

CITY COUNCIL  
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

----- X

March 4, 2024  
Start: 10:10 a.m.  
Recess: 4:59 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 Hanks  
Crystal Hudson  
Farah N. Louis  
Francisco P. Moya  
Chi A. Ossé  
Keith Powers  
Yusef Salaam  
Pierina Ana Sanchez  
Althea V. Stevens  
Nantasha M. Williams  
Julie Won

## A P P E A R A N C E S (CONTINUED)

Jacques Jiha  
OMB Director

Kenneth Godiner  
OMB First Deputy Director

Latonia McKinney  
OMB Senior Deputy Director for Intergovernmental  
Relations and Education

Brad Lander  
Comptroller

Francesco Brindisi  
Executive Deputy Comptroller for Budget and  
Finance

Krista Olson  
Deputy Comptroller for Budget

Louisa Chafee  
Independent Budget Office Director

Sarah Parker  
IBO Senior Research and Strategy Officer for  
Infrastructure, Environmental and Economic  
Analysis

Sarita Subramanian  
IBO senior Research and Strategy Officer for  
Education, Human and Community Services

Preston Niblack  
Department of Finance Commissioner

Dierdre Snyder  
Department of Finance Assistant Commissioner for  
Financial Management

## A P P E A R A N C E S (CONTINUED)

Maria Policarpo  
President DC37 Local 1757

Ana Champeny  
Vice President for Research, Citizens Budget  
Commission

Hailey Nolasco  
Director of Government Relations at Center for  
Justice Innovation

Sarita Daftary  
Co-Director of Freedom Agenda

Caroline Conroy  
Senior Director for Policy and Programs, New York  
Immigration Coalition

Lisa Rivera  
President and CEO of NYLAG

Sierra Kraft

Marianela Diaz

Tanya Krupat

Sienna Fontaine



1  
2 SERGEANT AT ARMS: Good morning and  
3 welcome to the New York City Council Preliminary  
4 Finance Budget. At this time, can everybody please  
5 silence your cell phones? At this time and going  
6 forward, no one is to approach the dais. I repeat,  
7 no one is to approach the dais. Chair, we are ready  
8 to begin.

9 CHAIRPERSON BRANNAN: Thank you,  
10 Sergeant. Okay, happy Monday. Welcome to today's  
11 hearing on the committee of Finance on the Fiscal '25  
12 Preliminary Budget. I'm Councilman Justin Brannan.  
13 I Chair the Committee. We've got a very full day  
14 today as we'll hear from OMB, the Comptroller, IBO,  
15 the Department of Finance, and the public. A  
16 reminder for members of the public who wish to  
17 testify in person, you must fill out a witness slip  
18 with the Sergeant at Arms. We've been joined this  
19 morning by Council Members Joseph, Brewer, Narcisse,  
20 Schulman, Ung, Dinowitz, Louis, Selvena Powers,  
21 Hudson, Ayala, and of course our Speaker, and we have  
22 Council Member Cabán joining us on Zoom. Before we  
23 get started, I want to take a moment to thank the  
24 entire City Council Finance Division Staff for their  
25 efforts preparing for today's hearing, including our

1  
2 CFO Deputy Chief of Staff to the Speaker, Tanisha  
3 Edwards, and our Senior Staff Finance Director Rich  
4 Lee, Managing Director Johnathan Rosenberg, the  
5 Deputy Directors Emre Edev, Chima Obichere, Paul  
6 Simone and Aisha Wright, Assistant Director Liz  
7 Hoffman, Chief Economist Dilara Dimnaku, Supervising  
8 Economist Paul Sturm, our Unit Heads Aliya Ali,  
9 Julia Haramis, Flo Kabore, Jimmy Reyes, Jack Storey,  
10 our Finance Counsel Kathleen Ahn, and our Committee  
11 Counsel Mike Twoomey, my Senior Advisor John Yedin,  
12 and then all of our analysts and support staff who  
13 pulled together all the information for today's  
14 hearing and make magic happen behind the scenes on a  
15 daily basis. We're here today to examine the  
16 Mayor's \$109.4 billion preliminary budget for FY25,  
17 which is \$4.7 billion less than our current year  
18 budget. Before I go any further, I'm going to ask  
19 our Speaker Adrienne Adams to give her opening  
20 remarks.

21  
22 SPEAKER ADAMS: Thank you so much, Mr.  
23 Chair. Good morning everyone. Welcome, OMB  
24 partners. I am New York City Council's Speaker  
25 Adrienne Adams, and I thank Chair Brannan for leading

1 this first budget hearing of the Fiscal Year 2025  
2 budget cycle, and thank everyone for joining us  
3 today. I also want to especially welcome our Budget  
4 Director Jacques Jiha. Today, we will examine the  
5 January financial plan that includes the Mayor's  
6 \$109.4 billion Fiscal 2025 Preliminary Budget. The  
7 Preliminary Budget is balanced after closing the  
8 previously projected \$7.1 billion gap from the  
9 November Financial Plan and covering additional  
10 spending in Fiscal Years 2024 and 2025 through  
11 updated revenue projections and expense changes.  
12 These include increased tax revenues, assumed state  
13 funding for asylum-seeker response services, and re-  
14 estimates and reductions to agency and asylum-seeker  
15 services spending. This latest plan provides OMB's  
16 first in-depth update to its tax revenue forecast  
17 since the April 2023 Financial Plan. It catches up  
18 with the previous projections by the Council and  
19 other forecasters to be more consistent with the  
20 increased revenues our city can expect to receive.  
21 Yet, the Council's just released economic and tax  
22 revenue forecast projects even greater revenues for  
23 the City with \$3.3 billion more expected for Fiscal  
24 Year 2024 and 2025 and more in the out-years. This  
25

1 would result in a surplus for these two fiscal years  
2 and more manageable gaps in the out-years. There  
3 will also be in-year reserves available that must be  
4 utilized within the same fiscal year. The Mayor's  
5 Preliminary Budget contains a number of omissions and  
6 risks that are critical to address in the Executive  
7 Budget, which these additional revenues can help  
8 facilitate. There remain key agencies and service  
9 areas affected by the Administration's repeated cuts  
10 that are foundational to meeting the needs of New  
11 Yorkers, critical investments to restore and  
12 safeguard essential services, and cover anticipated  
13 expenses are missing from the Mayor's Preliminary  
14 Budget and must be a priority to secure the health of  
15 our city and neighborhoods. Now, more than ever, our  
16 communities are relying on core services and programs  
17 to survive and remain in our city. a recent report  
18 by the Robin Hood Foundation and Columbia University  
19 found that years of progress have been reversed with  
20 the City experiencing an alarming increase in  
21 poverty, the largest in a decade, and as a result one  
22 in four children and nearly two million New Yorkers  
23 have been living in poverty. We know from the rising  
24 numbers of people seeking SNAP benefits and cash  
25

1 assistance in our neighborhoods that more and more  
2 New Yorkers are finding it increasingly difficult to  
3 afford basic necessities like food and shelter. Yet,  
4 the agencies processing benefits and assistance are  
5 not able to keep up. The Administration needs to  
6 prioritize ensuring adequate support in the budget  
7 and its management for city agencies to resolve these  
8 problems. The City must reflect our priorities, and  
9 the City has a moral imperative to invest in programs  
10 that support our residents who need help. One of the  
11 other key needs of working families who want to live  
12 and raise their children in our city is high-quality  
13 early childhood education. The lack of affordable  
14 options fuels our affordability crisis, thus pushing  
15 New Yorkers to leave for other localities and states,  
16 weakening our school system, tax base, and economy.  
17 Solidifying and strengthening our City's 3K program  
18 must be a priority to stem the increases in poverty  
19 and hollowing out of the City's middle class. The  
20 Administration has been cutting funds from 3K  
21 programming rather than fixing its management  
22 challenges within the DOE that have been  
23 destabilizing and left families disconnected. The  
24 City budget must advance the promise of a seat for  
25

1 every child who needs it, increasing utilization and  
2 returning our city to be a national leader in Early  
3 Childhood education. The City must ensure its public  
4 education system is a priority, from our K-12 schools  
5 to our institutions of higher education and CUNY.  
6 These are undeniably a key driver of not only the  
7 health and safety of our communities, but also our  
8 economic success. Our primary and secondary schools  
9 students, like those across the country, are  
10 recovering from historic levels of learning loss as a  
11 result of the pandemic. The City budget, along with  
12 state and federal budgets, must reflect this reality  
13 by ensuring investments in essential programs for our  
14 students. Community schools, preschool, special  
15 education, school mental health services, restorative  
16 justice programs, and services for English language  
17 learners and homeless students are pivotal for the  
18 City to support. CUNY plays a key role in the City's  
19 success, as our strongest engine of economic mobility  
20 that unlocks opportunity for working-class New  
21 Yorkers and communities of color. Its graduates also  
22 fuel our city and state economy with their  
23 contributions of billions of dollars in tax revenue.  
24 CUNY has faced budgetary challenges over the past  
25

1  
2 several of years, and we must protect and do right by  
3 CUNY to maintain the staffing and support programs  
4 students need in seeking their degrees. The cuts to  
5 library services across the City from the  
6 Administration's reduction to the City's funding of  
7 neighborhood branches has impacted the lives of New  
8 Yorkers across generations. Our libraries are  
9 community hubs that offer programs to New Yorkers of  
10 all ages in support of their success. Our  
11 communities have already felt the impact of losing  
12 Sunday service, and it is imperative that our budget  
13 funds libraries to reflect their essential roles in  
14 our neighborhoods. Additionally, it is critical that  
15 our budget adequately supports New York City's  
16 cultural organizations and sector. They are a  
17 crucial part of what makes us a world-class city,  
18 enriching New Yorkers, and play a vital role in our  
19 economy by creating opportunities, attracting  
20 tourism, and increasing activity for local  
21 businesses. The City must not waiver in its support  
22 of our renowned cultural institutions and provide the  
23 essential funding required to support them. While it  
24 was welcomed news that there will not be forthcoming  
25 PEGs for the Executive Budget, many key programs are

1  
2 being restored, and the blanket hiring freeze is  
3 being partially lifted. There remains significant  
4 work ahead to ensure a sound budget that meets the  
5 needs of our city. Above all, the basic goal of any  
6 city budget is ensuring our city agencies have the  
7 resources needed to deliver essential services to New  
8 Yorkers. with higher than expected revenues in this  
9 fiscal year and a durable, resilient economy, I  
10 believe our city has the flexibility to reverse many  
11 cuts that have been made, strengthen our city's  
12 workforce, and address our future fiscal challenges,  
13 all while being fiscally responsible. I look forward  
14 to hearing from you, Director Jiha, about the  
15 Administration's Fiscal Year '25 Preliminary Budget  
16 and how it aims to support all New Yorkers. Before  
17 closing, I also want to thank the Council's Finance  
18 staff for their hard work in preparation for today's  
19 crucial hearing, and now I turn it back over to Chair  
20 Brannan for his opening remarks.

21 CHAIRPERSON BRANNAN: Thank you, Speaker  
22 Adams. Three months ago in these chambers, the  
23 Finance Committee held a hearing on the Mayor's  
24 November Financial Plan. At the time, we questioned  
25 the Administration on yet another proposed round of

1  
2 PEGs, and we challenged the need for an across-the-  
3 board hiring freeze that we said was too blunt and  
4 crude for what was in front of us. A scythe was used  
5 when the moment called for a scalpel. At the time,  
6 we noted the Administration was operating on outdate  
7 information, and we forecast that city revenues would  
8 be significantly higher than what the Administration  
9 as pointing to as the reason for the proposed cuts.  
10 In a month since, bit by bit the Administration has  
11 indeed reversed course on both their PEGs and the  
12 hiring freeze and has updated their forecast of  
13 revenues to largely match the outlook the council had  
14 projected about three months ago back when we were  
15 told that council economists were being too liberal  
16 with our forecast. Since then, we've seen the  
17 economic outlook brighten even further. In its  
18 December meeting, the Fed signaled that policy rates  
19 would start declining in 2024. January unemployment  
20 was up over 350,000 jobs, and December's job gains  
21 were revised up by another 100,000 jobs. Based on  
22 this improving outlook, the Council has increased its  
23 forecast, and we now expect the remainder of FY24  
24 into FY25 to generate approximately \$3.3 billion more  
25 in tax revenue than in OMB's current projects today.

1  
2 Despite this improved outlook, the council's forecast  
3 expects tax revenue growth to average a moderate 3.3  
4 percent through the Financial Plan, staying below the  
5 robust 5.5 rates we saw in the last decade. This  
6 expected revenue addresses some of the out-year gaps,  
7 but there's still work to be done to resolve them  
8 fully. That is to say the Council is not blind to  
9 the economic uncertainty ahead. Further potential  
10 costs imposed by the state budget like the intercept  
11 of a hospital fund sales tax and imposing a rate  
12 increase of state FEPS housing vouchers without the  
13 equivalent state funding are on the table right now.  
14 Last month, the Speaker and I testified before the  
15 State Legislature about the burden these costs would  
16 add to the City, along with the policy  
17 recommendations to increase affordable housing which  
18 would also thereby boost growth in the city's  
19 construction sector. We know you share our goal of  
20 ensuring the City receives the funding we deserve  
21 from Albany. We must work together to reverse these  
22 unfair cost shifts it's important that we recognize  
23 not only how much tax revenue New York City sends to  
24 Albany each year, but that our city and our state  
25 successes are inextricably linked. As we move

1 forward in examining and shaping the budget to come,  
2 everybody at the negotiating table must walk in the  
3 room and work off the same accurate and shared set of  
4 data and facts. New York City's working families  
5 cannot afford the whiplash of unnecessary cuts and  
6 reversals to essential services. As the co-equal  
7 branch of our government, City Council urges the  
8 Administration to put forward an objective assessment  
9 of the City's economy, and we look forward to  
10 continued dialogue in negotiations in good faith.  
11 I'll now turn it over to my Committee Counsel, Mike  
12 Toome, to swear in OMB for their testimony. First,  
13 I'll acknowledge we've also been joined by Council  
14 Members Carr, Ossé, and Powers. Mike? And Riley, as  
15 well, Council Member Riley.

17 COMMITTEE COUNSEL: Good morning. Raise  
18 your right hands please? Do you affirm to tell the  
19 truth, the whole truth and nothing but the truth and  
20 to respond honestly to Council Member questions?  
21 Jacques Jiha?

22 DIRECTOR JIHA: Yes.

23 COMMITTEE COUNSEL: Thank you. Latonia  
24 McKinney?

25 SENIOR DEPUTY DIRECTOR MCKINNEY: Yes.

COMMITTEE COUNSEL: Ken Godiner?

FIRST DEPUTY DIRECTOR GODINER: Yes.

COMMITTEE COUNSEL: Thank you. You may begin.

DIRECTOR JIHA: Good morning, Speaker Adams, Chair Brannan and members of the Finance Committee and City Council. Thank you for the opportunity to testify here today about the Fiscal Year 2025 Preliminary Budget. I am Jacques Jiha, Director of the New York City Mayor's Office of Management and Budget. I'm joined today by OMB First Deputy Director Ken Godiner, and Senior Deputy Director for Intergovernmental Relations and Education Latonia McKinney. Late last summer we were caring for nearly 60,000 asylum-seekers and more than 95,000 past full our shelter systems. Our forecast of the cost of caring for the migrants is based in part on the number of households in our care, and an estimate of the number that would arrive in the coming years. In late summer, we updated our forecast, cost forecast, because we saw growth in household arrivals escalating faster than previously expected. At the time, we were clear that this was our reality unless circumstances changed. The cost

1 of the crisis was staggering, and along with the cost  
2 of settling labor agreements with our workforce and  
3 sun-setting of stimulus funds pushed Fiscal Year 2024  
4 far out of balance and drove the Fiscal Year 25 gap  
5 to a very high level. On top of these concerns, the  
6 national economy was [inaudible] because of the  
7 Federal Reserve [inaudible] monetary stance. The  
8 question for most economists was not whether we would  
9 be in recession, but when. Given these budget  
10 stressors and fiscal uncertainties, the Mayor asked  
11 us to take immediate action to stabilize these  
12 finances. It gave me clear directions. First, do  
13 not expect the federal Calvary to arrive to the  
14 rescue. Following as many trips to Washington, D.C.  
15 to advocate for assistance, we realized we'll not  
16 receive timely and meaningful federal assistance to  
17 help deal with the migrant crisis by the November  
18 Plan. Second, we could not impose an undue burden on  
19 New Yorkers by raising property taxes. Homeowners  
20 were already struggling to make ends meet because of  
21 high inflation, and commercial property owners were  
22 facing record vacancy rates, and therefore could not  
23 absorb the tax increase. Third, we have to minimize  
24 service disruptions because the City must be safe and  
25

1 clean and a welcoming place to work, live, and raise  
2 a family. Fourth, no lay-offs of city workers. As  
3 we had promised in August, because the Federal  
4 Government had not changed the circumstances, we did.  
5 We had to do everything within our power to remain  
6 balanced in Fiscal Year 24 and ultimately balance  
7 Fiscal Year 25 without harming New Yorkers. This  
8 meant making tough, smart, and creative decisions to  
9 achieve substantial levels of saving and moderate new  
10 spending. We did not have the luxury of time, so we  
11 drafted and implemented the plan immediately, because  
12 making it tough but necessary adjustments early would  
13 stabilize these finances more quickly. In September,  
14 OMB advised agencies that there would be PEG on five  
15 percent of city-funded spending in the November  
16 Financial Plan and the Preliminary and Executive  
17 Budgets. We also impose a hiring freeze with  
18 exceptions for critical positions that generate  
19 revenue or support public health and public safety.  
20 Further, the Mayor also issued a directive that slows  
21 [sic] OTPS spending. These measures could be re-  
22 evaluated later, if the economy improves  
23 substantially or the federal and/or state government  
24 meaningfully increase aid. Because we are partners  
25

1  
2 in the City's budget process and share the twin goals  
3 of caring for asylum-seekers and protecting the  
4 City's fiscal integrity, I shared the plan with the  
5 Speaker, Finance Chair and other Council leadership  
6 on September 9<sup>th</sup>, four days before city agencies were  
7 notified. At the time, I stated that we would begin  
8 implementing solutions in November, because front-  
9 loading them early in the budget cycle would increase  
10 the likelihood of stabilizing the Financial Plan  
11 quickly which would allow us to relax measures that  
12 might be painful for New Yorkers before we release  
13 the Executive Budget. Our strategy was prudent and  
14 effective, and ultimately succeeded. The November  
15 Plan PEG generated \$3.7 billion in savings over  
16 fiscal years 24 and 25. Despite the savings, we  
17 still faced a historically large \$7.1 billion budget  
18 gap in Fiscal Year 25, and after the November Plan  
19 was released, we recognized nearly \$3 billion in  
20 unfunded needs including support for cash and rental  
21 assistance programs. This meant that by law we had  
22 less than 60 days to cover \$10 billion hole in the  
23 Preliminary Budget. This was a serious challenge,  
24 but we had a plan, and we executed that plan. The  
25 Preliminary Budget PEG generated \$3.1 billion in

1 savings over Fiscal Year 24 and 25. This included  
2 \$1.7 billion in asylum-seeker cost reduction savings  
3 that was achieved by lowering household per diem  
4 costs, and reducing the real growth in the asylum-  
5 seeker census. In total, our November and January  
6 PEGs generated \$6.6 billion in gap-closing savings  
7 across Fiscal year 24 and 25 after restoration, a  
8 record level. Pursuant to the Mayor's directive, 95  
9 percent of the agency savings over the two years had  
10 no impact on service delivery to New Yorkers. as a  
11 result of this decisive and timely actions, along  
12 with better than anticipated economic performance in  
13 late 2023 that drove our tax revenue forecast upward  
14 by \$1.3 billion in Fiscal Year 24, and \$1.6 billion  
15 in Fiscal Year 25. We balanced Fiscal Year 24 and  
16 the \$109.4 billion Fiscal Year 25 Preliminary Budget.  
17 Now, let me be very clear, tax revenue growth of  
18 nearly \$2.9 billion over Fiscal Year 24 and 25 could  
19 not have closed the \$10 billion hole. This was not  
20 simply a revenue problem. Indeed, the general plan  
21 savings combined with the new tax revenue were not  
22 enough to close the \$10 billion hole. So we had to  
23 tap into other resources to close the Fiscal Year 25  
24 gap. We applied \$1.4 billion in current year  
25

1 reserves, and recognize non-tax revenues of \$650  
2 million. We assumed \$1.5 billion in state aid for  
3 migrants, of which we are promised \$1.1 billion  
4 dollars, and about \$270 million in pension fund  
5 savings among other things. By taking these steps we  
6 balanced Fiscal Year 24 and 25 as required by law and  
7 reduced our gaps meaningfully by a range of nearly 20  
8 percent. Also, we are going to Fiscal Year 25 with  
9 near record reserves of \$8.2 billion which is more  
10 than 10 percent of city revenue. We also reduced the  
11 risks in the financial plan and increase transparency  
12 by addressing long ignored fiscal cliffs, invested  
13 more than \$440 million in additional resources for  
14 CityFEPS vouches in Fiscal year 24 and other  
15 resources for asylum-seekers in the out-years.  
16 Because we stabilized this budget and its outlook, we  
17 were able to restore several savings initiatives that  
18 support New York priorities. This includes funding  
19 for the upcoming Police Academy class, community  
20 schools, a Parks job training program, and full  
21 litter basket collections for 23,000 bins across the  
22 City. our fiscal management approach was evaluated  
23 last week by the State Comptroller in its review of  
24 the Preliminary Budget, and two weeks ago, the four  
25

1 leading credit rating agencies, namely Moody's, S&P,  
2 Fitch, and KBRA cited our strong management in the  
3 face of many challenges as a reason to uphold the  
4 City's high credit ratings and stable outlook. More  
5 importantly, they emphasize the success of the  
6 measures we took to help close budget gaps in Fiscal  
7 Year 24 and 25 and praised our strong management of  
8 the city's finances, with Moody's crediting "our  
9 robust financial management" in support of the  
10 [inaudible]. Because of our successful PEGs and  
11 better than expected economy, we have as promised, we  
12 assess the need for additional savings measures.  
13 Accordingly, the Mayor consult the Fiscal 25,  
14 Executive Budget against the PEG. Further, we are  
15 moving from a full hiring freeze to a two-for-one  
16 tuition hiring model, meaning agencies will be  
17 permitted to hire one employee for every two that  
18 depart, so long as they remain within the budgeted  
19 headcount. Positions that are directly related to  
20 public health and safety generate revenue or advance  
21 critical services like administering public  
22 assistance benefits will be permitted to hire on a  
23 one-for-one basis. We are also easing the OTPS  
24 freeze restrictions with the exceptions of city-

1 funded travel, consultant IT expenditures, and  
2 advertising. But let me emphasize, stabilizing the  
3 budget does not mean we are out of the woods. We  
4 still have a long way to go. We've been very  
5 concerned about asylum-seeker funding, particularly  
6 in the out-years, so we'll be reducing costs by an  
7 additional 10 percent in the Executive Budget,  
8 requiring savings of close to \$600 million across  
9 fiscal year 24 and 25. Our strategy will remain  
10 consistent, control the census and reduce household  
11 per diem costs without impacting critical services,  
12 and as we typically do over the final months of the  
13 budget cycle, we will work with agencies to identify  
14 under spending savings. Though we are taking action  
15 to reduce the cost of caring for the migrants, as of  
16 the end of February, we have just spent over \$4  
17 billion to care for more than 170,000 asylum-seekers  
18 who are passed through our care since the spring of  
19 2022. We need more help from the state and Federal  
20 Government to cover these expenses and what we will  
21 spend in the future. To conclude, by executing the  
22 plan presented to you last fall and taking swift  
23 actions, our fiscal position has stabilized, and we  
24 avoided additional budget cuts that would have  
25

1 impacted each and every New Yorkers. Nonetheless, we  
2 will remain vigilant because there are uncertainties  
3 and risks related to the local and global economies  
4 and we face headwinds from the state, including \$200  
5 million of cost shift next fiscal year. As we get  
6 closer to budget adoption, I look forward to working  
7 with the Council on our many joint priorities in  
8 order to support our recovery for more public health  
9 and safety, expand opportunity, and invest in the  
10 lives of everyday New Yorkers. Thank you, and I look  
11 forward to taking your questions.  
12

13 CHAIRPERSON BRANNAN: Thank you,  
14 Director. We've also been joined by Council Members  
15 Krishnan, Sanchez, and Moya on Zoom. And now I'm  
16 going to hand it over to our Speaker for the first  
17 round of questions.

