

Testimony by Mayor Eric Adams
Senate Finance and Assembly Ways and Means Committees
February 9, 2022

Thank you, Chair Krueger, Chair Weinstein, Ranking Minority Members O'Mara and Ra, and all members attending today's hearing.

I would also like to thank Speaker Carl Heastie and Majority Leader Stewart-Cousins.

I am Eric Adams and I am honored to appear before you today as the 110th Mayor of the great City of New York.

I am joined here by my Budget Director, Jacques Jiha, and Tiffany Raspberry, Senior Advisor for External Affairs.

At this moment, our City is focused on three significant goals: reducing crime, overcoming the challenges caused by the pandemic, and rebuilding our economy.

Today I will outline three key steps we can collectively take to overcome these issues and improve our City:

First, an urgent request for more funding for mental health services, particularly for New Yorkers that are a danger to themselves and others,

Second, changes to the Earned Income Tax Credit to put more cash in the pocket of working New Yorkers,

And third, new childcare initiatives that would address childcare deserts and allow parents to get back to work.

These initiatives will have cascading effects throughout the city, advancing the priorities we all care about.

Before we can talk about any specific plans, we need to begin with the topic of public safety.

Safety and justice are the keys to prosperity. We cannot function as a City unless New Yorkers are safe – and *feel* safe – on our streets, our transit system, our workplaces, and our homes.

A few weeks ago, I laid out my Administration's *Blueprint to End Gun Violence*, a multi-disciplinary approach to reducing crime and addressing its underlying causes.

As I said then, the sea of gun violence in our City does not have one single point of origin. It flows from many rivers, each contributing to the problem. Reducing crime will require both intervention *and* prevention.

That is why it is urgent that we request the State's immediate assistance in expanding the number of beds for those in critical need of mental health care, and funding for the medical and support staff they require.

Too many of our fellow New Yorkers are cycled through temporary care and released before they are ready, often due to the limited availability of long-term support and housing. We now face a humanitarian crisis in our streets and on our transit system that threatens our City's safety and recovery, and we cannot afford to let this issue go unaddressed any longer.

And as I've previously mentioned, we also ask for the State to make targeted amendments to New York's bail laws to allow judges to consider a defendant's dangerousness, especially for individuals accused of perpetrating gun violence.

We also support removing overly burdensome disclosures. The extensive requirements of the new discovery bill have led to too many delays and dismissals.

We urge the State to distinguish what is truly necessary for discovery, especially in cases where a complainant directly brought law enforcement to the scene.

Finally, my Administration supports changes to Raise the Age legislation. Too many New Yorkers in their late teens and early twenties have abused this change, demanding young people under 18 take the fall for guns that are not truly theirs. The law is being used to victimize our youth.

The second major step of my plan is to increase the Earned Income Tax Credit. It has been nearly 20 years since the City and State of New York increased the Earned Income Tax Credit benefit that has helped so many low- to moderate-income families.

That is why I'm asking the State to authorize the City to boost the amount the City gives back to recipients of the Earned Income Tax Credit, up to 30% of the Federal benefit depending on income.

In addition, I am calling on the State to match our efforts by increasing the amount it gives back to recipients with an additional State investment of up to \$250 million.

The State has been generous to New Yorkers, but it hasn't adjusted the percentage it gives back in nearly two decades. It's time to change that. The cost of living is up and a dollar doesn't go as far as it used to.

Expanding the EITC will allow New York to get money to hardworking New Yorkers and build a strong foundation to address ongoing economic inequality. With your support for this proposal, we will ensure that much-needed relief will reach those most in need.

And finally, we get to childcare. Many of the hardships faced by working-class and low-income parents have become more pronounced during the pandemic. Those who cannot find affordable childcare are trapped in a never-ending, negative economic cycle. They need help.

We recognize and appreciate that the Executive Budget expands childcare eligibility. The Governor's proposal would increase childcare eligibility from 200% of the state income standard to 300% in 2024.

These increases would make childcare subsidies more accessible for vulnerable families that need help, and we support this proposal. The budget also includes \$75 million in federal funding to provide wage enhancements for childcare workers, which is also welcome.

We look forward to working with the Governor and the Legislature to go further in providing pathways for families to access affordable childcare.

Also, the State should fund the cost of the increased foster care subsidy rate on localities. If this is not addressed, the City faces a \$117 million shortfall, depriving other City-funded social services of desperately needed resources.

Two additional proposals could help create more childcare space by utilizing tax incentives.

The first proposal would authorize the City to offer property owners a tax abatement for retrofitting space to establish childcare centers.

The second proposal would authorize New York City to provide a tax credit to companies that provide free or subsidized childcare for their employees in their place of business.

We must do everything we can to lift up working families across the board. These proposals, along with other initiatives to be included in the enacted budget, will help make sure our children are cared for and our parents are supported.

While we continue to advance our COVID-19 recovery, we must also address our economic recovery.

