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

**Joint Hearing of the Senate Finance and Assembly Ways and Means Committees
January 27, 2014**

Good afternoon Chairman DeFrancisco, 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. I'm joined today by a number of my colleagues ...

Acknowledge Members present

Governor Cuomo's Executive Budget for State Fiscal Year 2014-2015 contains several elements that we at the New York City Council welcome, such as the renter's tax credit – something that is sorely needed in New York City, where 70% of residents are renters and half of them pay more than one-third of their income in rent.

We urge your support for this, and of course, we hope that you will make again this year many of the important spending restorations that you made last year – to the Youth Development Program (YDP) and Runaway Homeless Youth, to the CUNY ASAP program, and to CUNY's base operating aid, to name a few.

We also hope that the \$81.5 million that the general fund will receive from the JPMorgan settlement reached by Attorney General Schneiderman will be used to supplement – not supplant – funding for housing programs ... including programs that will benefit City residents.

There are a few areas where we have some concerns, which we'll of course be discussing with you in the coming weeks. There are two in particular that I would like to highlight today.

Let me start with the Homeless Housing and Assistance Program, which in the Governor's budget would more than double, to \$63 million. This is terrific.

However, the Article VII Aid to Local Governments bill expressly prohibits using homeless housing funding to provide rental assistance to persons leaving shelter without a plan approved by the Office of Temporary and Disability Assistance (OTDA). The homeless shelter population in our city has risen 70% in the last decade, and the previous administration's approach to the problem of homelessness failed. We believe that rental assistance is the best, most cost-effective tool we have to help families living in shelter achieve stable, permanent housing – certainly more cost-effective than warehousing families and children in homeless shelters. We hope that you and the Governor will work together with us in the City to craft a rental-assistance program that will help us finally begin to address the crisis of homelessness in New York City.

Secondly – We of course particularly welcome the Governor’s commitment to universal full-day pre-kindergarten and after-school. The importance of early childhood education to future success in school, career, and life, is now widely acknowledged in countless studies and has been born out in practice in communities across the country.

In particular, it is so critically important to give disadvantaged, low-income, and minority students access to the same kind of quality early education opportunities that their more fortunate counterparts have, in order to help close the widening achievement gap between poor and non-poor students.

In short, Universal Pre-K will help level the playing field for thousands of New York’s children who otherwise could be left behind.

The Governor has acknowledged this, and we are happy he’s invested in the issue.

Where we part company with Governor Cuomo is on the question of funding.

We agree with Mayor de Blasio on the need for a dedicated local funding stream to fully support these programs in the City.

In our view, no program is more critical to expand right away than Universal Pre-K.

The Governor’s proposal ramps up too slowly, starting at only \$100 million, not all of which of course will go to New York City.

But by our estimate, it will cost us as much as \$300 million annually to make pre-k truly universal, just in New York City.

Let me be clear, however - we are not in any way rejecting or demeaning what the Governor has put on the table – but we want to fulfill this promise to our City’s working families and children as soon and as fully as possible. We think the best way to accomplish that is through the very modest tax increase on the well-to-do that the Mayor has proposed. And we think our own recent experience demonstrates that this modest increase will have little or no impact on the City’s economy.

In fact, in 8 out of the last 20 years, the City’s top marginal income tax rate has been higher than what Mayor de Blasio is proposing – and by the way, kicked in at much lower income levels – and we did not see taxpayers or businesses abandoning the City

We also have the precedent of a temporary increase in the top marginal rate in order to meet a particularly acute need – namely the Safe Streets/Safe City program. We think this experience shows that the well-to-do, who have thrived in New York City, are willing to pay a little more to ensure that the City as a whole may thrive as well. Today, UPK is that acute need.

And finally, we believe that this is a local home rule matter. Last year the legislature granted sales tax increases to four counties, all at the counties’ request. We are only

asking for the same right – to tax ourselves – nowhere else – to decide as a City what our budget priorities should be and how we meet them.

New York City deserves that.

Our arguments here today apply equally to after-school programming, which will cost over \$200 million annually to expand in New York City. The governor's proposal doesn't start funding until next fiscal year – 2015-2016 – and relies on casino revenues that are insufficient and frankly, speculative.

I'd like to conclude today with a plea for fairness.

In numerous ways, State budgets over the last several years have been balanced on the back of New York City. Three prominent examples include the broken promise of the Campaign for Fiscal Equity, the elimination of AIM aid to New York City, and the cessation of funding for State-sponsored NYCHA developments. Together, these actions have cost the City as much as \$4 billion or more annually in State aid.

As a basic matter of fairness, this cannot continue. The City's economy generates 48% of all State tax revenues, according to a Rockefeller Institute study, but only receives 40% of total State spending in return.* We're not saying we should get back exactly what we send to Albany – merely that, as times improve, New York City deserves a fairer shake in the State budget than it has received recently.

Thank you for your time and attention today, and I'd be happy to answer any questions you may have.

* *Giving and Getting: Regional Distribution of Revenue and Spending in the New York State Budget, Fiscal Year 2009-10.* Rockefeller Institute of Government, Dec. 2011.