18 SPEAKER ADAMS: Thank you very much, Mr.  
19 Chair. Greetings again to our OMB team. I just want  
20 to back up and talk a little bit about PEGs and the  
21 exemptions regarding PEGs. In the November Plan, all  
22 agencies were required to provide PEGs equal to five  
23 percent of their city-funded Adopted Budget. In the  
24 January Plan, agencies were again required to provide  
25 five percent PEGs, but this time certain agencies

1  
2 were exempted while others were allowed to provide  
3 PEGs that were below the five percent requirement.  
4 What was the decision-making process for determining  
5 those agencies that weren't included in the  
6 preliminary plan PEG, and for those that did not have  
7 to meet the five percent preliminary plan?

8                   DIRECTOR JIHA: Madam Speaker, it's  
9 basically these were the-- what we did at the  
10 beginning of the process was the Mayor decided that  
11 public safety and cleanliness, and to some extent--  
12 and education were the priorities of this  
13 Administration, and as a result made the decision to  
14 basically exempt NYPD, Sanitation, and FDNY. And as  
15 we go through the process, all agencies submitted the  
16 PEG and the Mayor reviewed all of them, and made the  
17 decision that certain agencies, given their resources  
18 that they have, and are critical some of the services  
19 that they provide, made the decision to exempt  
20 partially some of these agencies from the full PEG  
21 that they submitted. Basically, it comes down to  
22 decision about priorities of the Administration and  
23 also how much of an impact, given the budget, given  
24 the resources that they have at their disposal, that

1  
2 they could not meet the PEG target without impacting  
3 critical services.

4           SPEAKER ADAMS: The-- so you're saying  
5 the Mayor's priorities were primarily NYPD, FDNY, and  
6 I think another one. In looking at the overall needs  
7 of the City, though, there were significant agencies  
8 that were not exempted or provided with reduced PEGs,  
9 particularly those for which the PEG directly  
10 impacted on service provision for New Yorkers like  
11 the Department of Cultural Affairs and others. So,  
12 any idea-- or did you have any input in the decision-  
13 making process about impact on pertinent city  
14 agencies that would impact New Yorkers significantly?

15           DIRECTOR JIHA: We agreed that the  
16 cultural institutions and libraries are critical to  
17 the functioning of New York City, for New York City  
18 residents, and that's the reason why, for instance,  
19 we exempted the cultural institutions from the first  
20 four PEGs. At the same time, we exempted the  
21 libraries from the general PEG. But as you can  
22 imagine, as I stated, we [inaudible] with major  
23 crisis that requires a lot of resources. So  
24 therefore, it was an all hands on deck approach in  
25 terms of all agencies were required, okay, to meet

1  
2 the five percent PEG targets that we communicated in  
3 general. So as I said, as we review, we go through  
4 the review process, and we look at the resources that  
5 the agencies have at their disposal and we look at  
6 the impact, the direct impact in terms of the  
7 critical services that they provide. The Mayor made  
8 the decision to basically provide partial exemption.  
9 DOE was one of the agencies. Given the impact that  
10 the Mayor see that would have on classrooms, made the  
11 decision to say you know what, I'm going to exempt  
12 partially, okay, DOE and other agencies from the  
13 PEGs. So it's a question of what kind of resources  
14 that they have at their disposal and what is the  
15 impact on critical services, and those are the major  
16 drivers during the decision to exclude, to exempt  
17 some agencies and [inaudible].

18 SPEAKER ADAMS: As far as restorations  
19 are concerned, the preliminary financial plan  
20 includes the restoration of over \$65 million of  
21 program in Fiscal Year 2024, and \$129 million in  
22 Fiscal Year 2025 for a variety of items that were  
23 included in the November Plan PEG, including FDNY  
24 staffing, the NYPD Police Academy class, and  
25 Sanitation litter basket pick-up. Why were the items

1  
2 restored in the Preliminary Plan chosen? Why were  
3 these items chosen for restoration?

4 DIRECTOR JIHA: Again, as I said, it  
5 comes right back to priorities of the Administration  
6 and the impact on critical services. As I stated,  
7 the restoration amounted to about \$195 million which  
8 is less than three percent of the overall PEG, okay,  
9 of which was [inaudible] before the restoration of \$7  
10 billion. So again, as I said, they were restored  
11 simply because of the impact, the potentially  
12 negative impact that the Mayor see that they would  
13 have, and whether or not the agencies can absorb,  
14 okay, the PEGs. So and when we look back and see  
15 that [inaudible] would be impacted, public safety  
16 would be impacted, Parks would be impacted, because  
17 we look at their budget to see if they really have  
18 resources that they could absorb it, and once we  
19 review and we realized it was very difficult  
20 [inaudible] all these agencies, so we exempted a  
21 number of them and we provided partial exemption to  
22 some of these agencies.

23 SPEAKER ADAMS: Was any consideration  
24 made for restoring other agencies like the \$22  
25 million for the library systems that would enable

1  
2 them to continue to reinstate service seven days a  
3 week?

4           DIRECTOR JIHA: We explored, and as I  
5 said, we agree with you. We wish we could have  
6 restored a lot of things, but again, we're dealing  
7 with a major financial crisis, and that requires a  
8 lot of resources. So if we believe that some of the  
9 agencies have the wherewithal to absorb, okay, to  
10 absorb the PEG. It's-- you know, we basically have  
11 to take those resources and reallocate them somewhere  
12 else, and which is what we've been doing. So we got  
13 to a point where it's extremely difficult for me to  
14 say at this point in time, given the conditions where  
15 we are, that many of these PEG savings can be  
16 restored. However, if financial conditions improved,  
17 okay, and the economy getting strong, we will work  
18 with the Council as we always do to look at the  
19 priorities of the Council and the Administration and  
20 then to see what can be fully or partially restored.

21           SPEAKER ADAMS: Now, Director, you just  
22 said something very, very critical to me that caught  
23 my ear, the priorities of the Administration and the  
24 Council.

25           DIRECTOR JIHA: Yes.

1  
2 SPEAKER ADAMS: What happened to that  
3 interaction and that collaboration in these first  
4 rounds that we were just discussing over the past 10  
5 minutes?

6 DIRECTOR JIHA: What I discussed, Madam  
7 Speaker, is we look-- many of the same priorities  
8 that we have are also your priorities, okay? We saw  
9 community schools, we saw a bunch of things.

10 SPEAKER ADAMS: I didn't hear that in the  
11 first part of your response.

12 DIRECTOR JIHA: Oh, okay.

13 SPEAKER ADAMS: I heard the Mayor-- they  
14 were the Mayor's priorities, that's what I just  
15 heard.

16 DIRECTOR JIHA: Okay. Sorry, if that's  
17 what you heard, because I meant to say-- when I mean  
18 the admin-- you know, it's-- I'm talking about the  
19 City in general, because we hear from the public. We  
20 hear the complaints from the public, and basically we  
21 make the adjustment based on the complaints that we  
22 receive from the public.

23 SPEAKER ADAMS: Okay. I'm just going to  
24 state for the record that the priorities, the initial  
25 priorities given, NYPD, FDNY, others are very, very

1  
2 important, but they were not given with consideration  
3 of the Council. This body is responsible for  
4 oversight hearings to discover those priorities for  
5 the City, and any subsequent priorities or decisions  
6 made should have been a collaborative effort as far  
7 as priorities were concerned and the consideration of  
8 the council should have been in mind as well. The  
9 Mayor recently announced that the PEG originally  
10 scheduled for the Executive Plan would not be  
11 implemented, but in light of these actions, can we  
12 expect to see further PEG restorations in the  
13 Executive Plan?

14 DIRECTOR JIHA: As I just indicated, as we  
15 get closer to adoption, if the economy remains very  
16 strong and [inaudible] is better than we anticipate,  
17 we will have discussion with the Council as we always  
18 do, and [inaudible] priorities, and if there are  
19 things that can be partially or fully restored, we  
20 will discuss with them you.

21 SPEAKER ADAMS: And they will be  
22 discussed together?

23 DIRECTOR JIHA: They will be discussed  
24 together.

1  
2                   SPEAKER ADAMS: Thank you. Let's talk  
3 about asylum-seeker responses and PEGs assigned to  
4 this particular category. As part of the Preliminary  
5 Plan, the Administration has decreased the citywide  
6 planned expenditure for the asylum-seeker response  
7 effort by \$500 million in fiscal year 2024 and \$1.2  
8 billion in fiscal year 2025, a nearly 16 percent  
9 reduction of the expenses over the two fiscal years.  
10 The Administration has indicated that these savings  
11 were generated from a variety of actions, including  
12 the implementation of shelter time limit notices,  
13 efficiencies in HERRC contracts, a shift of some  
14 HERRC contracts to nonprofit providers, and the  
15 recognition of current census trends. Can you walk  
16 us through the assumptions of the revised forecast by  
17 providing what changes to census trends are now  
18 included and how they differ from the last forecast  
19 you provided in August 2023?

20                   DIRECTOR JIHA: Yes. As we discussed  
21 before, the strategies are basically two-fold. On  
22 the one hand our goal is to reduce the per-diem cost  
23 for general savings by changing the staffing model,  
24 but changing the service model that we have, thereby  
25 changing the staffing model, and moving away from

1  
2 for-profit providers to not-for-providers. So this  
3 is the strategies that we're using on the plan to  
4 minimizes the per-diem cost. That should generate  
5 about \$700 million in savings. On the other hand-- on  
6 the other side, we're trying to reduce the census,  
7 because it is very critical that we bring down the  
8 census, and the 30 days, 60-day policy are part of  
9 the entire package of bringing down the census. As  
10 you can imagine why reducing the census is very  
11 critical for us is as you know, we have over relied  
12 on PEG to fund the asylum-seeker crisis. So this is  
13 not something that is sustainable in the long run.  
14 Okay, so therefore, we have to bring down the  
15 population. Otherwise, we're going to have to find a  
16 new source of funding to keep this going if it were,  
17 you know, to stay as is. So therefore, we have to  
18 bring down the census, and the 30 days and 60-day  
19 policies are critical, very, very, very critical  
20 toward part of the strategy that we're using to bring  
21 down the census.

22 SPEAKER ADAMS: I know my colleagues want  
23 to talk to you about that in particular, but I'm  
24 going to ask how much of the cost reduction is the  
25 result of shelter time limit noticed?

1  
2 DIRECTOR JIHA: We currently, as I said,  
3 we indicated to you that we-- a billion dollars of  
4 the savings that we plan on taking is basically  
5 assuming that we're going to bring down or stabilize  
6 the census, and the 30 and 60-day policy right now is  
7 a big piece of that strategy, because that's all we  
8 have. As you can imagine, what we see--  
9 historically, there is a 50 percent retention rate,  
10 49 percent retention rate. In other words, after 30  
11 days, people leave the system on their own. With the  
12 30-day and 60-day policy, we have an additional 33  
13 percent who leave, bringing the retention rate down  
14 to like 16 percent. So it's very important. It's a  
15 big piece of the strategy that we have in term of  
16 driving down the population, because if you don't  
17 drive down the population, I don't know how we're  
18 going to sustain this in the long-run, because as I  
19 said, we have over relied on PEGs in the first year  
20 and a half to fund the asylum-seeker crisis.

21 SPEAKER ADAMS: What are the exit and re-  
22 entry assumptions being utilized for each population  
23 type, single adult, adult families, and families with  
24 children?  
25

1  
2 DIRECTOR JIHA: Yeah, currently the  
3 assumption that we're using is-- overall with looking  
4 at-- when we did the last forecast, we had-- we-- in  
5 August, we assumed that we had like 55 households.  
6 Now, we-- our forecast is about 29 households per  
7 day. We're looking at as family with children, like  
8 61 inflow-- inflow of 61, outflow of 40, so the net  
9 change is about like 21. Single adult, we have 235  
10 inflow, and 225 outflow for a net of 10. So, overall  
11 we have like 29 households. That's the assumption  
12 we're using now. Instead of the 55 that we use at  
13 the beginning last summer.

14 SPEAKER ADAMS: What is the current per-  
15 diem cost?

16 DIRECTOR JIHA: The current per-diem cost  
17 is about \$388. It was up to \$385. We brought it  
18 down to \$388. Our plan throughout 2024 is to keep it  
19 to an average of about \$386, and then for '25 to  
20 bring it down to about \$352. But we're making  
21 significant progress on a month-to-month basis since  
22 we implemented the strategy. For instance, last  
23 month, the per-diem for the month was about \$274,  
24 much below the \$388 that we have on average for the  
25 year.

1  
2 SPEAKER ADAMS: Okay. Do you have a  
3 breakdown for us of the PEG savings by the type of  
4 savings and by agency?

5 DIRECTOR JIHA: The savings, I don't have  
6 it by agencies, but I will provide you exactly-- as I  
7 said, that the way we're trying to come up with the  
8 savings is by bringing down the households in the  
9 aggregate, okay, bringing down the cost per-diem per  
10 day, and at the same time managing down the census,  
11 and most of the census we're seeing right now is  
12 basically driven in the HERRC system. So, you know,  
13 and it's a combination of HPD and H+H, but we will  
14 try to provide you the breakdown as we move forward.

15 SPEAKER ADAMS: Okay, thank you. On  
16 February 21<sup>st</sup> of this year, a few weeks ago, the  
17 Mayor announced that there will be an additional 10  
18 percent PEG on asylum-seeker response cost in  
19 addition to the 20 percent PEG in the Preliminary  
20 Plan. How does the Administration anticipate  
21 generating these additional savings?

22 DIRECTOR JIHA: We are still working on a  
23 plan and when the Executive Budget is released, we'll  
24 have more detail. But again, we're going to continue  
25 on the same path which is bringing down the per-diem

1  
2 cost. That is, we have contracts that are about to  
3 expire, issue new RFPs for those contracts, move away  
4 as much as we can from private providers, the not-  
5 for-profit providers. This is the same strategy  
6 we're going to continue to utilize and continue  
7 utilize the strategy of bringing down the population,  
8 the census, because as I said, this is a key piece of  
9 this. We have seen a decrease in the census, okay,  
10 lately, because it was up to like 69,000. We're down  
11 to 65,000 now. So it's significant progress. Our  
12 goal is to continue to bring down the census.

13 SPEAKER ADAMS: Okay. We spoke at  
14 previous hearings about the difference with the HERRC  
15 management, H+H, DHS, different responsibilities in  
16 the way that we are handling asylum-seekers, shelter  
17 residents. So I just want to ask this final question  
18 for this round. Does the Administration have any  
19 plan to transition HERRCs operated by H+H to DHS to  
20 reduce cost?

21 DIRECTOR JIHA: Yes, we do actually. We  
22 are in the process of positioning three of them to  
23 DHS. And that should save about \$69 million.

24 SPEAKER ADAMS: Do you know which three?  
25

1  
2 DIRECTOR JIHA: I could provide you the  
3 names, yes. We'll follow up with you to provide  
4 them.

5 SPEAKER ADAMS: And what were the  
6 savings?

7 DIRECTOR JIHA: About \$69 million.

8 SPEAKER ADAMS: About \$69 million, okay.

9 DIRECTOR JIHA: Yeah.

10 SPEAKER ADAMS: Thank you.

11 DIRECTOR JIHA: But again, this is part  
12 of the strategy we are using going forward. It's  
13 just a question of, you know, we have to find a small  
14 one, because the big one, we just don't find-- we  
15 issue RFPs. We have not received any response from  
16 many of the not-for-profit in the City to  
17 participate. So, we are still in process of trying  
18 to get these people to participate so that we could  
19 see if we could more and more not-for-profit to take  
20 over some of these operations, but this is the  
21 strategy going forward.

22 SPEAKER ADAMS: Okay, thank you very  
23 much. Mr. Chair?

24 CHAIRPERSON BRANNAN: Thank you, Speaker.  
25 We've also been joined by Council Members Farías,

1  
2 Stevens, Williams, and Rivera. I wanted just to stay  
3 for a second on the bond ratings. You know, in the  
4 press releases that I've seen recently, you know,  
5 reaffirming the City's bond rating from Fitch and  
6 Moody's, they both mention that the City's revenue  
7 forecasts are generally conservative. Obviously, I  
8 understand the rationale for approaching revenue  
9 forecasts conservatively in periods of growth to  
10 ensure we don't overspend, but I guess is there not a  
11 concern that an overly conservative revenue estimate  
12 will lead to unnecessary service reductions?

13 DIRECTOR JIHA: No. The challenge that  
14 you have is, as we say to folks all the time, OMB  
15 cannot afford to make a mistake on the Council [sic]  
16 revenue forecast, because if we overstate our  
17 forecast and we spend the resources, we have to cut,  
18 okay? So it's not like we say, you know, hey, we  
19 overstep our forecast and there are no ramifications  
20 for it. So therefore, we would rather build up  
21 rather than [inaudible]. People think we take  
22 pleasure in cutting services or cutting programs.  
23 Not at all, okay? We all come to government to  
24 basically make a difference. So we don't take-- so  
25 we have to be extremely conservative, because there

1  
2 are ramifications to what we do. so, overstating our  
3 forecast, spend the resources, and then oops you made  
4 a mistake, and then you have to cut back, reverse,  
5 it's a lot worse than basically say, you know what,  
6 I'm conservative. I'm going to try to manage my  
7 budget as conservative as I can. If, okay, we  
8 successful in managing our budget and if we are  
9 successful that the economy is growing, continue to  
10 grow, it's icing on the cake. We could add things on  
11 top of where we are, because at the time, we know  
12 have those resources, but if we don't have those  
13 resources, I'm hoping that you're right. I'm hoping  
14 that your forecast is right, because we could be--  
15 it's a forecast. It could be right or it could be  
16 wrong, okay? I'm hoping that you're right, but this  
17 is a forecast. So, and we're making decisions that  
18 are real, that are baselined on a forecast. That can  
19 be right or wrong. So, if you're going to make a  
20 long term decision on a forecast, you're better off  
21 being conservative to know that the revenue is going  
22 to be there to support the program going forward.

23 CHAIRPERSON BRANNAN: Okay. But when you  
24 said the Council was being too liberal, and then  
25 you're forecast was actually higher than ours, was

1  
2 that just because you were working on outdated  
3 information?

4 DIRECTOR JIHA: No, what happened is,  
5 everybody knows-- everybody was surprised to see how  
6 strong the economy was in the latter part of 2023,  
7 everyone, okay? Everyone on Wall Street, everyone.  
8 Everyone was looking for a soft landing of the  
9 economy, a recession mostly last year, and we end up  
10 with a soft landing. You know, a better-- not even a  
11 soft landing, something better than a soft landing  
12 okay? So, and as a result, we had to revise upward  
13 our forecast, okay? But your forecast also assume  
14 [inaudible] economy. So it's not like just us  
15 assuming a slowdown of the economy. We all assume a  
16 slowdown of the economy. The difference you're  
17 talking about it's a billion dollars here and there.  
18 In the scope of things, a 100 billion economy  
19 forecast of-- it's a very small portion. It's a very  
20 small piece. So, again, as I said, you are always  
21 better off being conservative because you are making  
22 long-term decisions, okay, based on a forecast. So  
23 you're better off being very conservative, and if the  
24 economy is stronger than you anticipated, it's icing  
25 on the cake.

