest, \$3.6 billion, from BNP Paribas. We applaud that this windfall is being used to invest in ways that meet the long term needs of the State.

However, in New York City there are few areas in more need of investment than affordable housing. Using \$440 million from the settlement, the Governor proposes to address this in worthy ways. These include the NY/NY IV supportive housing program; to support rental

assistance to those with HIV/AIDS; to improve seniors and veterans housing; to help homeowners write-down mortgage payments; and for low cost financing and access to capital through Community Development Financial Institutions (CDFIs).

These include the NY/NY IV supportive housing program; to support rental assistance to those with HIV/AIDS; to improve seniors and veterans housing; to help homeowners write-down mortgage payments; and for low cost financing and access to capital through Community Development Financial Institutions (CDFIs):.

The Council would like to applaud the Governor for including funding for repairs to New York City Housing Authority developments in the amount of \$25 million for the first time in many years. Unfortunately, after years of deferred maintenance at NYCHA much more funding is needed to keep NYCHA safe. The residents of the NYCHA are suffering from conditions that are the result of a persistent shortage of capital funding. In Fiscal Year 2015, the City, through the combined efforts of the Council, the Mayor and the Borough Presidents have planned to commit \$225 million in capital dollars to improve these conditions. The City Council calls upon the State to show its commitment to the restoration and maintenance of the public housing stock by matching the City's capital contribution and to show its commitment to the over 400,000 New York State residents that call NYCHA home.

But only \$25 million is going for improvements to public housing. This falls way short on what's needed to keep NYCHA safe. The residents of the New York City Housing Authority are suffering from conditions that are the result of a persistent shortage of capital funding. In Fiscal Year 2015, the City, through the combined efforts of the Council, the Mayor and the Borough Presidents has have planned to commit \$225 million in capital dollars to improve these conditions. The City Council calls upon the State to show its commitment to the restoration and maintenance of the public housing stock by matching the City's capital contribution and to show its commitment to the over 400,000 New York State residents that call NYCHA home.

The Governor's budget outlines \$42 million in continued support for 44 Mitchell Lamas in severe distress and \$187.2 million for Homes and Community Renewal and Office of Temporary and Disability Assistance's capital programs that support the creation or preservation of affordable and supportive housing across the State. The Council is in favor of these efforts.

We are glad to see a property tax circuit breaker included in the Governor's budget. The proposal is an improvement over last year's. But it still does not work for New York City. Our tax system is different from other local government in the State. New York City relies on personal income and business income taxes and taxes on commercial property. Taxes on

owner occupied property are low. NYC's real problem is rent burdened households. The governor's program has a renter's credit. However, it does not kick in until a household has a burden of around 45 percent which is well above the 30 percent threshold commonly used in identifying when rent becomes a true difficulty. Therefore, we believe the program should be reformed to better target towards truly rent burdened households.

With regards to the Education proposals, there are items to support as outlined in the 2015 Opportunity Agenda, such as the DREAM Act, with \$27 million in this year's budget to make it a reality. We also support the proposal to maintain and increase the investment for universal pre-K for 4-year olds to \$370 million and the \$25 million in pre-K programs for 3-year olds in high needs districts, and the proposed extension of mayoral control in New York City.

However, one proposal that we will watch closely and need clarity on is the increase in State aid. The Governor proposes increasing State aid to education by \$1.1 billion statewide, if certain reforms he is advocating are enacted by the Legislature. Failing that, aid to education would increase by only \$377 million statewide. We believe that the full \$1.1 billion should not be linked to the passage of all the Governor's proposed education reforms. It would be counterproductive to reduce available funding to schools because there is disagreement over these issues.

Even with the \$1.1 billion increase that the Governor has proposed, it is still well short of the \$2 billion requested by the Board of Regents. Furthermore, the Governor's proposal makes no mention of the \$2.5 billion owed to the City under the Campaign for Fiscal Equity (CFE) settlement, or making this increase a down payment towards fully-funding CFE. New York City children deserve this funding and with the improved economy, this budget is the place to start moving towards equity in funding for our City schools.

Other proposals like strengthening teacher evaluations and making it easier, fairer and faster to remove ineffective teachers from the classroom are all ideas that we will continue to review.

More funding to combat and prevent homelessness is imperative. As I stated last year, we believe that rental assistance is the best, most cost-effective tool we have to help families living in shelter achieve stable, permanent housing. As you know, the homeless numbers have not decreased and it's imperative that more be done to address this problem.

The Governor's proposal to use of \$220 million in savings generated by capping OCFS youth facility billings for rental assistance programs or other services for the homeless; and the \$50 million in excess reserves to support various housing programs, is a step in the right

direction, however more is needed.

A \$9 million increase in the Foster Care Block Grant is very positive, as is the Governor's continued funding to support a salary increase for foster and adoptive parents and direct care and direct care support workers as of January 1, 2015, and a two percent salary increase for clinical staff as of April 1, 2015.

With regard to criminal justice reform, there is also widespread support for the recommendations of the Commission on Youth, Public Safety and Justice to raise the age of juvenile jurisdiction from age 16 to age 18.

The Council and the Administration have worked collaboratively to combat gun violence through the Anti-Gun Violence initiative and would welcome the continuation of any funding for Operation SNUG to expand the impact of gun violence prevention programs.

Looking at what's proposed for the MTA, the Governor included \$750 million for the 2015-2019 capital plan. However, considering that the MTA is facing a \$15 billion budget gap, this allocation is not sufficient to ward off future fare increases. Given that over two and a half billion riders use MTA's services each year, it is imperative that the infrastructure be safe and reliable and we can only do that by dedicating funding while we have it.

Tax credits such as Urban Youth Jobs Program Tax Credit, which offers a tax incentive to employers who give jobs to low-income or at-risk youth, ages 16-24, could certainly benefit New York City. For part-time and full-time employees, employers could receive as low as \$250 credit per month or as high as a \$1,000 credit per month depending upon the length employment.

To continue to spur economic growth, the Council is continuing to review broad-based economic development proposals like the New NY Broadband Fund which establishes a \$500 million fund to significantly expand the availability and capacity of broadband across the State; the Global NY Development Fund, which encourages more New York-based companies to export their products to established and emerging markets around the globe; and the New York State Innovation Venture Capital Fund designed to accelerate technology commercialization by making equity investments in high-growth technology companies.

In conclusion, Governor Cuomo has called his program an Opportunity Agenda. Opportunity is what the New York City Council is all about. Opportunity for the vast number of people who have been left out by the growing inequality of our society. The services I have discussed here which have included: education, affordable housing, homeless services and youth employment provide a base that let people use the opportunities our great State offers to create a decent life for themselves and their families.

I thank you for your time and attention and look forward to our continued efforts on behalf of the people of New York City and State.