Now more than ever, New York City's economy, and especially our small businesses, need our help. To make this happen, we are going to slash red tape and make it easier to do business in the City. I've already started this work with the Small Business Forward Executive Order, which directs City agencies to re-evaluate the penalties issued to small businesses. This will be a hallmark of my administration.

When I campaigned for Mayor, I didn't just promise the people new programs and ideas. I promised an efficient government that prioritizes responsible spending of public dollars.

I have already begun to make good on this promise by implementing a Program to Eliminate the Gap, or PEG, which will require City agencies to find savings in their budgets by 3%.

I've also appointed the City's first Chief Efficiency Officer, who will hold City agencies even more accountable to our taxpayers. These actions will build one of the most cost-effective and fiscally responsible governments this City has ever seen.

As you've heard, we have a lot of work to do for this City and our sleeves are rolled up to get stuff done. Of course, we'll need your partnership, which brings me to the Governor's Executive Budget.

I want to thank the Governor for including many of our essential priorities in this budget. I especially want to thank Governor Hochul for including a four-year extension of Mayoral Accountability for New York City public schools.

This extension will help my Administration improve education and prioritize equity. Instead of leaving our students to fail, especially our Black and Brown students, we will help them overcome adversity and find their way.

As someone who struggled with undiagnosed dyslexia as a young person, I know how important it is that students are given the tools necessary to overcome roadblocks to learning. I plan to make dyslexia screening universal in all our public schools.

We also appreciate the proposed increase in Foundation Aid of \$346 million. I want to thank the Legislature for consistently fighting to ensure the Campaign for Fiscal Equity commitment was fulfilled.

I also thank Governor Hochul for including a five-year extension of Design Build. This will continue to streamline lengthy procurement processes and literally build a better New York City.

Another proposal that we support is making the bus lane photo monitoring program permanent, to ensure that we keep our bus lanes clear and our riders on time.

I would urge the State to transfer home rule to New York City to manage the city's camera enforcement programs in addition to empowering cities to control speed limits on their streets. Doing so will allow us to rapidly respond to public safety crises on our roadways, reduce reckless driving, and keep private automobiles out of bus lanes.

I also commend the Governor's commitment to the environment through the Clean Water, Air, and Green Jobs Bond Act, and through the Statewide mandate to convert to electric school buses by 2035.

New York City must use every available option to increase housing supply, affordability, and stability in our City.

Some proposals in the Governor's budget will help us do just that, including eliminating the Floor Area Ratio cap in State law, which will allow us to build higher and denser housing. We strongly support this proposal.

We also need to find more flexible ways to use the buildings we already have, including safe basement apartments and office and hotel conversions. State regulations need to change to make sure we can onboard these units safely and at scale.

We also ask that the State allocate significantly more resources to help us fund deeply affordable housing for lower-income New Yorkers.

We support the concepts laid out in the Governor's 485W to promote additional affordable housing. While the City may ultimately propose minor changes, I believe this is a critically important tool.

I would now like to highlight a few City proposals that will help our finances.

We ask for your support to authorize an increase in the Transitional Finance Authority's borrowing capacity to return the City's debt incurring power to its pre-pandemic level.

This is not the borrowing request proposed in 2020, which requested borrowing authority to cover operating expenses. This new request is for the City's capital program, and is necessary because of reduced commercial property values, which is tied to the borrowing capacity for our capital program. This costs the State nothing and will provide support for the City to carry out its much-needed long-term capital plan.

Additionally, we request that the State codify the Debt Service Provision into State law to maintain the City's strong credit ratings. This will be important to signal to investors that New York City will always be a safe investment.

We also ask that you support reversing several cuts and cost shifts that have been made over recent years and have weakened our social safety net and eliminated support for healthcare.

Over the past four years, the City has seen an increasing number of cuts, including \$204 million per year for TANF, \$59 million per year for Article 6 Public Health Funding, and \$30.5 million per year for the Close to Home program.

We applaud support from the Legislature in ensuring that these cuts were not more severe. Today, we ask for your help to restore these cuts to give New York City the funding it should have had all along.

Finally, I want to highlight one particular item in the Governor's Budget that should not be included.

We ask for your support in stopping the permanent extension of the Sales Tax Intercept for the Distressed Hospitals fund, which would take \$200 million annually – and indefinitely – from the City's budget.

\$400 million has already been intercepted from the City for this fund over the past two years, but not a penny has come back to our public hospital system. It is unfair that the City, who has its own distressed public hospitals, has not received support.

In closing, I appreciate your partnership on so many of our key priorities.

The futures of New York City and New York State are intertwined, and we must work together to ensure progress and prosperity.

But our mutual recovery will be difficult if revenue streams are cut off from the City and drastic cuts from previous years are not restored.

That is why we ask for your help once more in strengthening our hand and supporting our people.

Working in partnership, we can build a stronger, safer, and more equitable City and State for everyone who calls themselves a New Yorker.