1  
2 CHAIRPERSON BRANNAN: So, what extent do  
3 you think your current forecast with this continued  
4 strength that we're talking about, can we expect to  
5 see an adjustment in the Executive Budget?

6 DIRECTOR JIHA: We will review, as we  
7 always do, our forecast in the Executive Budget, and  
8 when we release it, we will see-- you know, we'll see  
9 where we are, whether or not we are more conservative  
10 than you or whether or not we're in line with your  
11 forecast. At this point in time, I cannot tell you,  
12 because we've already revised up our forecast based  
13 on the stronger [inaudible] economy that we had at  
14 the end of fiscal year-- at the end of 2023. So, if  
15 the economy remains strong, it will be reflected in  
16 our forecast. If it weakens, it also will be  
17 reflected in our forecast.

18 CHAIRPERSON BRANNAN: I'm going to go  
19 back to the Speaker was focusing on the asylum-seeker  
20 spending. How much new state asylum-seeker funding  
21 for the City is in the Governor's budget?

22 DIRECTOR JIHA: In terms of-- in term of  
23 the new commitment, it's about \$1.1 billion about.  
24 We're assuming in our plan that we'd be getting \$1.5  
25 billion from the State, and in reality we got \$1.1.

1  
2 So therefore, we have a shortfall of about \$400  
3 million right now that we have to backfill.

4 CHAIRPERSON BRANNAN: Do you think the  
5 State's doing enough?

6 DIRECTOR JIHA: I'm sorry?

7 CHAIRPERSON BRANNAN: Do you think the  
8 State is doing enough?

9 DIRECTOR JIHA: No we made it clear that  
10 at the minimum, we should be getting at a minimum  
11 50/50 share, because the assumption that the  
12 Governor's using is to give us a third. We're not  
13 even get a third. Because our assumption of \$1.5  
14 billion was based on receiving a third of the cost,  
15 but we're getting less than a third. So we're  
16 getting only \$1.1 billion which is about like I  
17 believe 29 percent, something like that, of the cost.  
18 So again, we are short right now. We-- because the  
19 assumption was based on the fact that-- on the  
20 assumption that the Federal Government was going to  
21 provide us at least a third. We're not getting a  
22 third from the Federal Government. We're only  
23 getting a little from the Federal Government, like  
24 \$147 million. So--

1  
2 CHAIRPERSON BRANNAN: [interposing] What's  
3 the total we've received?

4 DIRECTOR JIHA: So we're carrying most of  
5 the cost.

6 CHAIRPERSON BRANNAN: What's the total  
7 we've received from D.C. so far?

8 DIRECTOR JIHA: So far we received about  
9 like \$40 million, I believe. Yeah, so far we have  
10 gotten, but we're in the process.

11 CHAIRPERSON BRANNAN: What? Say that  
12 again?

13 DIRECTOR JIHA: About 40-something  
14 million dollars we have received, collected actually.  
15 The commitment is about like \$146 million something.

16 CHAIRPERSON BRANNAN: So, so far from the  
17 Federal Government--

18 DIRECTOR JIHA: \$156, \$156, and we have--  
19 I believe we collected so far \$49 million dollars.

20 CHAIRPERSON BRANNAN: So all in, we've  
21 received only-- we've received less than \$50 million  
22 from the Federal Government?

23 DIRECTOR JIHA: Yes, so far, yes. We're  
24 in the process of trying to collect the \$1.7 million,  
25 the balance, but the--

1  
2 CHAIRPERSON BRANNAN: [interposing] This  
3 is all reimbursements?

4 DIRECTOR JIHA: requirement-- yeah. The  
5 requirements are so stringent that it's almost imp--  
6 it's very difficult for us to do so, but we're  
7 working on it to try to collect the remaining \$1.7--  
8 \$107 million.

9 CHAIRPERSON BRANNAN: So, this year it  
10 was unique because the City and the State released  
11 their budgets simultaneously. The Preliminary Plan  
12 for the City estimated the state support before the  
13 Governor's budget was released. So, what changes  
14 will we need to make if the Executive Budget stays as  
15 it was proposed?

16 DIRECTOR JIHA: Right now we're talking  
17 about \$600 million, because we have about \$400  
18 million shortfall in terms of our expectation of the  
19 asylum-seeker grant that we expect from the State,  
20 and we also-- the State also took a number of actions  
21 that would cost us about like \$200 million, including  
22 like we said, the sales tax intercept, and foundation  
23 aid, because of the change of formula. That's also  
24 going to cost us money. So we're talking about \$200

1  
2 million of cost shifts onto the City. So, overall  
3 right now, we're looking at \$600 million.

4 CHAIRPERSON BRANNAN: And the Governor  
5 has indicated that expenses for Randall's island,  
6 Creedmoor and Floyd Bennett [sic] Field will be fully  
7 covered by the State. So does the Governor's  
8 proposed budget allocate the full amount to cover?

9 DIRECTOR JIHA: Yes, the Governor's  
10 budget currently provided some \$600 million for these  
11 three sites. The challenge we have, I believe,  
12 Randall's Island is funded for 2,000 people. We  
13 currently have like 3,000 people, and Creedmoor  
14 [sic]--

15 CHAIRPERSON BRANNAN: [interposing] So  
16 Randall's Island is funded for 2,000. Right now  
17 we've got--

18 DIRECTOR JIHA: [interposing] Currently  
19 have 3,000, and I believe Creedmoor funded for 1,000.  
20 We have 1,100 folks there. So the issue is whether  
21 we're going to absorb that difference, the 1,100  
22 people that we currently have above what the  
23 Governor's funding. So we'll be working with the  
24 State and continue to lobby the State so that the

1  
2 State covers the excess that we currently have at  
3 Randall's Island and also at Creedmoor.

4 CHAIRPERSON BRANNAN: Okay. I want to  
5 move on to headcount. The council obviously applauds  
6 the Administration for lifting the hiring freeze as,  
7 you know, we continue to hear many agencies are  
8 skeletal and struggle to provide the crucial  
9 services. So with the City vacancy rate, though  
10 lower than in prior years, it's still well above pre-  
11 pandemic levels while actual headcount is more than  
12 15,000 less than FY20. So, a couple of things. Now  
13 that the hiring freeze has been lifted, will the City  
14 reinstitute hiring halls, and I guess equally  
15 important, is will OMB authorize agencies to  
16 expeditiously fill vacancies.

17 DIRECTOR JIHA: We are in constant  
18 communications with agencies about their needs, and  
19 we will do everything within our power to expedite  
20 our review as long as the agencies remain within the  
21 hiring and composition guidelines. Regarding the  
22 hiring hall, we will work with DCAS to make sure that  
23 the agency have the resources that they need to carry  
24 the mandate. I don't think they're going to do a  
25 hiring hall, but we will work with them.

1  
2 CHAIRPERSON BRANNAN: How will positions  
3 be deemed a high priority and exempted from the  
4 hiring freeze be treated now that the hiring freeze  
5 is lifted?

6 DIRECTOR JIHA: We have-- hiring freeze  
7 is lifted, but we have a two-for-one in place. In  
8 other words, agency could only replace one person for  
9 every two that it [inaudible]. Again, we continue to  
10 work with these agencies. The critical positions  
11 continue to remain exempted from the hiring freeze.  
12 They could always hire on a one-for-one basis, like  
13 we have done in the past. You know, any position  
14 that deemed critical. We exempted them in the past  
15 and we continue to exempt them.

16 CHAIRPERSON BRANNAN: We've seen a number  
17 of indicators in the Preliminary Mayor's Management  
18 Report that were concerning. For example, the HRA's  
19 processing of SNAP benefits, and we hear from  
20 Commissioners and Deputy Commissioners that the  
21 reason for the decline or the slowness in these  
22 services is because of just a lack of staff. So, do  
23 you believe that there's any correlation between  
24 recent headcount reductions and the decline in these  
25 PMMR indicators?

1  
2 DIRECTOR JIHA: When it comes to HRA, we  
3 have exempted the benefits, especially those people  
4 that process the benefits. We-- they were exempted  
5 to begin with as part of the exercise [sic]. And  
6 actually, the hire about like I believe 700 new  
7 staff.

8 CHAIRPERSON BRANNAN: 700 new HRA  
9 employees that process benefits?

10 DIRECTOR JIHA: Yep.

11 CHAIRPERSON BRANNAN: And that's since  
12 when?

13 DIRECTOR JIHA: And also, remember the  
14 PMMR only covers the first four months of the fiscal  
15 year. Since then we have made significant progress,  
16 okay? Basically, to give you-- to put things in  
17 perspective for you, the backlog that we have at SNAP  
18 is down to about 400, okay, from a peak of 4,000  
19 which is a 90 percent reduction. That is-- okay.

20 CHAIRPERSON BRANNAN: Wait, there's a lot  
21 of numbers here. So you're saying right now there's  
22 only 400 HRA applications where it's--

23 DIRECTOR JIHA: [interposing] For SNAP,  
24 for SNAP application, the backlog.

25 CHAIRPERSON BRANNAN: SNAP, sorry, yeah.

1  
2 DIRECTOR JIHA: Okay, it's about 400  
3 application from a peak of 4,000 in July. That's a  
4 90 percent reduction. Cash assistance, okay, the  
5 backlog is 1,100. It's a 97 percent reduction. This  
6 is from a peak, I believe, of 40,000-- 46,000. So  
7 we've made-- we invested significant amount of  
8 resources, okay, into more technology, process  
9 changes, trying to get waivers from the State,  
10 process re-engineering. I mean, if-- I believe  
11 there's an announcement this morning about all the  
12 progress that has been made on the cash assistance  
13 and specifically on SNAP fund. We work with the  
14 agencies, provided all the headcount that they  
15 needed, and again, we have a lot of poor people in  
16 the City. That's the reason why we have a lot of  
17 people apply for the programs and that's the reason  
18 why-- one of the reason why you had a long backlog,  
19 but since then we have made significant, significant  
20 progress in terms of reducing the backlog.

21 CHAIRPERSON BRANNAN: Okay, I have a  
22 couple of more and I want to turn to my colleagues.  
23 Talk about the capital budget. The Preliminary  
24 Capital Commitment Plan is \$5.9 billion less than the  
25 adopted commitment plans for FY24 through 28.

1  
2 There's a number of large scale capital programs and  
3 projects that may be under-budgeted or not yet  
4 included in this plan. Do you believe that the  
5 Prelim Capital Commitment Plan accurately accounts  
6 for the City's future capital needs?

7 DIRECTOR JIHA: The challenge, as you  
8 know, we have is the City's overall capital budget is  
9 limited by the debt ceiling. We are operating very  
10 close to the capacity right now. We have three major  
11 projects. If we don't get the expansion that we're  
12 looking from the State in terms of the TFA expansion,  
13 three big projects would consume every single thing  
14 that we have left [inaudible] that is School  
15 Construction Authority in term of their own new  
16 needs, the borough-based jail additional resources  
17 that we need, and for the BQE. So therefore, that's  
18 the reason why we're lobbying the state and the  
19 Governor included in the budget about like \$12  
20 billion in terms of additional debt capacity to see  
21 if we could meet some of the needs that we have. So,  
22 as you stated, we have a lot of needs, but we are  
23 very, very constrained by our debt capacity. So  
24 therefore, like you said, there is the Capital Plan I  
25 would not say reflect fully the true challenges that

1  
2 we're facing in term of our infrastructure in New  
3 York City.

4 CHAIRPERSON BRANNAN: So, the Governor  
5 including the TFA debt limit increase as part of her  
6 Executive Budget proposal is not giving you the  
7 confidence to recommit or restore those projects?

8 DIRECTOR JIHA: This is-- again, this is  
9 a proposal. We have to wait until the Executive  
10 Budget in April to know if it is included. If it is  
11 included, we will make an assessment and see what can  
12 be moved back to where they were before. And we will  
13 do the assessment as part of the Executive.

14 CHAIRPERSON BRANNAN: Okay. Real  
15 property tax forecast and property assessments-- so  
16 the Administration published its preliminary txt  
17 forecast prior to the release of the FY 25 tentative  
18 role, assessment role. Based on the new info, do you  
19 have a different outlook on your levy assumptions?

20 DIRECTOR JIHA: Yes. We will-- our  
21 assumption was a bit more conservative than the  
22 tentative role, so we will adjust that as part of the  
23 Executive Budget are available as we go forward in  
24 the Executive Budget.

1  
2 CHAIRPERSON BRANNAN: So, you expect a  
3 change in the Exec?

4 DIRECTOR JIHA: We expect a change in the  
5 Exec.

6 CHAIRPERSON BRANNAN: Okay. Okay, last  
7 one or two things from me. In previous hearings  
8 we've asked about the City's effort to find savings  
9 and efficiencies in the City's suite of tax  
10 expenditures, particularly the over \$3 billion in  
11 annual tax breaks that are focused on economic  
12 development. In the past, your response has been  
13 that those savings accrue to out-years and are of  
14 little use in addressing budget concerns of the  
15 current-- the upcoming fiscal year. however, as we  
16 see economic and tax revenue outlooks improving, I  
17 think it's becoming clear that the out-years is where  
18 the real stress on the budget is, and perhaps we need  
19 to start thinking now about how we balance the budget  
20 several years down the road. Do you believe that  
21 there are savings that could be found in the City's  
22 tax expenditures?

23 DIRECTOR JIHA: Of course. We are not  
24 saying that they should not be reviewed and re-  
25 evaluated. We are simply saying that it cannot be

1 used for [inaudible] this year or next, because they  
2 are often awarded for like 20 years or more. So, we  
3 always review tax expenditures when they come up for  
4 renewal or for expansion. So, if there's an  
5 opportunity to modernize them, to-- you know, we  
6 always do, and trying to find savings. It's just a  
7 question of from our perspective is we're trying to  
8 deal with gap closures [sic] this year, next year,  
9 and these things are way out there, 20 or 30 years.  
10 It's really-- and more importantly, it's nothing that  
11 we can do alone. We have to go through the state.

12  
13 CHAIRPERSON BRANNAN: Of course. It's  
14 something we'd love to work with you on.

15 DIRECTOR JIHA: Yeah, we definitely want  
16 to work with you, but again, as I said, it's just the  
17 challenge we-- as we did for gap closing-- but we  
18 will be more than happy to work with you to modernize  
19 many of them.

20 CHAIRPERSON BRANNAN: Okay. Last thing  
21 for me. The federal SALT, the state and local tax,  
22 cap set to expire next year, 2025, which is expected  
23 to impact the timing of New York State tax collection  
24 from PIT, percent income tax components, and the pass  
25 through entity tax. Does OMB expect any shifts in

1  
2 the New York City tax collection timing between the  
3 fiscal years due to SALT expiring?

4 DIRECTOR JIHA: I-- in term of the timing  
5 we have not yet analyzed this to see if that would  
6 have an impact on the City, but again, it depends on  
7 what the new-- what the change is going to be. I'm  
8 assuming it's not going to go back to, you know, the  
9 same, you know, what we had before, so we have to  
10 wait to see what the new policies are before we could  
11 basically do an evaluation of these policies to give  
12 you a sense what would be the impact on New York  
13 City.

14 CHAIRPERSON BRANNAN: Did OMB incorporate  
15 the SALT expiration into the tax forecast--

16 DIRECTOR JIHA: [interposing] No.

17 CHAIRPERSON BRANNAN: for PIT?

18 DIRECTOR JIHA: No.

19 CHAIRPERSON BRANNAN: Okay. Thank you,  
20 Director. I'm going to turn it to Deputy Speaker  
21 Ayala for questions.

22 COUNCIL MEMBER AYALA: Thank you and good  
23 morning. I think it's still morning.

24 DIRECTOR JIHA: Good morning.  
25

1  
2 COUNCIL MEMBER AYALA: I have a number of  
3 questions, but before I get into those questions, I  
4 wanted to kind of go back a little bit on the capital  
5 budget, because I've-- in the-- I've run-- what I'm  
6 trying to get a sense of like where we are in regards  
7 to, you know, our debt capacity and what we should be  
8 expecting in the next few months. We've received-- I  
9 know that I've received, and I'm sure a couple of  
10 other members have as well, calls from different city  
11 agencies alerting us that projects that have been  
12 funded for a number of years will now be put on pause  
13 because of budget cuts. During the same timeframe,  
14 we're also getting calls saying, well, on the-- you  
15 know, the good news is that the admin is also  
16 funding, you know, new projects here, here, and here,  
17 and so that doesn't really balance out for me because  
18 we're-- we don't have the budget capacity to fund  
19 projects that have been in the pipeline for a  
20 substantial amount of years, then-- and I get it, we  
21 have a new Administration. That administration has  
22 their own priorities, but then how does that compare  
23 to the councilmatic [sic] priorities that have been,  
24 you know, laid out for years? I mean, I have  
25 projects that were put on pause, have been-- one of

1  
2 them I think has been on-- has been in the pipeline  
3 for 10 years.

4 DIRECTOR JIHA: Yeah. As I stated to  
5 you, we have major challenge in front of us which is  
6 the debt capacity that we have-- this is real. I  
7 keep telling folks this is a real, real problem, and  
8 what makes it been worse, to be honest with you-- I'm  
9 going to be as honest as I can be with you here-- is  
10 the fact that even though we know, we're not going to  
11 spend the money for the borough-based jail by 2027.  
12 We have to keep it there, okay? We know the-- the  
13 timeline that was created for the borough-based jail  
14 was prior to COVID. We put the capital plan on pause  
15 for a year and a half, nothing take place. But yet,  
16 we expect the same timeline to continue when there  
17 was a pause in the entire capital program for a year  
18 and a half. So we know it's not going to happen by  
19 2027, but yet, we have to keep the funding. Same  
20 timeline up to 2027. So we cannot move that funding  
21 beyond 2027. So therefore, that funding is consuming  
22 all the capacity that we have. So therefore, we have  
23 very little left, so therefore we have to move  
24 everything in the back.

25 COUNCIL MEMBER AYALA: I--

1  
2 DIRECTOR JIHA: [interposing] Because of  
3 the funding challenge that we have. So, it's-- when  
4 I hear people say oh, we not have a lot of things and  
5 new things added to the capital plan, okay? As I  
6 said, we're struggling to try to maintain three  
7 things, SCA, borough-based jail, additional resources  
8 for the borough-based jail and for the BQE. So we're  
9 not talking about new things. Some of-- two of these  
10 things are mandated, SCA and you know, the borough-  
11 based jail. So this is where we are. It's not like,  
12 you know, we have capital that we're spending left  
13 and right. No, we don't. What we're trying to do  
14 right now is juggle, trying to create room wherever  
15 we can just [inaudible] to try to accommodate those  
16 things.

17 COUNCIL MEMBER AYALA: I have such a hard  
18 time just being as honest as I want to be, because I  
19 really, really like you, but the-- yeah, the idea  
20 that the Mayor is not purposely picking and choosing  
21 which projects he wants to fund, you know, it's not  
22 factual. And I did receive, you know, notification,  
23 hey, Council Member, great news, you're getting two  
24 new playground renovations. I need those two  
25 playground renovations. I would love-- I welcome

1 those two playground renovations, but then two days  
2 later I get a call, well, you're getting four  
3 projects that are getting cut. One of those projects  
4 happen to be-- it was funded under the de Blasio  
5 Administration and a development that has the highest  
6 rates of gun violence in the entire district. They  
7 have no community center. It's just it's been-- it's  
8 been, you know, very problematic. And if you want to  
9 deal with all of the other social issues, right, you  
10 have to get to the root of them and you have to bring  
11 in those resources. So to me, if I have to choose,  
12 right-- I hate to choose, and I don't want to be in  
13 your position-- between two playgrounds or that  
14 community center, then my priority is the community  
15 center, because it's going to keep my kid safe, and  
16 you know, possibly avoid them from getting shot in  
17 the street. And so those prior-- those  
18 conversations are not happening between the  
19 Administration and our offices, and that's  
20 problematic. The idea that the borough-based jail  
21 funding is there and we can't move it, I'd ask how  
22 many conversations have any of you had with this part  
23 of City Hall in regards to, you know, possibly  
24 amending or changing or just stating your position  
25

1  
2 other than when we're having a hearing? A lot of  
3 those conversations are not happening, and so if the  
4 Administration is not advocating and acting in good  
5 faith, then you know, this is going to be a long  
6 dragged out process.

7 DIRECTOR JIHA: I would be very happy to  
8 have that discussion with the Council to be quite  
9 honest with you, because we're in a jam. This is a  
10 big jam for us. And I'm not sure when you say the  
11 capital project, those projects were cut. Are you  
12 talking about moving, because we moved them to the  
13 back, and--

14 COUNCIL MEMBER AYALA: [interposing] Yeah,  
15 but you're moving them to the back and while--

16 DIRECTOR JIHA: [interposing] Because as I  
17 said--

18 COUNCIL MEMBER AYALA: moving new  
19 projects to the front.

20 DIRECTOR JIHA: The projects-- there are  
21 projects-- these are projects that have to do with  
22 zoning, rezoning as part of the housing, and as you  
23 know, the housing is a crisis, but we have not yet  
24 really funded new things. Because as I said, right  
25 now we're just trying to juggle things.

1  
2 COUNCIL MEMBER AYALA: But I'm just-- I'm  
3 giving you two examples right now of what happened to  
4 me. Like, those things are true. This just happened  
5 last week. Like, I got two different calls, one on a  
6 Tuesday,--

7 DIRECTOR JIHA: [interposing] Okay.

8 COUNCIL MEMBER AYALA: one on a Friday,  
9 hey, you know, great news you're going to get two new  
10 playgrounds. Oh, bad news you're getting four  
11 projects that are being, you know, put in the  
12 pipeline for a later date. We have no idea of when.  
13 And the truth is that-- you know, we have a  
14 responsibility, right? If we're passing and funding  
15 these projects in good faith, there should be  
16 adequate communication coming from the other side of  
17 City Hall in terms of, like, what the status of those  
18 projects is. You know, and I get it. Again, we have  
19 a new Mayor. He has his own, you know, idea of what  
20 his priorities are, you know, where-- he came in at a  
21 really rough time. There's not a lot of money, you  
22 know, to go around, so some things will be  
23 sacrificed, in exchange for those priorities that  
24 they have laid out to play out, but I'm not willing  
25 to do that. I'm not playing that game with, you

1 know, things that really are not meant to be  
2 cosmetic. These are programs and services that-- I  
3 have kids at Wagner Playground that are going down a  
4 slide that has, you know, broken steel. These kids  
5 are, you know, getting cut. That's why that  
6 particular playground was funded. The community  
7 center was funded because of the high rates of  
8 violence and the commitment came actually on a day  
9 that we were there hosting, you know, an event for--  
10 in honor and recognizing the need for better  
11 services, because we had just had a shooting on that  
12 corner. And so to me, just mind boggling the lack of  
13 conversation and communication in regards to these  
14 things. Again, you know, I'm not saying that-- I'm  
15 not committing to making any changes on the borough-  
16 based jail, but I'm saying that you didn't give us  
17 that chance, because that conversation was never had.  
18 So when it's brought up, it's like, well, you know  
19 what, this is the law that we 're going to abide by  
20 when we know that this Administration has been very  
21 funky about what they choose and choose not to abide  
22 by. To me, it's just, you know, it's disingenuous  
23 and it gives the impression to the public, right,  
24 that the Council's irresponsible when we haven't had  
25

1  
2 the conversation because the conversation's never  
3 been initiated. Okay, so I'm going to just move on.  
4 I just-- I needed to ask that because I find it  
5 really odd. But in regards to-- so, you know, we've  
6 been having a lot of conversation about the CityFEPS  
7 and the-- I'm really concerned about the PEGs for the  
8 asylum-seekers, and I-- the reason that I'm concerned  
9 is because, you know, when we first-- when we opened  
10 the first HERRC, I remember visiting the one on  
11 Randall's Island and, you know, there were beds, but  
12 there weren't as many beds. There was a space where  
13 people could congregate and you know, just watch  
14 television, make phone calls, play games or whatever.  
15 I mean, we have to keep in mind that these are folks  
16 that don't have jobs, that don't have, you know,  
17 anywhere else to go. If they come out of the tent  
18 people get upset. They come out into the community,  
19 people get upset, but there's nowhere for them to be  
20 in the site. So a lot of sacrifices were made. The  
21 storage facilities were eliminated. A lot of-- the  
22 recreational space and activities were all eliminated  
23 as part of the PEGs, but the other day we had a  
24 hearing and a gentleman came here and he had a bu-- a  
25 little cup and in that cup he had a pack of raisins

1 and that was breakfast. It was a pack of raisins and  
2 yogurt that they received that morning, and we've  
3 heard a lot about that, right, the inadequate level  
4 of food. So the devil's always in the detail, right?  
5 So, yes, are we feeding folks? We're feeding them,  
6 but what are we feeding them is equally as important  
7 to me, and I'm really concerned that any further  
8 cuts, like what are those-- how do those-- what do  
9 those cuts translate into?  
10

11 DIRECTOR JIHA: Yeah, again, the-- our  
12 goal is not to impact those critical services that we  
13 provide the asylum-seekers. The goal is basically  
14 trying to bring down the cost in terms of the service  
15 model. We're changing-- try to change the service  
16 model to provide less services, and therefore, bring  
17 down the staff needed to provide the services. And  
18 as I said, shifting from for-profit and not-for-  
19 profit. These are the strategies that we're trying  
20 to use, and more importantly trying to bring down the  
21 census. Because as I said to you, it is critical,  
22 okay, that we reduce the asylum census because the  
23 past year and a half we have over-relied on PEGs, and  
24 I know all of you don't like PEGs, okay, to fund the  
25 asylum-seekers. It's extremely difficult to go back

1  
2 to the agencies right now to ask the agencies-- after  
3 all these PEGs, we had six of them in a row-- to do  
4 more PEGs to fund the asylum-seekers. We have over-  
5 relied-- and I don't have a stream of funding to do  
6 it. So therefore, we have to bring down the census  
7 as best as we can, manage down the census, because if  
8 the census there, it is not sustainable. I don't  
9 have-- you guys going to have to give me a new source  
10 of funding, okay, to pay for this, because I don't  
11 have it.

12 COUNCIL MEMBER AYALA: How many asylum-  
13 seekers are currently in care now?

14 DIRECTOR JIHA: 64,800 I believe.

15 COUNCIL MEMBER AYALA: And how many--

16 DIRECTOR JIHA: [interposing] It's down.  
17 It's down. At the peak in January-- at the peak of  
18 January, it was at 69,000. Now we're down to 64,800.

19 COUNCIL MEMBER AYALA: And how many folks  
20 are in shelter that would be non-asylum-seeking  
21 shelter, DHS shelter?

22 DIRECTOR JIHA: I will give you the  
23 numbers. DHS-- I will give it to you in a minute,  
24 okay?

25

1  
2 COUNCIL MEMBER AYALA: Because I believe  
3 it's significantly higher.

4 DIRECTOR JIHA: Yeah, it's significant.  
5 It's significant. It's over 48 something thousand, I  
6 believe. I'm getting--

7 COUNCIL MEMBER AYALA: [interposing] It  
8 was--

9 DIRECTOR JIHA: [interposing] I'm getting--

10 -

11 COUNCIL MEMBER AYALA: It was 48 a while  
12 ago.

13 DIRECTOR JIHA: It was. It's probably more  
14 now. But I'm getting it. I will give it to you in a  
15 minute.

16 COUNCIL MEMBER AYALA: Yeah, yeah.

17 DIRECTOR JIHA: Okay.

18 COUNCIL MEMBER AYALA: Because my point  
19 is that, you know, the same level of attention to  
20 escalating and moving folks out of shelter should be  
21 given to DHS shelters, because that census is, you  
22 know, significantly higher than it's ever been, and  
23 you know, we have the tools to move those families  
24 out of shelter, and we're not necessarily utilizing  
25 them, and I know that we-- you know, we said that we

1  
2 have an inventory issue, we do. I get that, but  
3 there have been commitments for move-outs that  
4 haven't gone through, because the system that we have  
5 in place right now is just so slow that it  
6 decentivizes [sic] landlords from being able to hold  
7 apartments for too long, and again, you know, I-- we  
8 also agree that the census count, right, is important  
9 and that it should come down. However, it's how we  
10 do that that's important. we saw last week there  
11 were two incidents where we had, you know, close to  
12 70-something, you know, individuals living in really  
13 unsafe situations, and I think that, you know, more  
14 of that will be encouraged if we're not necessarily  
15 doing our due process and ensuring that folks have  
16 somewhere to go. And I'm optimistic because we're  
17 saying, hey, you know, we had x amount of folks and  
18 this number was able to successfully move out and we  
19 know that that's true, then we should continue to do  
20 whatever it was that we did, but I'm really concerned  
21 that we're not doing the-- we're not complying with  
22 the social services component, you know, enough to  
23 make sure that families end up in shelter, and that  
24 as you know ends up being costlier at the end, right?  
25 Because now we're paying for, you know, services for

1  
2 folks that are unhoused that are living out in the  
3 street, that are living, you know, in basements of  
4 churches that are now not able to feed people. So,  
5 you know, it does add up.

6 DIRECTOR JIHA: To give you a sense of  
7 comfort, as you know, we added \$442 million in the  
8 budget for CityFEPS.

9 COUNCIL MEMBER AYALA: That's great.

10 DIRECTOR JIHA: This is like a \$300  
11 million more than last year. Again, the challenge we  
12 see is--

13 COUNCIL MEMBER AYALA: [interposing] Is it  
14 in addition, though? Because you usually-- I mean,  
15 usually in the budget it's underfunded even--

16 DIRECTOR JIHA: [interposing] This is what  
17 I said Wagner and the general plan. We have \$816  
18 [sic] million for city vouchers which is \$300 million  
19 more than we spent last year.

20 COUNCIL MEMBER AYALA: That's a good  
21 thing.

22 DIRECTOR JIHA: Okay, it's-- it's a  
23 combination of rent increases and very-- it's a big  
24 increase also in the number of vouchers.

1  
2 COUNCIL MEMBER AYALA: Okay. So we're  
3 all aware that the city shelter system didn't just--

4 DIRECTOR JIHA: [interposing] The--

5 COUNCIL MEMBER AYALA: [interposing] Yeah,  
6 go ahead.

7 DIRECTOR JIHA: Okay. The shelter system  
8 right now is about 86,700 folks-- 47.

9 COUNCIL MEMBER AYALA: 86.

10 DIRECTOR JIHA: 47, and the-- that  
11 includes asylum and non-asylum. The asylum piece is  
12 about 31,000.

13 COUNCIL MEMBER AYALA: Of the 86?

14 DIRECTOR JIHA: Of the 86. So you're  
15 talking about 55 is the normal shelter.

16 COUNCIL MEMBER AYALA: Yeah, pretty  
17 significant.

18 DIRECTOR JIHA: Yeah.

19 COUNCIL MEMBER AYALA: Alright. So we  
20 spoke about the vouchers. Do you know-- do we know  
21 currently how many individuals are enrolled in and  
22 using the rental assistance vouchers?

23 DIRECTOR JIHA: It's about 36,000  
24 households.

1  
2 COUNCIL MEMBER AYALA: That are already  
3 using it?

4 DIRECTOR JIHA: That already, yeah.

5 COUNCIL MEMBER AYALA: And how many-- how  
6 many additional individuals have been deemed  
7 eligible?

8 DIRECTOR JIHA: So, 12,000 currently have  
9 vouchers. They have [inaudible] letters [sic] but  
10 they are unable to find housing.

11 COUNCIL MEMBER AYALA: How do you-- do  
12 you guys keep track of that? Why a person is still--  
13 is it-- do you keep track of whether it's because  
14 they couldn't find an apartment or they found an  
15 apartment and there was some sort of delay, an  
16 internal delay?

17 DIRECTOR JIHA: Again, as I said, it's  
18 what we know. We have a housing-- major housing  
19 shortage in New York City. And this is-- at the end  
20 of the day this is what we have to address, and--

21 COUNCIL MEMBER AYALA: [interposing] I get  
22 that, but I want you to listen to me sometimes.

23 DIRECTOR JIHA: Okay.

24 COUNCIL MEMBER AYALA: There is a problem  
25 with the Administration of the processing of the

1  
2 vouchers. Some-- I'm not saying that that's 100  
3 percent of the time, but I'm saying that there is a  
4 problem. I personally make, you know, a number of  
5 calls just to try to get the process expedited for  
6 folks that already have had an apartment and have  
7 been waiting for months. So, that you know, should  
8 be looked at, at minimum.

9 DIRECTOR JIHA: Yeah, I mean, listen, we--  
10 - I hear you, and we added a lot of staff to this.  
11 Again, as I said, this is something that we've been  
12 doing and in terms of adding resources to DHS to  
13 ensure that DHS could deal with this issue. Right  
14 now we have, like, they have 236 staff currently  
15 working.

16 COUNCIL MEMBER AYALA: How much?

17 DIRECTOR JIHA: 236 folks working in the  
18 system. In addition, we have all the providers also  
19 work on this as part of the process, because we're  
20 trying as best as we can, and that's the reason why  
21 we have such a big increase, is because there's a big  
22 increase in the number of shelters placement and so  
23 we're making progress. But again, as I said, it's--  
24 the challenge is on the other side of the ledger  
25 which is housing supply.

1  
2 COUNCIL MEMBER AYALA: Do we have any  
3 vacancies?

4 DIRECTOR JIHA: Yes, we do. It's about I  
5 believe 77.

6 COUNCIL MEMBER AYALA: 77 vacancies. Are  
7 those subject to the PEG, the freeze?

8 DIRECTOR JIHA: No.

9 COUNCIL MEMBER AYALA: No?

10 DIRECTOR JIHA: They could hire. They're  
11 exempted.

12 COUNCIL MEMBER AYALA: Okay. Still no  
13 money for the vouchers or the extra vouchers?

14 DIRECTOR JIHA: There's open litigation,  
15 as you know, and I would defer any question to the  
16 Law Department.

17 COUNCIL MEMBER AYALA: I had to try. The  
18 Adopted Fiscal Year 24 budget included baseline  
19 reduction of \$36.2 million for DHS shelter service  
20 providers. Savings were generated from 2.5 percent  
21 net reduction to shelter provider contract rate.  
22 Providers were required to identify five percent in  
23 savings of their contracts and were permitted to re-  
24 invest half of that or 2.5 percent towards staff  
25 retention costs. At that time, DHS stated that many

1  
2 shelter providers were not spending down all of the  
3 PS costs allowed in their contracts, and therefore,  
4 the reduction would not affect providers. Providers  
5 through-- though, have stated that the only reason  
6 that they could not spend the entirety of their  
7 contract was because of the restrictions placed on  
8 what they could spend funding on. Where is DHS in  
9 the process of implementing this change?

10 DIRECTOR JIHA: This is-- there are no  
11 necessary step needed because this is under spending  
12 savings that we're taking. Okay? There's a  
13 misunderstanding which is-- which I just want to  
14 clarify. Specifically, what we do, this-- these  
15 agencies spend 95 percent of their budget, and at the  
16 end we usually expect some of the savings every year,  
17 okay? This year, we said instead of taking the money  
18 on the back end, we're going to take the money on the  
19 front end. What we did different is we're saying  
20 instead of taking the entire five percent, we're  
21 taking five-- we're taking half and we're giving  
22 half. So I don't know-- I don't see how they could  
23 be worse off? You know what I'm saying here? So we  
24 usually take five percent every year, okay, on the  
25 back end. Now we're taking on the front end. We

1  
2 only said, you know what, we're going to take that  
3 same five percent that we take from you every year,  
4 because you never manage to spend all your resources.  
5 We're going to give you half of it, and we're only  
6 taking half. So this is the piece that we just want  
7 to clarify, [inaudible] and then we're also giving  
8 them all the flexibility and more latitude to spend.  
9 And they also have the ability if they could spend  
10 above that 97.5 percent, they could do so.

11 COUNCIL MEMBER AYALA: Okay. Well, we've  
12 been hearing from providers that the cut has been  
13 quite painful for them.

14 DIRECTOR JIHA: Again, as I said this is  
15 not a cut. This is under-- you know, usually they  
16 don't spend 100 percent of their thing. So usually,  
17 they usually spend 95 percent, and we usually take  
18 that five percent. And this time the only difference  
19 is this time we're going to be giving them half.  
20 We're taking half. Okay? So I don't see how could  
21 that be a cut.

22 COUNCIL MEMBER AYALA: I mean, I would  
23 imagine that the fact that, you know, many of our  
24 nonprofit groups have had such a hard time even

25

1  
2 getting paid. Those contracts are really slow, and  
3 the processing--

4 DIRECTOR JIHA: [interposing] That's a  
5 challenge.

6 COUNCIL MEMBER AYALA: contract is a  
7 challenge.

8 DIRECTOR JIHA: That's a challenge.

9 COUNCIL MEMBER AYALA: You know, our  
10 nonprofits just don't have, right, the net income to  
11 sustain services without the capital investment. So  
12 we have to do better.

13 DIRECTOR JIHA: Yes.

14 COUNCIL MEMBER AYALA: Okay. I have two  
15 more questions. During the November Plan hearing,  
16 Director Jiha, you told us at the committee that the  
17 SNAP program had-- you told the committee that the  
18 SNAP program had addressed all the backlogs. Now, I  
19 saw this morning that the Mayor coincidentally put  
20 out, you know--

21 DIRECTOR JIHA: [interposing] I told you  
22 so.

23 COUNCIL MEMBER AYALA: I know. It's nice  
24 to pat ourselves on the back, but it doesn't negate  
25 the fact that people-- that these applications were

1  
2 taking forever to be processed, and so there's a  
3 distinction between, you know, merely going through  
4 the entire-- exhausting the entire list and, you  
5 know, making changes to ensure that whatever delays  
6 were in place that were getting in the way of folks  
7 getting their services have been remediated. And so  
8 I'm more concerned about what has been done that is  
9 sustainable moving forward to ensure that we're not  
10 continuing to see delays in SNAP and cash application  
11 processing.

12 DIRECTOR JIHA: As I said, we have-- we  
13 engineered the entire process including getting  
14 waivers from the State and investing in technology  
15 provider staff. But we also have to admit we have a  
16 challenge.

17 COUNCIL MEMBER AYALA: Yeah.

18 DIRECTOR JIHA: It is we have a growing  
19 number of poor people in this city. We just added a  
20 ton of resources to the cash assistance program.

21 COUNCIL MEMBER AYALA: Yeah.

22 DIRECTOR JIHA: Okay. And this-- they're  
23 growing so fast because we have a growing number of  
24 poor people in the City. So, and as you, you know,  
25 get more application that's one of the things that

1  
2 was driving the backlog, but as I said we're  
3 addressing the backlog, but there's an underlying  
4 problem.

5 COUNCIL MEMBER AYALA: Yeah, yeah. If we  
6 were investing in more workforce development, that  
7 would help. You know, but can you tell us how many  
8 vacancies the agencies currently has for its cash  
9 assistance and SNAP administration?

10 DIRECTOR JIHA: I believe we hired-- let  
11 me see how many people. We have just hired seven, I  
12 think, I believe.

13 COUNCIL MEMBER AYALA: 70?

14 DIRECTOR JIHA: 700.

15 COUNCIL MEMBER AYALA: Oh, 700.

16 DIRECTOR JIHA: And for these-- to  
17 process. So that's one of the reasons why we've made  
18 so much significant progress.

19 COUNCIL MEMBER AYALA: And what special  
20 hiring accommodations if any is being made to staff  
21 on these areas beyond just for the one-on-one?

22 DIRECTOR JIHA: As I said, we gave them  
23 special treatment, and that's, as I said, we-- of all  
24 the agencies because of the backlog and our concern  
25 about the growing number of folks we saw, and that's

1  
2 the reason why we gave them all the resources that  
3 they needed to process the applications as quick as  
4 possible. I believe we're in a good place now. I  
5 don't expect to have this kind of experience of  
6 backlog again, but they-- I believe we have the  
7 appropriate staffing now at this point.

8 COUNCIL MEMBER AYALA: Yeah, I think we  
9 have--

10 DIRECTOR JIHA: [interposing] The  
11 technology and the process change--

12 COUNCIL MEMBER AYALA: [interposing]  
13 That's right. The technology--

14 DIRECTOR JIHA: [interposing] We changed--

15 COUNCIL MEMBER AYALA: was also  
16 important.

17 DIRECTOR JIHA: Yeah, we changed our  
18 entire process.

19 COUNCIL MEMBER AYALA: Yeah, was when we  
20 spoke to the state, I personally reached out to the  
21 state to try to get some of those waivers reinstated.

22 DIRECTOR JIHA: Yeah.

23 COUNCIL MEMBER AYALA: And you know, one  
24 of the concerns that they had was that the number of  
25 applications that had been processed and approved

1  
2 during the pandemic was actually higher than when  
3 staff came back to the office, and so some of the  
4 concerns were that, you know, obviously staffing  
5 issues were impacting, but also the system that they  
6 were using which was fairly new was also, you know, a  
7 little bit problematic, a bit problematic.

8 DIRECTOR JIHA: Yep.

9 COUNCIL MEMBER AYALA: And my final  
10 question is regarding the syringe buy-back program.  
11 Local Law 2022 would-- 124 would require DOHMH to  
12 establish a needle, syringe, and Sharp buy-back  
13 program in five high-need council districts. DOHMH  
14 would determine eligibility for participation as well  
15 as the buy-back incentive for up to 20 cents per  
16 needle and a cap of \$10 a day. What is the current  
17 status of the buy-back problem?

18 DIRECTOR JIHA: I believe they identified  
19 a provider.

20 COUNCIL MEMBER AYALA: Okay.

21 DIRECTOR JIHA: And they're working with  
22 that provider, but as you know, this is a very -- was  
23 a very painful process, because they couldn't find a  
24 provide to provide the services. So they're in the  
25

1  
2 process of working with the providers and very soon  
3 they will roll out the program.

4 COUNCIL MEMBER AYALA: I wasn't aware  
5 there was an issue with the provider. I thought  
6 that--

7 DIRECTOR JIHA: [interposing] Yeah, yeah,  
8 the--

9 COUNCIL MEMBER AYALA: it was a funding  
10 issue.

11 DIRECTOR JIHA: They had an issue.

12 COUNCIL MEMBER AYALA: Okay.

13 DIRECTOR JIHA: They had an issue with a  
14 provider.

15 COUNCIL MEMBER AYALA: Has there been  
16 any-- okay, so the pilot had-- I did-- it was a  
17 question--

18 DIRECTOR JIHA: [interposing] The pilot  
19 has not started.

20 COUNCIL MEMBER AYALA: Has not started.  
21 Do you have any idea of when we can anticipate that  
22 the pilot will begin?

23 DIRECTOR JIHA: I would have to get back  
24 to DOHMH and find out exactly.

1  
2 COUNCIL MEMBER AYALA: But the funding  
3 has been identified.

4 DIRECTOR JIHA: We will work with you as  
5 we go forward in terms of--

6 COUNCIL MEMBER AYALA: [interposing] It  
7 was \$2 million. It's not a lot of money. Okay, and  
8 do you anticipate any eligibility criteria to change?

9 DIRECTOR JIHA: At this point I'm not.

10 COUNCIL MEMBER AYALA: No? Okay. Thank  
11 you so much.

12 DIRECTOR JIHA: Thank you.

13 CHAIRPERSON BRANNAN: Director, I just  
14 want to get a bit of clarity on one thing I forgot to  
15 ask. I have a note here. The 700 hires that have  
16 been made, since when? When did those hires-- from  
17 when to when?

18 DIRECTOR JIHA: I believe-- since January  
19 2023.

20 CHAIRPERSON BRANNAN: Since January 2023,  
21 and those are all in the HRA benefits processing  
22 unit? Okay. Thank you. Now, we have questions from  
23 Council Members Powers followed by Brooks-Powers.

24 COUNCIL MEMBER POWERS: Thank you.  
25 Thanks. Nice to see you guys and thanks for your

1 testimony. I'll just jump into a few questions quick.  
2 You mentioned that we have 50-- \$49 million that  
3 we've received from the Federal Government and  
4 another sounds like \$100+ that we're still waiting  
5 for. I think all of us agree far too few dollars  
6 coming from the Federal Government, and we are all I  
7 think disappointed with that reaction to this crisis.  
8 However, it's a little concerning to me that we're  
9 talking about \$100 million that's tied up in what  
10 sounds like paperwork and requirements that we or  
11 perhaps the Federal Government is making to stringent  
12 for us or we can't fulfill. Can you just give us  
13 more specificity on exactly what we're talking about  
14 that's locking up that \$100 million, because  
15 obviously that money could go to good use right now?

17 DIRECTOR JIHA: Yeah. The-- every other  
18 municipality is having the same challenge. For  
19 instance, they require that we provide the alien  
20 numbers, things that we did not collect initially.  
21 Only \$12 would go towards the-- \$12.50 I believe can  
22 towards paying for hotel. I mean things that-- it's a  
23 number of challenges, and every other municipality. I  
24 believe the City Comptroller last month and the OMB  
25 Director for Chicago, they sent a letter complaining

1  
2 about it. It's-- we're all trying to. We've got all  
3 the information that we need, because it's a lot of  
4 information that they requested and information that  
5 we did not collect before that we have to collect in  
6 order for us to get access to those resources. But  
7 again, we're trying our best. We're going to try--  
8 we're going to go after [inaudible] and sometimes  
9 very soon to submit the application together, the  
10 resources. But it's been very, very challenging.

11 COUNCIL MEMBER POWERS: Based on those--  
12 that information that you haven't-- we haven't  
13 collected, it sounds like other jurisdictions have  
14 collected either. Do we have a belief that we're  
15 going to receive that funding, and what do you think  
16 an expected timeline is?

17 DIRECTOR JIHA: We believe we will get it.  
18 I don't know, you know, because as I said, we just  
19 process-- are gathering all the information that we  
20 needed, and once we submit the application I don't  
21 know how long it's going to take them to give us  
22 those resources.

23 CHAIRPERSON BRANNAN: And hat was able to  
24 get us the \$49 million?

25

1  
2 DIRECTOR JIHA: It was a different type  
3 of--

4 CHAIRPERSON BRANNAN: Okay.

5 DIRECTOR JIHA: Where they had lent us  
6 the resources up front rather than us submitting all  
7 this other paperwork that we need to do to claim.

8 CHAIRPERSON BRANNAN: Okay. I just--  
9 because I have 30 seconds here, I want to ask two  
10 more questions. One is the subway safety plan which  
11 I believe the Administration recently announced will  
12 be extending shifts in the subway system to address  
13 recent uptick in subway crimes. Can you talk to us  
14 about what spending will be associated with that? I  
15 thought in the last version of this with the  
16 governor, the state had also provided funding for  
17 that to reimburse at least for overtime costs. Can  
18 you provide us an update on that? And second is, the  
19 Governor's Executive Budget included a proposal to  
20 allow local governments to execute padlock orders on  
21 unlicensed businesses through the Office of Cannabis  
22 Management. If that was to pass, and the City  
23 Council took action, in the enacted budget after the  
24 enacted budget, will we be doing anything to increase  
25 investments to shut down those unlicensed businesses

1  
2 or adding anything into enforcement as part of this  
3 budget or in the future?

4 DIRECTOR JIHA: Yes. The plan is to go  
5 back to about 5,000 hours of overtime from--  
6 currently we have 3,000 hours of overtime. That's  
7 what they-- the department supposed to be.

8 Ultimately, the goal is to get through, because we've  
9 been working with the state to see if we could get  
10 10,000 hours of overtime being added to this plan.

11 Last time, the state covered about three and a half  
12 months for about \$62 million. We're working with  
13 them to see because we're trying to get that  
14 expansion to be done through the end of this year.

15 Okay. So I don't know where we're going to end with  
16 the state, but part of a negotiation. We're talking  
17 to them to see if we can get to the 10,000 because  
18 that's what we truly believe that we really need. But  
19 what they announced last week was just an expansion  
20 of like 5,000 hours which was like, you know, a  
21 compromise thing from their perspective, but what  
22 they truly need is about 10,000 hours. Regarding the  
23 cannabis, we definitely will make an assessment,  
24 okay? And as we go through this, and as I said, the  
25 Mayor wants to have the authority to [inaudible] to

1  
2 manage to close down the shops, and once we do the  
3 assessment, if we get the authority, we will provide  
4 the-- work with the Council to provide the  
5 appropriate funding to make sure that we have the  
6 necessary enforcement.

7 COUNCIL MEMBER POWERS: And I'll just  
8 add-- and I'll just-- do you have any sense of what  
9 that investment would look like in order to proper  
10 enforcement?

11 DIRECTOR JIHA: Again, we're waiting to  
12 find out exactly what kind of delegation of  
13 authority. That's what-- we need a lot more before  
14 we give an assessment of how much it'll cost us.

15 COUNCIL MEMBER POWERS: Thank you. Thank  
16 you to the Chair.

17 CHAIRPERSON BRANNAN: We've also been  
18 joined by Council Members Lee, Rustler, Nurse, Abreu,  
19 and Council Member Won on Zoom. Now we have questions  
20 from Council Member Brooks-Powers.

21 COUNCIL MEMBER BROOKS-POWERS: Thank you.  
22 Wanting to first start off with the Streets Plan. In  
23 the latest Streets Plan update from DOT, the agency  
24 wrote, "Given the fiscal challenges that hit New York  
25 City in 2023, serious actions were taken citywide

1 including a hiring freeze and a five percent program  
2 to eliminate the gap in multiple financial plans.

3 New York City DOT did our best to protect services  
4 but unfortunately many programs including supporting  
5 the Streets Plan had to be reduced. DOT fell well  
6 short of Streets Plan's legal mandates particularly  
7 with respect to investments in bus infrastructure."

8 Considering that the Department of Transportation has  
9 not met its mandated targets in the Streets Plan,  
10 does OMB believe that the current level of funding  
11 for DOT is sufficient, and does the Administration  
12 plan to make further investments in DOT in the  
13 Executive Budget?  
14

15 DIRECTOR JIHA: DOT made significant  
16 progress towards the Street Plan goals in fiscal-- in  
17 2023. They have met the goal of installing one  
18 million square feet of new pedestrian space. They  
19 exceeded their goal for redesign and to sections--  
20 and accessible pedestrian signals. They also continue  
21 to make progress with installing more protected bike  
22 lanes and improving bus transit. But as you know,  
23 they face some serious challenges in making the  
24 Streets Plan goals such as they have challenge with  
25 their facility constraints, supply chain issues, and

1  
2 some-- to some extent position [sic] from the  
3 community.

4 COUNCIL MEMBER BROOKS-POWERS: Just  
5 staying on this topic for a moment, because again, by  
6 DOT's own admission, the PEG and the hiring freeze  
7 played a role in that. So to my question, do you  
8 feel that the funding level is sufficient?

9 DIRECTOR JIHA: We believe so.

10 COUNCIL MEMBER BROOKS-POWERS: So, the  
11 budget level right now, DOT in your summation, should  
12 be able to achieve the goal set forth in the Streets  
13 Plan?

14 DIRECTOR JIHA: Yes.

15 COUNCIL MEMBER BROOKS-POWERS: Next, DOT  
16 capital plan. The DOT's capital program and the  
17 preliminary capital commitment plan has decreased  
18 from the adopted capital commitment plan across many  
19 key transportation project areas over the planned  
20 period. This includes a \$655.9 million dollar  
21 reduction in capital projects for the City's bridges,  
22 \$949.6 million reduction for highway projects, and a  
23 \$153.6 million reduction in capital projects related  
24 to traffic. Can OMB explain why this funding was  
25 rolled out of the plan period, and do you believe

1  
2 that the capital needs for these critical  
3 infrastructure areas are currently under-funded in  
4 the preliminary capital commitment plan?

5           DIRECTOR JIHA: Again, this has to do with  
6 the city debt capacity. As I indicated to you  
7 before, this is a new challenge. We are very close  
8 to our debt limit, and as a result we had to roll  
9 back any other projects to the out-years of the  
10 financial plan-- of the Capital Plan, because we  
11 couldn't fund it. So, again, it's the same issue.  
12 We're working with the state to secure the expansion  
13 of the TFA. The Governor included \$12 million in the  
14 budget to deal with this issue. But again, this is  
15 the same issue like we discussed before, the  
16 challenge of the capital debt limit. If we do not  
17 move resources that we currently have allocated for  
18 the borough-based jail that we know we're not  
19 spending, because the timeline is not real, okay, we  
20 would not have resources to fund critical projects.

21           COUNCIL MEMBER BROOKS-POWERS: And one  
22 last question. I just wanted to touch on the subway  
23 overtime. So the Council has found that the  
24 Administration consistently under-estimates the cost  
25 of overtime for the City's uniformed workforce which

1  
2 has been under budget at adoption, repeatedly in  
3 recently years, and I know in response to Council  
4 Member Powers a moment ago, you said that we truly  
5 need at least 10,000 hours of subway overtime. So,  
6 from your perspective, how is the Administration  
7 assessing the need and how is OMB weighing the cost  
8 of the increase against actual results, and I just  
9 want to understand how are we looking to plug the  
10 gaps to meet the need in light of the  
11 Administration's priority as it pertains to the  
12 overtime, but yet the state's not including it in the  
13 budget so far in terms of the reimbursement aspect of  
14 it?

15 DIRECTOR JIHA: We, as you know, we have  
16 given targets, overtime targets to all the uniformed  
17 agencies as part of the measures that took to manage  
18 expenses during the crisis. But for some agencies  
19 it's a lot easier than others, particularly for NYPD  
20 with the many demonstrations we have since October  
21 7<sup>th</sup>, and they have to redeploy for-- of course, we  
22 have issue with crime in the subway system, so  
23 therefore, they have to respond to those things. So  
24 for certain agencies, it's extremely difficult to  
25 manage on a day-to-day basis because we don't know

1  
2 what event is going to transpire. So we are managing  
3 it as best as we can. And if needed, we will make  
4 the appropriate adjustment to the budget in the  
5 future plans to reflect what we're seeing taking  
6 place down in the streets.

7 COUNCIL MEMBER BROOKS-POWERS: Mr. Jiha,  
8 how does this budget ensure we are making the  
9 requisite investments to complete capital projects on  
10 time? For example, does DDC have what it needs to  
11 keep projects on track and our agencies equipped with  
12 the resources to coordinate effectively on capital  
13 projects in the coming years? And I use the Far  
14 Rockaway Library as an example of that?

15 DIRECTOR JIHA: Yeah, DDC has from our  
16 perspective on resources that they need to do the  
17 work, but they were exempted as part of the fees--  
18 from the fees so that they could, you know, have all  
19 the resources that they need because they are funded  
20 through IFAs. And also, they met [inaudible] their  
21 entire targets with the first PEG [inaudible]. So  
22 therefore we removed that from the freeze from the  
23 get-go. So, from our perspective, they have all the  
24 resources that they need.

25 COUNCIL MEMBER BROOKS-POWERS: Thank you.

1  
2 CHAIRPERSON BRANNAN: Questions from  
3 Council Member Farías followed by Rivera.

4 COUNCIL MEMBER FARIÁS: Thank you, Chair.  
5 Good morning. I'd like to ask some questions around  
6 the adult literacy program. In 2023, DYCD rolled out  
7 a concept paper for adult literacy. Earlier this  
8 year, the agency released an RFP for fiscal year 2025  
9 to fiscal year 2027. This RFP will allocate funding  
10 based on neighborhood tabulation areas, better known  
11 as NTAs. Only programs physically located in one or  
12 more of the 41 designated NTAs will be eligible to  
13 apply for contracts. DYCD's budget for adult  
14 literacy has decreased by 50 percent from \$43.4  
15 million in the fiscal year of 2024 Adopted Budget to  
16 \$21.7 million in fiscal year 2025 Prelim. What was  
17 the rationale behind these reductions?

18 DIRECTOR JIHA: There was no reduction.  
19 It's basically-- it's as you know, City Council and  
20 the Mayor [inaudible] adoption at like on-time  
21 discretionary funding, and the discretionary funding  
22 just for one year, okay? It's not baselined. That's  
23 the only thing that is missing.

24 COUNCIL MEMBER BROOKS-POWERS: Okay, so  
25 it was a one-shot.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

DIRECTOR JIHA: That's a one-shot.

COUNCIL MEMBER BROOKS-POWERS: Only. And any rationale at not wanting to keep it at that amount versus--

DIRECTOR JIHA: [interposing] We will see as we get closer to adoption, you know, and see what can be done.

COUNCIL MEMBER BROOKS-POWERS: Alright, thank you. And then considering the growing number of asylum-seekers, how are adult literacy providers expected to meet the needs of this population, especially with the variety of languages that we're now having to manage?

DIRECTOR JIHA: I believe that DYCD currently offers adult literacy at the HERRCs currently, and also this program is also open to all New Yorkers, but they're currently providing services at the HERRCs.

COUNCIL MEMBER BROOKS-POWERS: Okay. Can OMB commit to a rise in RFP with DYCD and restore the \$21 million reduction that we're considering for adoption?

DIRECTOR JIHA: DYCD, I believe, they issue an addendum to indicating to providers they can

1  
2 also apply for the NTA that is closest [inaudible]  
3 location now. And they extended the deadline to the  
4 RFP to March 31<sup>st</sup> as per the Council request.

5 COUNCIL MEMBER BROOKS-POWERS: And under  
6 the DYCD's new NTAs there will be 17 council  
7 districts that will lack adult literacy programs.  
8 Can OMB commit to revising this neighborhood  
9 breakdown?

10 DIRECTOR JIHA: As stated before, at this  
11 time and under the current conditions, I cannot make  
12 any commitment. However, if the economy continues to  
13 improve and we have the resources, as we get closer  
14 to adoption, we will discuss priorities of the  
15 Council and the Administration and see what can be  
16 funded.

17 COUNCIL MEMBER BROOKS-POWERS: Thank you.  
18 I mean, we will definitely like to look at at least  
19 where the highest needs are, especially where in our  
20 migrants, you know, situation we're addressing the  
21 larger populations. And just really quickly on  
22 migrant jobs, on the migrant's job bank. Governor  
23 Hochul's Executive Budget includes the creation of a  
24 migrant job bank for immigrants eligible to work.  
25 This includes over 18,000 open positions from nearly

1  
2 400 companies. 75 percent of these open positions  
3 would be in the City with 24 percent in the food and  
4 hospitality industry. How will this program be  
5 implemented in the City and how will the migrants be  
6 prepared for these jobs?

7 DIRECTOR JIHA: I think, I believe we are  
8 currently working with the state, and I cannot give  
9 you at this moment in time, you know, what the-- how  
10 things are working out between the state and the  
11 city, but I will come back to you with an answer.

12 COUNCIL MEMBER BROOKS-POWERS: Sure. I  
13 mean, with the consistent conversations that you  
14 folks are having with Governor Hochul's office--

15 DIRECTOR JIHA: [interposing] Sure.

16 COUNCIL MEMBER BROOKS-POWERS: I would  
17 assume you have some idea.

18 DIRECTOR JIHA: Yeah.

19 COUNCIL MEMBER BROOKS-POWERS: And I  
20 mean, we're hoping that community-based programs  
21 would be involved in this initiative as we move  
22 forward. It's-- I'll-- I won't ask the last two  
23 questions since you're saying you're in  
24 conversations. We will definitely follow up on it.  
25 Thank you so much.

1

DIRECTOR JIHA: Okay. Thank you.

2

3

CHAIRPERSON BRANNAN: okay, we have

4

Council Member Rivera followed by Brewer.

5

COUNCIL MEMBER RIVERA: I want to thank

6

the Chair and of course the Speaker for their remarks

7

and work to support cultural institutions and

8

libraries, and I want to thank the panel for being

9

here and answering all our questions. The Department

10

of Cultural Affairs PEGs totals \$11.6 million in

11

fiscal year 2024 and \$7.6 million in '25. The Fiscal

12

25 Preliminary Plan includes a reduction \$4.2 million

13

in '24, \$2.2 in '25, and \$2.1 million in the out-

14

years for cultural development fund recipients. Can

15

you explain the decision-making process? Why is the

16

Administration implementing PEGs in an agency which

17

distributes 95 percent of its funding to nonprofit

18

organizations and with that late announcement, over

19

six months into the fiscal year? What changes will

20

you make so these unacceptable delays won't happen

21

again?

22

DIRECTOR JIHA: As I said before, we

23

value the work that the cultural institutions do in

24

the city. It's not by accident that they were

25

exempted from the full PEGs that this Administration

1  
2 did the first two years. So it's because we value  
3 what they do and we see the importance of what they  
4 do for the City. However, the size of the budget cap  
5 that we have to deal with requires that all hands on  
6 deck approach in terms of asking everyone, every  
7 agency to make [inaudible]. That's the reason why  
8 there were PEG. And as I stated before, if economic  
9 conditions improve and we have resources and we get  
10 more than we anticipated currently, we will work with  
11 the Council in terms of identifying, reviewing  
12 [inaudible] that can be partially or fully funded or  
13 restored [sic].

14 COUNCIL MEMBER RIVERA: Oh, I would say  
15 that they were exempted because the Council fought  
16 very hard for those restorations as well, and if  
17 you're looking at, you know, the economic outlook and  
18 should things improve, as you've mentioned quite a  
19 few times. Let's talk about cultural intuitions and  
20 groups. I mean, they're a huge revenue driver. This  
21 is \$22 billion in economic activity with an ecosystem  
22 that includes small businesses and major tourism. So  
23 the Preliminary Plan includes \$7.4 million in '24,  
24 \$5.4 million in fiscal year '25, and \$5.5 million in  
25 the out-years for the CIGS [sic]. DCLA funds a

1  
2 portion of the operating cost for the 34 city-owned  
3 institutions. Can you explain to us how the PEGs  
4 were calculated and implemented for the CIGS in both  
5 November and January Plans? Is Council discretionary  
6 funding impacted by these PEGs or individual member  
7 item funding in citywide initiatives part of the  
8 operating budget? And is the percentage of cuts the  
9 same for all 34 CIGS in the November and January  
10 Plan? And just if I could add to that, the  
11 libraries-- since the Administration announced the  
12 cancelation of the fiscal year 2025 Executive Budget  
13 program to eliminate the gap for city agencies due to  
14 continued strong fiscal management, are there plans  
15 to restore the November Plan baseline cut to the  
16 library's budget of \$23.64 million in '24 and \$22  
17 million in the out-years so the systems can bring  
18 back the much-needed Sundays services?

19 DIRECTOR JIHA: I'll start with the first  
20 question.

21 COUNCIL MEMBER RIVERA: Thank you.

22 DIRECTOR JIHA: For the November Plan,  
23 this year we applied three and a half percent cut  
24 across the board to all CIG for fiscal year 24, but  
25 [inaudible] fiscal year 25 in half. It's like 7.4

1 percent for large CIG with a budget of \$20 million or  
2 more and 3.5 percent for the small ones. For the  
3 general plan, this year you'll also see other cuts in  
4 fiscal '24. It's 11.3 percent for a large CIG, and  
5 3.5 percent for small CIGS, and 8.3 percent across  
6 the board for all CIG for fiscal year 25 and out.  
7 Regarding the council discretionary funding, they are  
8 not impacted by the PEG. And as I've stated earlier,  
9 if the financial conditions improve beyond what we  
10 currently in the City, we will work with the Council  
11 to identify priorities that can be fully or partially  
12 restored, including the libraries and cultural  
13 institutions. Again, as I said, we have to make sure  
14 we have the resources to basically start this  
15 conversation, start the conversation about  
16 [inaudible]. Until we do, I cannot commit at this  
17 point in time, okay, that we're going to restore X,  
18 Y, or Z. If resources are there, as we get closer to  
19 adoption, we will discuss with the Council and  
20 identify joint priorities that can be fully or  
21 partially restored.  
22

23 COUNCIL MEMBER RIVERA: Well, thank you  
24 for that. I would say, as I mentioned, major drive to  
25 city revenue. I hope that's analyzed when cuts are

1  
2 made, and as you can imagine, these smaller  
3 institutions and groups in the libraries, they're  
4 critical to just our survival in the city.

5 DIRECTOR JIHA: Sure.

6 COUNCIL MEMBER RIVERA: So, thank you for  
7 the time, to the Chair and to my colleagues for their  
8 questions as well. I just want to add that, you know,  
9 cutting these really could have negative effects on  
10 our local economies and I know all my colleagues feel  
11 that way. So thanks again.

12 CHAIRPERSON BRANNAN: Council Member  
13 Brewer followed by Hudson.

14 COUNCIL MEMBER BREWER: Thank you very  
15 much. I do want to thank James Bristow [sp?] for his  
16 support in answering questions before I go further.  
17 So I am concerned about the asylum-seeker contracts.  
18 The Administration has entered into a one-year, no  
19 bid, \$53 million emergency contract with MoCaFi. It  
20 is a for-profit financial services company. It is  
21 MWBE. The contract will provide asylum-seekers with  
22 EBT cards for the purchase of food and baby supplies,  
23 as you know. The Administration has indicated that  
24 this will replace food services provided under a  
25 previous no-bid contract with DocGo, another for-

1  
2 profit company. It's a little strange to me to have  
3 this new no-bid contract, because as you said in your  
4 introduction and as we have been told, we are going  
5 to go with more nonprofits. So when did the new  
6 food EBT card program begin? How many cards will be  
7 issued and how many families are expected to receive  
8 this benefit? I had understood a pilot of 500. We  
9 wanted to know the criteria to select the families.  
10 I understand originally from some media reports that  
11 they were in what I would call scatter site, meaning  
12 you know, two hotel rooms here, two hotel rooms  
13 there, but I also saw that they are also going to be  
14 an entire shelter. So could you explain that to me?  
15 And also, got to stop this no-bid contracts. We sat  
16 here during Oversight and Investigations stating from  
17 Health + Hospitals we're going to RFPs and we're not  
18 doing them. Thank you.

19 DIRECTOR JIHA: Yeah, this is a program  
20 that is a pilot program that will serve 500  
21 households. The goal of the program basically is to  
22 save money, okay?

23 COUNCIL MEMBER BREWER: But why no bid?

24 DIRECTOR JIHA: I'm going to get there.  
25 The goal of the program is to save money. We expect

1  
2 to save about \$7 million out of this program because  
3 we had a lot of waste in terms of food that was  
4 served to the asylum-seekers. And the second goal is  
5 to make sure that some of the resources that has been  
6 spent on the migrant stays in the local economy,  
7 because these will be used as local square market and  
8 bodegas. And thirdly, it's because we're trying to  
9 basically do as best as we can to create  
10 opportunities for MWBEs as part of the resources that  
11 have been spent in spite of this huge amount of money  
12 that is spending. So, the program has not yet  
13 launched. It's expected to launch in the next several  
14 weeks. The program, as I said, is expected to start  
15 with 500 folks, and as we move forward, if the pilot  
16 is successful that will be launched to the entire  
17 city. I don't have to repeat what the Mayor already  
18 made it clear, that he wanted to make sure that we  
19 created opportunities for MWBEs and he's the one who  
20 referred to the vendor, to HPD. So this is not news.  
21 You know, this is everybody-- everybody already  
22 knows. He made it clear that's what he did.

23 COUNCIL MEMBER BREWER: Okay. I mean, to  
24 me, I do support MWBE, but it seems to me you should  
25 do a bid. Maybe there are other MWBEs, number one.

1  
2 Number two, do a bid that says we will give points as  
3 we do for housing for veterans and city employees to  
4 MWBE. If we have a policy of doing bids and not doing  
5 for-profits, we should continue it. That's exactly  
6 what you said in your opening, but here's a major  
7 contract that is not that. Okay. Second, does the  
8 \$53 million maximum contract value include the  
9 funding that will be added to EBT cards, or is it  
10 solely related to the fees paid to MoCaFi?

11 DIRECTOR JIHA: The vendor-- like I said,  
12 the resources, the money is basically for everything.

13 COUNCIL MEMBER BREWER: For the company.

14 DIRECTOR JIHA: It's for everything, for-  
15 - it is-- it include our cost, the cost of the fund  
16 that will be added to the cards for the asylum-  
17 seekers, the issuance card, the [inaudible] fees. It  
18 includes everything.

19 COUNCIL MEMBER BREWER: Okay. Can you  
20 break down either now or in the future what's for the  
21 fees and what's for the asylum-seekers on the card?

22 DIRECTOR JIHA: We could provide you a  
23 breakdown if you want of every single one of them.

24 COUNCIL MEMBER BREWER: Okay. And how  
25 long is the pilot?

1  
2 DIRECTOR JIHA: I will get back to you on  
3 this. I don't exactly-- I think-- how long it's  
4 going--

5 COUNCIL MEMBER BREWER: [interposing] Now,  
6 how does this impact the DocGo for-profit, non-bid  
7 also? How does it impact?

8 DIRECTOR JIHA: What do you mean?

9 COUNCIL MEMBER BREWER: In other words--

10 DIRECTOR JIHA: [interposing] Because  
11 basically it's going to replace-- that's what we're  
12 trying to do here is try to replace the services that  
13 were-- if it's successful and we decided to launch  
14 it, the goal is to basically replace.

15 COUNCIL MEMBER BREWER: How long is the  
16 no-bid DocGo contract?

17 DIRECTOR JIHA: they just responded to an  
18 RFP again. As I said, they have a contract with H+H,  
19 and when the contract expires--

20 COUNCIL MEMBER BREWER: [interposing] When  
21 does it expire, DocGo?

22 DIRECTOR JIHA: I don't have it in front  
23 of me. I will get back to you on that.

24 COUNCIL MEMBER BREWER: Okay. I'm just  
25 saying, we got to stop no-bids.

1  
2 DIRECTOR JIHA: I fully agree with you,  
3 and this--

4 COUNCIL MEMBER BREWER: [interposing] I  
5 know, but we're doing it again, and again, and again.

6 DIRECTOR JIHA: This is the direction, as  
7 I said, we're moving, because that's how we see we're  
8 going to find [inaudible] resources [inaudible].

9 COUNCIL MEMBER BREWER: DOI  
10 investigators, I'm very supportive of the DOI. I  
11 think this Investigation Department as you know,  
12 provides necessary oversight to ensure that agencies  
13 are functioning properly. It seems that oversight  
14 isn't a priority fund by this Administration in some  
15 cases. And this is-- also, I want to make sure that  
16 Department of Corrections also has the Board of  
17 Correction fully funded. Both of these agencies need  
18 to be fully funded. So why hasn't the Administration  
19 prioritized funding oversight agencies with adequate  
20 staff and salaries, and to you plan to restore cuts  
21 and improve new needs for DOI in the Executive Plan?  
22 And the reason I understand is, we're always told  
23 that if the agency is fully staffed, then they can  
24 get more money to meet their new needs. Let me tell  
25 you the problem. You can never be full-staffed.

1  
2 Gale Brewer leaves to go for another job in the  
3 middle of whatever. It's not necessarily easy to hire  
4 another attorney because all the reasons that you  
5 know. Fully-staffed is not the right word. What is  
6 the right word in my opinion is making sure these  
7 agencies can do oversight. So how do you answer my  
8 question? Thank you.

9           DIRECTOR JIHA: DOI is our eyes and ears  
10 on the ground, and as a result we have made  
11 significant investment to DOI. In the last two years  
12 we have provided them with significant resources to  
13 monitor the BBJ's [sic], to monitor the asylum-seeker  
14 spending that we're doing, and I've had many  
15 discussion with the agency head, the Commissioner, in  
16 terms of fair needs. However, given the challenges  
17 that we're dealing with, we ask all agency to  
18 contribute savings, but we have been working to  
19 provide them the resources that they need either to  
20 promote folks or to hire people. And then as I said,  
21 more importantly, we provided them resources for two  
22 major projects because I believe we need--

23           COUNCIL MEMBER BREWER: [interposing] I'm  
24 aware.

1  
2 DIRECTOR JIHA: eyes on the ground to  
3 ensure that the borough based jail spending and the  
4 asylum-seeker spending is properly managed.

5 COUNCIL MEMBER BREWER: Okay. I believe  
6 they need more. We should have further discussions.  
7 You know, they're not fully-funded for the regular  
8 work that they do. I know what the two projects are.  
9 We appreciate that. How about the Board of  
10 Correction? They are not fully funded.

11 DIRECTOR JIHA: the Board of Corrections?

12 COUNCIL MEMBER BREWER: Board of  
13 Correction, right. Oversight, another oversight  
14 agency.

15 DIRECTOR JIHA: We, again, as I said, I  
16 believe we have given them the funding that's  
17 necessary for them to conduct their operations. As I  
18 said, it's a questions of different people at  
19 different ways of looking at resources from our  
20 perspective. They have all the resources that they  
21 need to meet their needs.

22 COUNCIL MEMBER BREWER: Okay, one other  
23 quick question and then I'm done.

24 DIRECTOR JIHA: And we'll continue to work  
25 with them, and we will do an assessment of their

1  
2 needs. If there are needs going forward, we will  
3 address them.

4 COUNCIL MEMBER BREWER: Okay. When you  
5 do the 60-day and 30-day and you have to go back to  
6 the Roosevelt Hotel-- I go with families so I know.  
7 Then they go back to hopefully another hotel in  
8 Manhattan if they have children in the system. And I  
9 want to thank H+H for all their support. What's the  
10 cost, not necessarily now, of all of that transition?  
11 In other words, somebody has to re-enter a family  
12 into the system. I don't know how many families have  
13 been re-entered. I'd like to know that cost.  
14 Obviously, maybe you don't have it today to compare  
15 it with. We're trying to get the per-diem down. I  
16 just don't believe that all of this change is  
17 necessary in terms of cost. You could-- there may be  
18 other ways to get people to move, and I understand  
19 getting the census down, I got it. But this  
20 churning, to me, is expensive, and I'd love to get  
21 that breakdown.

22 DIRECTOR JIHA: I will work with your  
23 staff and we will work with our staff to see if we  
24 have that information, and if we don't, and whether  
25 we could create an analysis to provide to you.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COUNCIL MEMBER BREWER: Thank you.

CHAIRPERSON BRANNAN: Okay. We have Council Member Hudson followed by Joseph.

COUNCIL MEMBER HUDSON: Thank you so much, Chair. Back in November, Director Jiha, I asked if you used population data to inform fiscal policy, and you stated, "Of course, yes, we do." In that same exchange, you said that you were aware that the older adopt population in New York City will increase 40 percent by the year 2040. Despite that, however, the November Plan included a 13.5 million PEG for older adult centers in fiscal year 2027, and the Preliminary Plan includes an additional PEG for older adult centers of \$18.9 million this fiscal year and \$2.2 million in fiscal year 2025 through 2028. Older adult centers are a vital resource for many of our city's older residents, and as the city's population of older adults continues to expand exponentially, the need for these centers becomes so much more important. How are these PEG amounts determined, and how does the agency plan to achieve these savings?

DIRECTOR JIHA: As you know, like you properly stated, we-- as I said to you, we agree with

1  
2 you, and we said to you we would never leave any  
3 elderly folks go hungry in New York City. We will  
4 try to [inaudible] and as you know, as part of the  
5 review process, we've moved-- we reduced the PEG for  
6 an aging. We're about 87 percent. So, the-- as I  
7 said, we're trying to as best as we can, when the  
8 agency submit their target, we review them. If we  
9 realize they don't have the means to absorb the PEG,  
10 either fully remove them, exempt them from the PEG,  
11 or give them a partial exemption. In this case,  
12 we'll give a partial exemption which is a big pieces.  
13 We reduce the PEG target by 87 percent.

14 COUNCIL MEMBER HUDSON: How will older  
15 adults in our capacity be impacted by this funding  
16 reduction?

17 DIRECTOR JIHA: No current service were  
18 reduced by the city [inaudible].

19 COUNCIL MEMBER HUDSON: Will this  
20 reduction impact future RFPs? If so, how?

21 DIRECTOR JIHA: This questions around the  
22 new RFP ongoing and right now the final decision have  
23 been made about that.

24 COUNCIL MEMBER HUDSON: And when will the  
25 next RFP for older adult centers be released? What

1  
2 impact will this funding reduction have on parameters  
3 or scope of services in the next RFP?

4 DIRECTOR JIHA: Don't know. I would have  
5 to get-- talk to the agency to know exactly when the  
6 new RFP will be released.

7 COUNCIL MEMBER HUDSON: Is that something  
8 you can follow up with us on?

9 DIRECTOR JIHA: I will follow up with  
10 you.

11 COUNCIL MEMBER HUDSON: Is the  
12 Administration considering restoring the PEGs in the  
13 Executive Plan?

14 DIRECTOR JIHA: As I said, at this point  
15 in time, I cannot make any commitment, but if  
16 financial conditions improved, we will work with the  
17 Council. This is what can be partially offered if  
18 so.

19 COUNCIL MEMBER HUDSON: Okay. And in the  
20 most recent PMMR, it was indicated that there was a  
21 pause on the intake of new case management  
22 constraints. This program assists older adults and  
23 getting connected to needed services and resources.  
24 How is OMB working with NYC Aging to address this  
25

1  
2 budget issues and ensure there are no further pauses  
3 going forward?

4 DIRECTOR JIHA: We will continue to work  
5 with the agency. As I said, this case management  
6 work is probably changing conditions. This is what  
7 we-- we will distribute it to the Council, and we  
8 will work with the agency to see what can be done.

9 COUNCIL MEMBER HUDSON: Does the  
10 Administration plan on increasing funding for case  
11 management, and if so, by how much and when will this  
12 funding be added?

13 DIRECTOR JIHA: I believe the case  
14 management currently is adequately funded, but again,  
15 we are constantly in communication with the agency,  
16 and if there's a need going forward, we will do an  
17 assessment.

18 COUNCIL MEMBER HUDSON: Is there a  
19 specific reason why you believe it's adequately  
20 funded, currently?

21 DIRECTOR JIHA: Yes, we believe that  
22 currently where they are, they are adequately funded,  
23 because they have not come back to us and complained  
24 about the lack of funding.

1  
2 COUNCIL MEMBER HUDSON: Are you aware of  
3 any wait lists for case management?

4 DIRECTOR JIHA: Yes, yes, I'm aware of  
5 the wait list. As I said, we work with them, but as  
6 I said to you before, they know the challenges that  
7 we're dealing with financially, and given the  
8 challenges that we're dealing with we have done-- you  
9 know, we have gone above and beyond to try to  
10 accommodate them as best as we can. So when I said,  
11 they're adequately funded, I'm talking about in  
12 relation to the challenges that we're dealing with.

13 COUNCIL MEMBER HUDSON: Okay, because I  
14 would argue that as long as there's a wait list for  
15 any type of service, then obviously the funding is  
16 inadequate.

17 DIRECTOR JIHA: Given the challenges that  
18 we're dealing with, you know, we have gone above and  
19 beyond to try to accommodate.

20 COUNCIL MEMBER HUDSON: Okay. Thank you.

21 CHAIRPERSON BRANNAN: Okay, we have  
22 Council Member Joseph followed by Narcisse.

23 COUNCIL MEMBER JOSEPH: Thank you, Chair.  
24 In November Plan, OMB swapped \$60 million of city  
25 funds for federal funds for school food. While we

1  
2 were told there were no impacts to school food  
3 budgets or operation, we're hearing that there are  
4 indeed cuts made to school food menus, that high-  
5 demand items are being swapped with heat-and-serve  
6 options. Are there any stipulations surrounding the  
7 federal funds that would make certain food menu items  
8 ineligible for reimbursement? If so, what food would  
9 be omitted as a result?

10 DIRECTOR JIHA: Again, trying to clarify,  
11 it's-- there was no cut of city tax dollars.  
12 Basically, what we did was swap, okay?

13 COUNCIL MEMBER JOSEPH: That's not what  
14 we're hearing from schools and children.

15 DIRECTOR JIHA: Let me finish. We  
16 swapped, but bear in mind the city made some  
17 significant investment in school cafeteria. So what  
18 we end up with, you have a lot of children hanging  
19 out in the cafeterias now and eating more and more  
20 and more and more. So, therefore, what they did was  
21 hey, they basically cut some of the items from the  
22 menu--

23 COUNCIL MEMBER JOSEPH: [interposing] So  
24 you heard the word cut.

1  
2 DIRECTOR JIHA: They cut because more  
3 kids are eating, not because there was a cut to the  
4 budget itself. So what we're doing right now, we're  
5 modifying the budget and adding federal resources for  
6 them.

7 COUNCIL MEMBER JOSEPH: That's not what  
8 we got from the schools and the students and all the  
9 news reports, even the cooks in the kitchen, and the  
10 Council is part of the cafeteria--

11 DIRECTOR JIHA: [interposing] [inaudible]

12 COUNCIL MEMBER JOSEPH: enhancement as  
13 well.

14 DIRECTOR JIHA: You can trust what I'm  
15 saying to you, okay? We're modifying the budget to  
16 add federal resources. This is not even city  
17 dollars, okay? We're talking about federal tax  
18 dollars. So we add-- we modifying the budget.

19 COUNCIL MEMBER JOSEPH: You modifying the  
20 budget. When would see that in the budget?

21 DIRECTOR JIHA: We'll see it-- we've  
22 already made the modification. So we'll see it going  
23 forward, okay.

24 COUNCIL MEMBER JOSEPH: Is there a  
25 timeline when we can expect it?

1  
2 DIRECTOR JIHA: We already did it. We  
3 already did it.

4 COUNCIL MEMBER JOSEPH: Okay. So if we  
5 go and look now, it's already been adjusted?

6 DIRECTOR JIHA: It's already did, yes.

7 COUNCIL MEMBER JOSEPH: Okay. If schools  
8 cannot maintain the same food item they were able to  
9 prior to the swap of federal dollars, can the DOE ask  
10 city funds to be reinstated for that same program?

11 DIRECTOR JIHA: That is not for city tax  
12 dollars, because as I said, we will get reimbursed  
13 from USDA for this. So there's no need to add city  
14 tax dollars. You know, we added-- already added the  
15 federal.

16 COUNCIL MEMBER JOSEPH: But you--

17 DIRECTOR JIHA: [interposing] We already  
18 added the federal tax dollars.

19 COUNCIL MEMBER JOSEPH: You said it was a  
20 swap.

21 DIRECTOR JIHA: Yes.

22 COUNCIL MEMBER JOSEPH: And we will see  
23 it.

24 DIRECTOR JIHA: Well, we added more.  
25

1  
2 COUNCIL MEMBER JOSEPH: so, when we reach  
3 out to superintendents in schools, we should--

4 DIRECTOR JIHA: [interposing] You should.

5 COUNCIL MEMBER JOSEPH: be able to see  
6 that. Okay.

7 DIRECTOR JIHA: Yes, you'll be able to  
8 see that.

9 COUNCIL MEMBER JOSEPH: We're going to  
10 talk about my favorite subject, class size. There's  
11 currently \$4.1 billion capital budget for new  
12 capacity class size compliance with the SCA's new  
13 fiscal 25-29 Capital Plan. SCA has stated that's  
14 enough funding to comply with the state class size  
15 law. The City required to be fully-compliant with the  
16 law by 2027 to 2028. This year, does OMB intend to  
17 authorize increasing funds for SCA in the next  
18 amendment to the plan?

19 DIRECTOR JIHA: Yeah, as I said to you  
20 again before, this is a challenge with debt capacity.  
21 Debt capacity is a real challenge, and as a result we  
22 can only accommodate \$8 billion of new capital in the  
23 plan for SCA, because as I said, we have SCA, we have  
24 the borough-based jail, we have the BQE, all these  
25 things have to be accommodated. We [inaudible] the

1  
2 concerns that we have which is a very small amount of  
3 capital-- debt capacity left. So that's the reason  
4 why we've been working with the state to get an  
5 expansion of the TFA, and we were [inaudible]  
6 advocacy in Albany to work with us to basically lobby  
7 the state to give us the expansion that we're asking  
8 them which is \$19 billion, but instead we're only  
9 getting \$12.

10 COUNCIL MEMBER JOSEPH: so you-- the  
11 additional funds you needed is \$19 billion. What  
12 about educators? So, DOE will need to add thousands  
13 of teachers to comply with this law. DOE's estimate  
14 for the new numbers is 9,000. Is OMB working with  
15 DOE to add additional budget for headcount in 2025  
16 and the out-years?

17 DIRECTOR JIHA: We are currently in  
18 compliance and we will continue to discuss out-year  
19 needs as we proceed. But again, it's a challenge.  
20 It's 9,000 teachers like you said. Finding 9,000  
21 teachers is not going to be easy. So, again, we will  
22 continue to work with you and work with DOE and  
23 trying to as best as we can, try to accommodate their  
24 needs going forward, but it's going to be very  
25 challenging.

1  
2 COUNCIL MEMBER JOSEPH: But historically  
3 we've always had shortage areas. Are those areas  
4 looking to be filled? Historically. Two decades in  
5 the classroom, we still had lot of areas that were  
6 always shortage areas.

7 DIRECTOR JIHA: And so can you imagine  
8 finding an additional 9,000?

9 COUNCIL MEMBER JOSEPH: Well, you need to  
10 fill in the ones that you cannot get. Last time you  
11 were here, were talked about the extension report,  
12 right? You said you would get it to me. As of now,  
13 the Council still does not have it. But there's a  
14 cut-- 14 percent cut to the Early Childhood budget  
15 between November and Preliminary Budget. OMB and DOE  
16 have both used seat vacancies as the reason for the  
17 cut. The Council believes these seats can be placed  
18 more efficiently over a year ago. The City  
19 contracted Accenture [sp?] to provide a report. We  
20 still don't have the report, but yet there's a cut to  
21 Early Childhood at \$170 million when that data was  
22 supposed to give you the information to make that  
23 decision.

24 DIRECTOR JIHA: Latonia, you want to take  
25 this one?

1  
2 SENIOR DEPUTY DIRECTOR MCKINNEY: Good  
3 afternoon. So we have a preliminary assessment from  
4 Accenture and we're working on the final report, but  
5 in the meantime, we work with the Council to put in  
6 the \$15 million for extended-day seats, and New York  
7 City Public Schools reached out to vendors and asked  
8 what their capacity was, so we weren't waiting for a  
9 final determination on what the needs are because we  
10 know that there are empty seats, and we're trying to  
11 put the need with the demand with the availability.  
12 And so we are still trying to get those final  
13 numbers, but in the meantime we are asking where  
14 capacity is so that we can put students in those  
15 seats. There's still a lot of empty seats  
16 throughout--

17 COUNCIL MEMBER JOSEPH: [interposing] So  
18 we need to move. So you going to need that data.  
19 But when I met with New York City Public Schools,  
20 they said it was an add-on to already existing  
21 program. That wasn't the mission and the goal of the  
22 New York City Council when we piloted this program.  
23 It was to be unique so we could gather data in order  
24 for us to make decisions. See, data make-- drives  
25 their instruction. Data's supposed to also drive

1  
2 your policy. We don't have data here in order for  
3 you to drive this policy. So I want it to make sense  
4 for me.

5 SENIOR DEPUTY DIRECTOR MCKINNEY: Well,  
6 we're going to provide that to the Council. We're  
7 working with New York City Public Schools to get that  
8 final information and over the next several weeks,  
9 and then we'll have the conversations with that data  
10 in-hand to see where the needs are.

11 COUNCIL MEMBER JOSEPH: And you're going  
12 to provide zip code and area code? And my final  
13 question-- sorry, Chair. Federal fiscal cliff is  
14 coming up. What is OMB-- how is OMB working with New  
15 York City Public Schools to fill in those gaps?

16 DIRECTOR JIHA: Yeah, this is something  
17 that we're in process of. We're doing a review,  
18 because as you know, the fund expires at the end of  
19 this year. So we're in the process of reviewing  
20 every single one of these programs to see what's  
21 critical and I'll--

22 COUNCIL MEMBER JOSEPH: [interposing] All  
23 of them are critical.

24 DIRECTOR JIHA: And we're going to fund  
25 them, because as you can imagine, we just funded the

1  
2 DOE portion of the Summer Rising. That was funded  
3 to-- with federal stimulus, but because it expires,  
4 we couldn't go forward with that program, but we just  
5 made decision to replace the federal funds with city  
6 tax levy. So we'll go through the same process with  
7 all the other programs to see what is can be done for  
8 each one.

9 COUNCIL MEMBER JOSEPH: Thank you, Chair.

10 CHAIRPERSON BRANNAN: Council Member  
11 Narcisse followed by Schulman.

12 COUNCIL MEMBER NARCISSE: Thank you,  
13 Madam Speaker. Thank you, Chair. Just [inaudible]  
14 the conversation [inaudible].

15 DIRECTOR JIHA: [inaudible]

16 COUNCIL MEMBER NARCISSE: H+H current  
17 budget for asylum-seeker is \$1.8 billion in fiscal  
18 2025 which make up nearly 68 percent of H+H budget.  
19 In the November Plan, an additional \$2.6 billion was  
20 added in fiscal 2025 for asylum-seekers services.  
21 However, in the Preliminary Plan H+H receive a PEG of  
22 over \$1 billion in fiscal 2025. What is the reason  
23 for H+H having such a large budget for asylum-  
24 seekers?  
25

1  
2 DIRECTOR JIHA: As you know, the-- we  
3 couldn't-- when the City faced the new challenge of  
4 the asylum-seeker crisis, we didn't have the capacity  
5 to face the challenge of the asylum-seeker crisis.  
6 We didn't have the capacity to manage this crisis.  
7 The only place that is-- has this kind of close, that  
8 kind of expertise was H+H. So therefore, we had to  
9 rely on H+H, and by relying on H+H we had to provide  
10 new resources, those kind of resources specifically  
11 to manage for the city the asylum-seeker crisis.

12 COUNCIL MEMBER NARCISSE: When the \$2.6  
13 billion was added to H+H budget in November, did you  
14 anticipate reducing it by \$1 billion two months  
15 later?

16 DIRECTOR JIHA: No, we didn't know that,  
17 but as I said, we had to find the savings and this is  
18 one of-- this is part of finding the savings, and it  
19 means by, you know, we're going to have to bring down  
20 H+H budget.

21 COUNCIL MEMBER NARCISSE: How is the  
22 preliminary PEG amount determined?

23 DIRECTOR JIHA: We start with the 20  
24 percent as part of something that we need, because  
25 this is what we needed to basically-- and the

1 question is whether or not there was room for them to  
2 achieve that [inaudible] savings. After assessment,  
3 we realized they have the room. If we do what we say  
4 that we're trying to do which is to re-bid contracts,  
5 manage down services, and reduce staffing, we  
6 realized we could achieve that 20 percent goal.  
7 That's how we set that 20 percent goal.

9 COUNCIL MEMBER NARCISSE: Do you  
10 anticipate any additional PEGs to asylum-seeker  
11 services under H+H?

12 DIRECTOR JIHA: Yes, as we indicated as  
13 part of the letter that we sent to the agencies last  
14 month, we had to seek another 10 percent PEG from--  
15 for the asylum-seeker budget.

16 COUNCIL MEMBER NARCISSE: Okay. Distress  
17 Hospital Fund, that's my line. The state created the  
18 Distress Hospital Fund to support safety net  
19 hospitals that disproportionately treat Medicaid  
20 patients and populations. H+H is not statutorily  
21 excluded from receiving funding due to their work  
22 with Medicaid populations, but funding is also  
23 pursuing [sic] to criteria determined by the State  
24 Commissioner of Health and subject to approval of the  
25 State Budget Director. As a result based on

1  
2 determination made by the state, H+H has not received  
3 any Distress Hospital funding. Did the state provide  
4 a specific reason for why H+H hospital are excluded?

5 DIRECTOR JIHA: No, they did not. We do  
6 not believe that the city should have [inaudible]  
7 intercepting without any say from the City. We  
8 continue to advocate to the state to remove the  
9 intercept. As you know, the intercept is costing the  
10 City \$150 million a year, and none of that money is  
11 going to any one of the city hospitals. So, it's a  
12 challenge, but we continue to work with the state to  
13 make sure that every time we think that's going to  
14 expire, it's going to sunset, they find another way  
15 of intercepting that \$150 million of our resources  
16 without anything from us, without saying anything to  
17 us.

18 COUNCIL MEMBER NARCISSE: Since my time is  
19 going-- but part of the city's sales tax is captured  
20 by the state to fund this one. How much city funding  
21 taken annually for the Distressed Hospital Fund, and  
22 second, how much funding would H+H Hospital receive  
23 if they met the criteria?

24 DIRECTOR JIHA: As I said, it's about  
25 \$150 million--

1  
2 COUNCIL MEMBER NARCISSE: [interposing]  
3 150.

4 DIRECTOR JIHA: a year, and they have not  
5 given us any indication that they would basically  
6 provide those resources to H+H. We advocated-- we  
7 have been advocating on behalf of H+H for the  
8 longest, but H+H has not received a penny from the  
9 \$150 million that they took from the City.

10 COUNCIL MEMBER NARCISSE: So, even if  
11 they met the criteria. So thank you for your time.  
12 Thank you, Chair. And don't forget, sickle cell  
13 bill. If you wanted to add anything? Yes.

14 DIRECTOR JIHA: I'm sorry?

15 COUNCIL MEMBER NARCISSE: Did you answer  
16 the question how much funding would H+H Hospital  
17 receive if they met the criteria, \$150?

18 DIRECTOR JIHA: No, no, they have not  
19 included H+H at all.

20 COUNCIL MEMBER NARCISSE: At all.

21 DIRECTOR JIHA: At all. They took \$150  
22 million from the City.

23 COUNCIL MEMBER NARCISSE: Okay.

24 DIRECTOR JIHA: But they have not include  
25 H+H as part of any Distress Hospital.

1  
2 COUNCIL MEMBER NARCISSE: And don't  
3 forget the Sickle Cell bill. It need to be funded.  
4 Thank you.

5 CHAIRPERSON BRANNAN: Council Member  
6 Schulman followed by Dinowitz.

7 COUNCIL MEMBER SCHULMAN: Thank you. I  
8 want to thank the Speaker and the Chair for today's  
9 important hearing, and thank you, Dr. Jiha for being  
10 here and answering all of our questions today. So,  
11 DOHMH's headcount was reduced by 18 positions in the  
12 Preliminary Plan on top of a reduction of 29  
13 positions in the November Plan for fiscal 2025  
14 resulting from PEGs. Overall, the Department's  
15 fiscal 2025 budgeted headcount is six percent less  
16 than its current fiscal 2024 budgeted headcount. The  
17 Department's headcount within the disease prevention  
18 and treatment program area for fiscal 2025 is 217  
19 less than it currently is in fiscal 2024, a 17  
20 percent difference. So I have three questions. One  
21 is, was this headcount reduction proposed by DOHMH?  
22 What discussions have you held with DOHMH over the  
23 past six months to ensure that there won't be an  
24 impact on the City's disease prevention and  
25 treatment, and do you anticipate any additional

1  
2 headcount reductions? And I just want to say that  
3 the disease and prevention is the heart of the  
4 Mayor's program Healthy NYC which was codified by  
5 legislation that I introduced and was passed  
6 unanimously by the City Council recently. Thank you.

7 DIRECTOR JIHA: Yeah, these-- the PEGs we  
8 see-- these were vacant, long vacant positions, and  
9 we discussed with DOHMH, and that's what they  
10 submitted to us, because these are vacant position  
11 that they could not fill for the longest. So these  
12 are the positions [inaudible]. [inaudible] to the  
13 other needs, as I said, I believe they are  
14 appropriately funded, but as we go forward, if there  
15 is a need, because we always exempted this from the--  
16 because this is critical public health. They always  
17 have the authority to hire, but there is increased  
18 need based on our own assessment and we discussed  
19 with them with the agencies. We will address them  
20 coming [inaudible].

21 COUNCIL MEMBER SCHULMAN: Okay, thank  
22 you. That was my question.

23 DIRECTOR JIHA: Thank you.  
24  
25

1  
2 CHAIRPERSON BRANNAN: Okay, we're going  
3 to take a 10-minute break, and we'll resume with  
4 Council Member Dinowitz followed by Krishnan.

5 [break]

6 CHAIRPERSON BRANNAN: Okay, we're going  
7 to get started again. Council Member Dinowitz  
8 followed by Council Member Krishnan.

9 COUNCIL MEMBER DINOWITZ: Good afternoon.  
10 How you doing?

11 DIRECTOR JIHA: Okay.

12 COUNCIL MEMBER DINOWITZ: I'm a little  
13 jealous. You have a giant binder there with all of  
14 the answers and all of the potential questions we'll  
15 ever ask. So turn to the CUNY page, please.

16 DIRECTOR JIHA: Oh.

17 COUNCIL MEMBER DINOWITZ: The section--  
18 right. Well, given how much they cut the budget, it  
19 may just be one little tiny page, we'll see. I'm half  
20 kidding. I'm not. The fiscal 2025 budget is \$189  
21 million less than the fiscal 2024 budget adoption.  
22 \$189 is a significant cut just to basic operating  
23 expenses, not to mention programs that we've  
24 discussed at length at these hearings and other  
25 hearings like reconnect, ACE, and ASAP. Student

1  
2 enrollment can be impacted. All of the operations of  
3 CUNY can be impacted. So how does the Administration  
4 plan to support students currently enrolled at CUNY  
5 and future students enrolling in CUNY with cuts as  
6 drastic as these?

7 DIRECTOR JIHA: Listen, I continue to  
8 work, as I said, with CUNY and the Council to address  
9 the challenges that CUNY and the City face at the  
10 same time. We will-- whether it's Reconnect or ACE,  
11 okay, these were both funded one year at a time. And  
12 as I told the Speaker last year, Reconnect has been a  
13 very successful program. This is something as we  
14 proceed as we move forward, we will work with the  
15 Council and see exactly what we're going to do going  
16 forward with these two programs. But with respect to  
17 CUNY in general, okay, the changes we have-- we are  
18 very careful in terms of where we found the resources  
19 on CUNY's budget, and if you talk with them they will  
20 tell you the same thing. Basically, what we did is  
21 look mostly in the area of fringe benefits and do  
22 estimates of some of the assumptions that were made  
23 in that area so that we try to avoid touching  
24 programs as best as we can.

1  
2 COUNCIL MEMBER DINOWITZ: But to be  
3 clear, for the past two budget hearings where we've  
4 had these exchanges, those programs have been cut and  
5 fewer students were either able to engage in those  
6 programs or the benefits in those programs were in  
7 fact reduced, and with \$189 million cut is very  
8 significant. In your testimony and throughout this  
9 process you have noted that you didn't cut or want to  
10 cut revenue-generating expenses. Is that-- that  
11 still accurate, right?

12 DIRECTOR JIHA: Yeah.

13 COUNCIL MEMBER DINOWITZ: And CUNY has  
14 one of the best returns on investment, with some  
15 studies saying 15 to one, for every dollar invested,  
16 15 comes back. And then ACE and ASAP alone, an  
17 additional between three and four dollars per dollar  
18 invested. So I don't understand how cutting \$189  
19 million from programs that bring money back to New  
20 York City and put money in the pockets of New Yorkers  
21 aligns with that professed value of not cutting  
22 revenue-generating things in the budget.

23 DIRECTOR JIHA: As I indicated to you,  
24 you could talk to them to acknowledge, I don't  
25 believe any programs were cut or eliminated from

1  
2 CUNY. As I said, most of the funding that-- the PEG  
3 savings that we identified and found were in the  
4 areas of fringe benefits, and so as I said, we will  
5 continue to work with CUNY to basically assess their  
6 needs going forward, and as we proceed, if they could  
7 identify, and particularly if we-- the economy  
8 remains strong and stronger than we anticipate, we  
9 will work CUNY, we will work with the Council to see  
10 if there was an area that they believe was impacted  
11 to add partially or fully restored, if there was an  
12 area. As far as we know, there was none because we  
13 were very careful in term of where we took the PEG  
14 savings from CUNY. Basically, they were focused  
15 largely on the areas of fringe benefits and we  
16 estimate those fringe benefits. So again, as I said,  
17 if from their perspective they believe there are  
18 areas, we will work with them. We will do an  
19 assessment. And if the economy remains strong or  
20 stays stronger than we anticipate, we will basically  
21 do a reassessment of their needs and then work with  
22 you to see what can be partially or fully restored.

23 COUNCIL MEMBER DINOWITZ: It sounds like  
24 from your testimony, it sounds like you are saying

1  
2 that CUNY's fine with these cuts and they have found  
3 the savings and no services to students--

4 DIRECTOR JIHA: [interposing] As far as we  
5 know. As far as we know. As far as we know, the  
6 area where we took the savings from CUNY were mostly  
7 in the fringe benefits, you know, category. We  
8 estimate, because our estimate of fringe benefits  
9 were much higher than actual costs, so we align them.

10 COUNCIL MEMBER DINOWITZ: So, as far as  
11 you know. Does that mean that if CUNY comes back and  
12 says, you know what, actually these cuts are in fact  
13 devastating to our students, you'll then reverse the  
14 cuts?

15 DIRECTOR JIHA: I said to you if  
16 conditions improve better than anticipated, we will  
17 do a reassessment if there are programming cuts,  
18 because as far as we know, we're trying not to have  
19 those. We will do a reassessment and if condition  
20 permit, we will work with the Council to add  
21 partially or fully restore them.

22 COUNCIL MEMBER DINOWITZ: I think it's  
23 important to know that these expenditures, so-called  
24 expenditures on CUNY aren't expenditures, they're  
25 investments, and it appears that everyone sees the

1 value in investing in CUNY, in our students. The  
2 return on investment is high. Our state sees the  
3 value in investing in CUNY. They just got a \$75  
4 million dollar injection of private donation for the  
5 AI programs. So everyone sees it, but it seems that  
6 the City view this as a way to save money. And so I  
7 look forward to CUNY coming back and saying, you know  
8 what, \$189 million is actually not manageable. It's  
9 going to hurt our programs because what you're  
10 telling me doesn't seem to align with what everyone  
11 else believes and what everyone else is saying.

13 DIRECTOR JIHA: As an immigrant, you  
14 don't have to remind me of how critical CUNY is. I  
15 know it. I have friends, I have family members who  
16 have gone to CUNY and I see the impact of CUNY on  
17 their lives, so I know exactly what CUNY is, what  
18 CUNY means, what they accomplish, what they do for  
19 the population, okay? So from my perspective, as I  
20 said, we try our best not to cut programs at CUNY,  
21 but if they believe there are some, if conditions  
22 permit, we will do an assessment and we will work  
23 with the council to restore partly or fully whatever  
24 they think that was cut. Because from our  
25 perspective, we have done our ultimate best. As I

1  
2 said, we basically play in the area of fringe  
3 benefits, okay? We assume we're spending seven, when  
4 in reality we're spending three. We align the  
5 estimate of assumptions with the reality and we took  
6 the savings. So, again, as I said, if they believe  
7 there are some, we will sit down with them and do an  
8 assessment.

9 COUNCIL MEMBER DINOWITZ: Thank you.  
10 Thank you, Chair. Thank you, Speaker.

11 CHAIRPERSON BRANNAN: Council Member  
12 Krishnan followed by Stevens and Lee.

13 COUNCIL MEMBER KRISHNAN: Thank you so  
14 much, Speaker Adams, Chair Brannan. Good afternoon,  
15 Mr. Budget Director and OMB team. It's nice to see  
16 you all, and thank you for your testimony today.  
17 Just taking a step back, my question is what is this  
18 Administration's vision for the City? I don't mean  
19 just the economic approach. I see the approach here.  
20 But what conversations have you had with the Mayor  
21 and what is the vision of this Administration for New  
22 York City?

23 DIRECTOR JIHA: The Mayor had made it  
24 clear on many occasions.

1  
2 COUNCIL MEMBER KRISHNAN: Sorry, I can't  
3 hear. I'm sorry.

4 DIRECTOR JIHA: The Mayor has made it  
5 clear on many occasion about his vision for the City.  
6 He wants a safe, clean city where you could raise a  
7 family, work, and without any fear and have a good  
8 education system where the kids could go to school. I  
9 mean, he has been really clear on many occasions  
10 about his vision for New York City, and his budget  
11 also reflect his visions. That's the reason why you  
12 hear people talk about we do cuts, generalized cuts,  
13 and [inaudible]. We review every single one of the  
14 submissions by agencies. We see where we are in  
15 terms of our needs for resources and address  
16 appropriately. If we realize an agency cannot meet  
17 the PEG target and they don't have the resources, we  
18 basically exempt them. So this is-- you know, we've  
19 been extremely careful. As I was talking about CUNY,  
20 we've been extremely careful in terms of the changes  
21 that we made. As I said in my testimony, 95 percent  
22 of the savings that we took had no impact whatsoever  
23 on services in New York City. We-- you don't have to  
24 take my word for it. You could go to any one of the  
25 independent monitors. So, there is a small portion

1  
2 that's impacted, and it's our job to work around them  
3 to see what can we do through assessment of these  
4 things, to see what can be partially or fully  
5 restored, as I said, if the resources are there. But  
6 the Mayor resources are aligned with his visions.

7 COUNCIL MEMBER KRISHNAN: So, let's look  
8 at that for a second. So, I'd summarize in your  
9 point the vision being for the Mayor, stated vision,  
10 is a safe city that support working families. Are  
11 you aware that there's a \$60 million cut to school  
12 meals in our public schools--

13 DIRECTOR JIHA: [interposing] I just  
14 discussed--

15 COUNCIL MEMBER KRISHNAN: [interposing] in  
16 the Mayor's proposed budget?

17 DIRECTOR JIHA: I just discussed it.

18 COUNCIL MEMBER KRISHNAN: It's not a cut.  
19 Let's rephrase. Are you aware that school lunch  
20 menus are being cut and schools are running out of  
21 food?

22 DIRECTOR JIHA: No, it's not true. Let  
23 me--

24 COUNCIL MEMBER KRISHNAN: [interposing] As  
25 a parent--

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

DIRECTOR JIHA: Let me just say to you--

COUNCIL MEMBER KRISHNAN: [interposing]

Let me--

DIRECTOR JIHA: [interposing] Let me give you the facts again.

COUNCIL MEMBER KRISHNAN: Yeah, sure, but it's a yes or no? Are you aware of it?

DIRECTOR JIHA: You are entitled to your opinion but you're not entitled to your facts.

COUNCIL MEMBER KRISHNAN: Sure, but it's a yes or no question.

DIRECTOR JIHA: Let me give you the-- let me give you the facts.

COUNCIL MEMBER KRISHNAN: Go ahead.

DIRECTOR JIHA: We swapped federal tax dollars, for city tax dollars. That's one. Two, we invested significantly in food cafeteria, and as result of the investment, more kids are coming to the cafeteria because they're nicer. They're hanging out in the cafeteria. They're eating more. And because--

COUNCIL MEMBER KRISHNAN: [interposing] I--  
- but let me tell you--

1  
2 DIRECTOR JIHA: they're eating more--  
3 because they're eating more, this-- DOE, okay,  
4 requested funding--

5 COUNCIL MEMBER KRISHNAN: [interposing]  
6 Mr. Budget Director, I'm on a clock, so I've got to  
7 jump in. I understand the math, but I'll tell you  
8 where the math isn't mathing [sic]. There are  
9 children like my own in my son's school, both of my  
10 kids' schools that are running out of food at lunch.  
11 My children and the others in the school and many  
12 others across the city that aren't eating lunch, that  
13 are borrowing lunch from their friends, because the  
14 school lunch menus are being cut. So however--  
15 whatever math and whatever budget metrics are being  
16 used--

17 DIRECTOR JIHA: [interposing] We added--  
18 we just added resources--

19 COUNCIL MEMBER KRISHNAN: [interposing]  
20 The point is-- I'm sorry, [inaudible], the point is  
21 that school lunch menus are being cut. That's the  
22 underground reality.

23 DIRECTOR JIHA: We have new--

24 COUNCIL MEMBER KRISHNAN: [interposing] My  
25 second question is--

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

DIRECTOR JIHA: Listen to me, I have no  
issue--

COUNCIL MEMBER KRISHNAN: Are you-- we  
can--

DIRECTOR JIHA: [interposing] because this  
is not city tax dollars--

COUNCIL MEMBER KRISHNAN: [interposing] We  
can talk--

DIRECTOR JIHA: [interposing] It's federal  
tax dollars.

COUNCIL MEMBER KRISHNAN: Whatever the  
number--

DIRECTOR JIHA: [interposing] So what the  
motivation for us--

COUNCIL MEMBER KRISHNAN: [interposing]  
Whatever the numbers are up here, this is the impact  
on the ground. My second question is are you aware  
there's a \$170 million cut to Early Childhood  
education?

DIRECTOR JIHA: Because had 37,000 empty  
seats that we're paying for.

COUNCIL MEMBER KRISHNAN: 37,000 empty  
seats.

1  
2 DIRECTOR JIHA: Can you imagine, this is a  
3 program that is funded by federal tax dollars about  
4 to expire--

5 COUNCIL MEMBER KRISHNAN: [interposing]  
6 I'm going to jump into the other point. So, I think  
7 we--

8 DIRECTOR JIHA: and we have 56,000 empty  
9 seats that the city's paying for.

10 COUNCIL MEMBER KRISHNAN: I'm sorry, Mr.  
11 Budget Director, I got to keep moving. I'm going to  
12 look at the numbers, and I'm going to show you the  
13 impact. \$170 million cut to Early Childhood  
14 education. Finally, you're also aware there's a \$20  
15 million cut to our Parks Department, right?  
16 Including 111 positions and \$11 million for  
17 collectively swim programs, tree maintenance  
18 programs, and trail programs. You're aware of that  
19 cut to the Parks Department budget?

20 DIRECTOR JIHA: Yes.

21 COUNCIL MEMBER KRISHNAN: Okay. So,  
22 looking at all those, let me tell you the impact, put  
23 the dollar amounts aside. As I mentioned before,  
24 schools where lunch menus are being cut--

25 DIRECTOR JIHA: [interposing] No.

1  
2 COUNCIL MEMBER KRISHNAN: and running out  
3 of-- running out of food.

4 DIRECTOR JIHA: No.

5 COUNCIL MEMBER KRISHNAN: Early Childhood  
6 Education, there are thousands of parents who are  
7 desperately hoping to quality for a 3K lottery.

8 DIRECTOR JIHA: Anyone who wants a seat  
9 can get a seat.

10 COUNCIL MEMBER KRISHNAN: And finally,  
11 with these cuts there are parks across the city that  
12 won't receive cleaning services. That's just a fact.  
13 There are swim programs that won't be running because  
14 of it. So parks won't be cleaned. Playgrounds won't  
15 be cleaned. Trees won't be maintained, and children  
16 won't learn how to swim while we have a lifeguard  
17 crisis in this city. so I don't know what the actual  
18 vision of this Administration is, looking at all  
19 these PEGs and cuts and haphazard restorations, but  
20 what I will say is the way the Administration's  
21 approach and the impact of its budget approach is  
22 that the City is getting unaffordable for working  
23 families, that the support pillars that working  
24 families, older adults, and immigrants depend on are  
25 being cut, and working families are being pushed out

1  
2 of the City. And so I think the real question the  
3 Administration should ask itself is what is the  
4 vision for this city, what is their vision for the  
5 city? and quite frankly, right now what we're  
6 looking at is one that, the numbers aside, the on-  
7 the-ground reality, the stories that we all hear from  
8 constituents day in day out, whatever the vision may  
9 be, it is one that is in fact in reality leaving out  
10 working families. Thank you.

11 CHAIRPERSON BRANNAN: Council Member  
12 Stevens followed by Lee and then Ossé.

13 COUNCIL MEMBER STEVENS: Well, good  
14 afternoon.

15 DIRECTOR JIHA: Afternoon.

16 COUNCIL MEMBER STEVENS: It's been a long  
17 day. Thank you for staying in there with us. Just  
18 really quickly, I just want to start with Summer  
19 Rising, because I know there was a big announcement  
20 regarding Summer Rising and I have some feelings  
21 about it, and just thinking about going into the  
22 summer and understanding when Summer Rising did come  
23 to pass, it was like after COVID and really around  
24 like how do we get our young people to get their  
25 learning loss, but I feel like there's this constant

1 battle when I'm talking to parents and providers  
2 where they're like, could we go back to camp, and  
3 like, why is that not an option? And I think that,  
4 you know, even looking at this budget and we're  
5 looking at cost-savings and saying we're in a crisis,  
6 then we should save money where it makes sense, and I  
7 think this is a place where we could save some money  
8 at. And so I'm going to jump right into it. In  
9 November Plan, DYCD Summer Rising budget was reduced  
10 by \$19.7 million each year from FY25 through FY27 due  
11 to the low attendance for middle school students.  
12 The Preliminary Budget Plan included a new need of  
13 \$80 million in fiscal 2025 in DOE for Summer Rising  
14 programs. I guess my first question is to think  
15 about what is the current funding for both DOE and  
16 DYCD budget for 24 and 25 for the Summer Rising  
17 program, and what services are being provided by each  
18 of the agencies? Why is the increase in DOE budget  
19 for the program, but a decrease in DYCD program?

21 DIRECTOR JIHA: Yeah, currently, you're  
22 talking about \$239 million in fiscal year 24, and we  
23 have \$129 in fiscal year 25, and DYCD is \$149 million  
24 for 24 and \$129 for 25. DOE is \$80 million in 24 and  
25 \$80 million in 25. So this is the breakdown of the

1 budget for each one of these. Again, we hear your  
2 concerns regarding Summer Rising. I think we're  
3 going to have to talk to the Chancellor to see if  
4 they could do an assessment of-- because from our  
5 perspective we're going on the assumption the plan is  
6 that the program has been over-subscribed. So far--

7 COUNCIL MEMBER STEVENS: [interposing]

8 What do you mean when you say over-subscribed?

9 DIRECTOR JIHA: Meaning we have more  
10 parents registering for their kids for this program.

11 COUNCIL MEMBER STEVENS: Well, we have to  
12 be careful when we say it's over-subscribed. It was  
13 actually more seats, so it was more available so more  
14 parents were able to apply. Whereas, when it was  
15 just in the camp model, we had less seats. And so  
16 the over-subscription, I think we have to make sure  
17 we're careful about that.

18 DIRECTOR JIHA: No, no, we would have to  
19 see-- you know, talking to parents, you know, doing  
20 the notices-- which one of the model is better?

21 COUNCIL MEMBER STEVENS: Yeah, and here's  
22 the thing. I'm not saying that we don't want some  
23 version of it, but I think when we're thinking about  
24 cost savings, and when I'm speaking to parents and  
25

1 providers, it is much more cost-effective, and to see  
2 that DOE is getting an increase, and DYCD is getting  
3 a decrease, there's a problem for me in the sense of  
4 like that means it's also not respecting the  
5 providers and the work that they're doing, and even  
6 when we're rolling out the program what that looks  
7 like, right? You know, providers is doing this for a  
8 number of years. But I have a whole bunch of other  
9 questions. I'm just going to jump really quickly in  
10 to ACS, because you know, that's in my portfolio.  
11 But my first question is, the Preliminary Plan  
12 included \$180 million new needs increased from the  
13 state-mandate related to foster care in fiscal 2024  
14 only. What state mandate did this increase lead to  
15 and how was the funding amount determined, and how  
16 will this be utilized, and if there are rate  
17 changes, what were the changes that were made when  
18 they were instituted, and why was funding only  
19 labeled in fiscal 2024? When does the Administration  
20 plan to right-size the baseline budget?

22 DIRECTOR JIHA: Again, as I said, we will  
23 continue to work with the agency-- continue to work  
24 with the agency to do an assessment. The rate-- this  
25 relate to what I call the maximum state aid rate,

1  
2 which the city is required to pay for families in  
3 foster care. The amount is based on fiscal 24  
4 projections, okay?

5 COUNCIL MEMBER STEVENS: And so this is  
6 for the foster care, but what state does it increase--  
7 - what does this relate to? How is the funding  
8 amount determined and how to be utilized? Like, so--

9 DIRECTOR JIHA: [interposing] The state  
10 basically, increase--

11 COUNCIL MEMBER STEVENS: [interposing] The  
12 state increased it, and so it--

13 DIRECTOR JIHA: [interposing] [inaudible]  
14 Yeah, but we have to-- yeah.

15 COUNCIL MEMBER STEVENS: I have a number  
16 of other questions, but I just feel like you guys  
17 have been here long enough, and I'll just reach out  
18 to you guys [inaudible].

19 DIRECTOR JIHA: Okay.

20 COUNCIL MEMBER STEVENS: thank you.

21 DIRECTOR JIHA: Thank you.

22 CHAIRPERSON BRANNAN: Council Member Lee  
23 followed by Ossé and Williams.

24 COUNCIL MEMBER LEE: Hello, sorry.  
25 Alright, good afternoon. Thank you, Chair. Thank

1  
2 you, Speaker. Just wanted to quickly dive in. MOPD,  
3 Mayor's Office for People with Disabilities-- so, as  
4 you know, it's been underfunded in recent years, and  
5 the office's fiscal 2025 budget is \$477,000 which is  
6 33 percent less than fiscal year 24's budget at  
7 adoption. And so just wanted to know-- you know, and  
8 this was, I think, an additional reduction that was  
9 included in FY24's Executive Plan, and just wanted to  
10 know, because as you know, you know, people with  
11 disabilities in New York City equates to over one  
12 million people in this city. And so just wanted to  
13 know, given the critical services that the office  
14 provides to those with disabilities, why was the MOPD  
15 subject to such major cuts? I understand that  
16 there's headcount and PEGs and all of that, but I  
17 would argue also that because the budget was only  
18 recently ramped up, because it was pretty small  
19 before, and I would say that, you know, the ramp up  
20 period takes time to hire and look for qualified  
21 staffing. And so just wanting to know about the cuts  
22 there.

23 DIRECTOR JIHA: Yeah, as you know, the--  
24 MOPD is a policy-coordinating entity. They don't  
25 actually engage in direct service providing. So they

1  
2 basically leverage other agencies, but again, we--  
3 like you, we appreciate and understand the kind of  
4 works that they do, but as I indicated to everyone,  
5 the challenge that we're dealing with was so large in  
6 term of the gap that we had to close, that we had to  
7 rely asking every agency to make a contribution. But  
8 again, as we proceed and get closer to adoption, if  
9 based on assessment and working with the Council, if  
10 there is a need for MOPD, we would basically re-  
11 assess and do a need assessment and see if there's a  
12 need. We will try to address it at the time.

13 COUNCIL MEMBER LEE: Yeah, I would say,  
14 if we could take a look at that, because \$477,000 in  
15 their budget to honestly-- I can't even imagine how  
16 difficult it is to just reign in all these huge large  
17 city agencies, because I think disabilities should be  
18 part of each of the work that all these agencies do  
19 and incorporate in it, but that takes a lot of effort  
20 and resources and talent and time. And so if we  
21 could re-evaluate this number, I think that'd be  
22 great, because I think it's nearly impossible for any  
23 commissioner to work with this budget that's supposed  
24 to touch upon a million people in the City. So just  
25 wanted to emphasize that. And then moving over to

1  
2 the next topic which is on children and youth mental  
3 health services. There's a lack of focus on mental  
4 health of children and youth and many parents are  
5 unaware of the mental health services that their  
6 children's schools provide. In addition, many  
7 critical mental health services in schools have been  
8 reduced with result of the budget cuts, and they're  
9 not enough school social workers and clinicians  
10 available to deal with all the needs. And so I've  
11 been hearing conflicting things from school  
12 principals as well as parents in terms of how the  
13 budget cuts have impacted, you know, the school  
14 social workers. And so how much of the fiscal 2025  
15 budget is for youth-specific mental health service,  
16 and how does that compare to the funding levels for  
17 FY24?

18 DIRECTOR JIHA: Yeah, last year we  
19 invested in three major initiatives that were  
20 announced as part of the State of the City. This the  
21 Mental Health Access Digital Hall [sic]. We put in,  
22 like, almost \$3.8 million baseline. We expand-- we  
23 did expanded clubhouse capacity. Again, that is \$7  
24 million was added baseline. And we also had the  
25 school tele-mental [sic] health, and that is another

1  
2 \$9-10 million a year that was added just to address  
3 these three new programs.

4 COUNCIL MEMBER LEE: And also has there  
5 been a focus on hiring bilingual clinicians?

6 DIRECTOR JIHA: I believe they're doing  
7 so.

8 COUNCIL MEMBER LEE: Okay. And just  
9 really quickly-- Chair, I know I'm over-- I know I'm  
10 over time, but just two more questions about-- one is  
11 around the opioid settlement fund that the City was  
12 supposed to receive. Just wanting to know if--  
13 because last I checked, I believe we got \$11 or \$15  
14 million, I believe it was, and just wanting to know  
15 how that money has been spent down if at all, and if  
16 there is sort of under-spending in that area, whether  
17 those could be used and go towards programs that  
18 support addiction services?

19 DIRECTOR JIHA: We should definitely talk  
20 to you and put you in touch with our folks and work  
21 with the agencies to see what best can be done.

22 COUNCIL MEMBER LEE: Okay, great. Thank  
23 you.

24 COUNCIL MEMBER OSSÉ: Good afternoon,  
25 Director Jiha.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

DIRECTOR JIHA: Good afternoon.

COUNCIL MEMBER OSSÉ: Sorry. I know there's a lot of us over here. I wanted to start just to ask some questions around HPD's capital budget. What is HPD's proposed capital budget for fiscal year 2025?

DIRECTOR JIHA: I believe it's-- 2025 is-- - 2025, I don't have it here. I don't have it in front of me, but I will get it back to you in a moment. Oh, \$12 billion? \$2.12 billion dollars.

COUNCIL MEMBER OSSÉ: Can you say that one more time?

DIRECTOR JIHA: \$2.12 billion.

COUNCIL MEMBER OSSÉ: \$2.12 billion, and do you know the breakdown in terms of how much of that funding is going towards building affordable housing in New York City?

DIRECTOR JIHA: I would have to provide you a breakdown of all these info, okay?

COUNCIL MEMBER OSSÉ: That would be great, but you know, \$2.1 billion out of over \$100--

DIRECTOR JIHA: [interposing] This is the city portion.

1  
2 COUNCIL MEMBER OSSÉ: Yes-- out of our  
3 over \$100 billion budget. Earlier in your testimony  
4 you stated that there's a housing shortage in New  
5 York City. Do you think that amount shows how the  
6 admin is prioritizing that housing shortage,  
7 especially when it comes towards building affordable  
8 housing within New York City?

9 DIRECTOR JIHA: I-- housing is a part of  
10 the Administration. To be honest with you, we have  
11 over \$20 billion the next 10 years. The challenge  
12 that we have, as I stated earlier, is debt capacity  
13 issue. Okay? We have about \$10 billion left in the  
14 capacity, and schools, borough-based jail, BQE, these  
15 three projects way above that amount. That's the  
16 reason why we're lobbying Albany and the Governor  
17 included \$12 billion in our budget for debt capacity  
18 expansion for the TFA, but even if you add that \$12  
19 billion, it's not going to be close to what we need--  
20 we need here in New York City in terms of our  
21 infrastructure needs, housing needs, I mean you name  
22 it. The debt capacity issue is real, okay? And I  
23 don't know how many times I have to keep say it, the  
24 fact that we have funding allocated for the borough-  
25 based jail and the timeline that we know is not real,

1 because we put the capital program on a pause  
2 [inaudible] COVID for a year and a half, and the  
3 timeline was created before COVID. So we know we not  
4 going to spend those resources by 2027, but yet, we  
5 have to keep those resources in the timeline that was  
6 created prior to COVID. So, thereby we have no room  
7 left. So it's not a question of priority. It's not  
8 a question of wanting to put more money. We want to  
9 put more money.  
10

11 COUNCIL MEMBER OSSÉ: Sure. So \$2.12  
12 billion dollars allocated in the capital budget for  
13 HPD we don't know what the breakdown is going towards  
14 affordable housing. You know, I speak about this  
15 often, and I know that, you know, housing is a number  
16 one priority for this council, the Administration,  
17 and many New Yorkers who probably speak to the Mayor  
18 about what their issues are. You know, last year the  
19 Biden Administration passed Build Back Better Act  
20 where a trillion dollars was allocated to go towards  
21 infrastructure needs as well as housing. I believe  
22 \$200 billion is supposed to go New York State. How  
23 is this Administration working on pulling some of  
24 that money down, especially to address our housing  
25 shortage within New York City?

1  
2 DIRECTOR JIHA: We constantly-- we have  
3 team of folks constantly working, looking for grants.  
4 This is what we do every day, but again, I would  
5 defer to HPD to give you specifically what they  
6 doing, okay, in terms of trying to tap the resources.

7 COUNCIL MEMBER OSSÉ: Sure. And I'm sure  
8 you're playing a role in terms of securing some of  
9 those contracts from--

10 DIRECTOR JIHA: [interposing] We do  
11 [inaudible] resources, all resources that they need  
12 basically to do-- to follow up, to do the  
13 applications, to look for the opportunities, we work  
14 with them. But--

15 COUNCIL MEMBER OSSÉ: [interposing] Has  
16 any money been pulled down?

17 DIRECTOR JIHA: I can't give you-- I  
18 don't know from the top of my head. I will get back  
19 to you to find that out. We work with HPD to find  
20 out exactly they have gotten some resources from  
21 them.

22 COUNCIL MEMBER OSSÉ: Great, I would love  
23 to get an answer back on that. You know, I think  
24 when there's a large sum of money that is allocated  
25 towards our state--

1  
2 DIRECTOR JIHA: [interposing] You have to  
3 remember, the majority of the HPD's budget is funded  
4 by the Federal Government.

5 COUNCIL MEMBER OSSÉ: Sure.

6 DIRECTOR JIHA: So, but specific grantee  
7 in there, I have to go back to them and talk to them.

8 COUNCIL MEMBER OSSÉ: Of course, but you  
9 know, of course, hearing that the housing shortage  
10 and the crisis is a priority of this Administration,  
11 I'd love to see that taken seriously, and I'm sure it  
12 has been, but would love some transparency in terms  
13 of the progress of pulling some of that money down,  
14 and how the Council could aid in providing some  
15 assistance in the projects that come across all of  
16 our portfolios.

17 DIRECTOR JIHA: Okay.

18 COUNCIL MEMBER OSSÉ: Alright, thank you,  
19 Director.

20 DIRECTOR JIHA: Thank you.

21 CHAIRPERSON BRANNAN: Council Member  
22 Williams?

23 COUNCIL MEMBER WILLIAMS: Hello.

24 DIRECTOR JIHA: Hello.

25 COUNCIL MEMBER WILLIAMS: How are you?

1  
2 DIRECTOR JIHA: Doing well.

3 COUNCIL MEMBER WILLIAMS: Good. You know  
4 my issues, so I will start with the Commission on  
5 Human Rights. Similar to the November Plan, the  
6 Preliminary Plan includes a PEG that will reduce the  
7 Commission on Human Rights Law Enforcement budget by  
8 \$676,000 in fiscal 2024 and a vacancy reduction of  
9 eight positions beginning in fiscal 2027. The  
10 Commission on Human Rights, as you know, is such a  
11 small agency and these reductions will impact the  
12 agency's work regarding enforcement, training,  
13 communications, and operations. And so you know,  
14 there's no doubt that the second wave of reductions  
15 will affect service deliverables, and so wanted to  
16 know if these PEGs will be reversed in Executive  
17 Budget to backfill those vacant positions?

18 DIRECTOR JIHA: Again, at this point in  
19 time, I cannot make any commitment. However, if the  
20 economy conditions is better than we anticipated in  
21 general, and resources are available, we will discuss  
22 with the Council, see what can be done.

23 COUNCIL MEMBER WILLIAMS: Thank you. and  
24 just overall, I know you guys have a hard task, but  
25 if you could help me understand how the

1  
2 Administration justifies imposing such cuts on much  
3 smaller agencies with a budget that makes up only a  
4 small fraction of the City's overall budget?

5           DIRECTOR JIHA: Again, the challenge is  
6 the scope and the size of the [inaudible] problems  
7 that we had, and as a result, as I said, it was an  
8 all hands on deck approach where we ask every agency  
9 to make a contribution. And we understand that, as I  
10 said, some agencies have less capacity to handle the  
11 PEGs and that's the reason why review the budget, and  
12 if we realize they don't have the wherewithal to  
13 absorb the PEGs, we provide them some exemption. But  
14 again, this is the scope and the size of the  
15 challenge is so big that we had to make sure that  
16 every agency participated.

17           COUNCIL MEMBER WILLIAMS: Thank you.  
18 Similar with Equal Employment Practices Commission's  
19 headcount. 2025 budget is \$1.2 million with 12  
20 fulltime budget positions, and since last year, EEPC  
21 has requested and additional 17 headcount. Yet, the  
22 November Plan included a PEG saving of \$64,000, and I  
23 know we like to say drop in the bucket about  
24 millions, but this is \$64,000 to EEPC's budget, and  
25 the Preliminary Plan does not include increases to

1  
2 the agency's staffing level. So again, would love to  
3 know if there's any plan to increase EEPC headcount  
4 in the Executive Plan, and how many headcounts will  
5 be added?

6 DIRECTOR JIHA: Again, I hear you, and I  
7 know it's small, but every little thing contribute to  
8 the big picture, the big challenge that we had to  
9 deal with. And as I said earlier, if conditions  
10 warrant, we will work with the Council and see what  
11 can be done.

12 COUNCIL MEMBER WILLIAMS: Okay, yeah, a 1  
13 to of these agencies, I would say EEPC specifically,  
14 unfortunately or fortunately however you look at it--  
15 the Council, we love to pass a lot of laws and a lot  
16 of these laws create a burden for agencies, and the  
17 Council has passed a ton of laws that require EEPC to  
18 do a ton of things, and historically in the past they  
19 have fell behind the Charter mandates because they  
20 just don't have the proper funding for staff,  
21 economists. I think the \$64,000 was to hire a part-  
22 time GC, so this is such-- even smaller than the  
23 Commission, and just really want to understand or  
24 even get from you how you anticipate the agency in  
25

1  
2 fulfilling their Charter mandates without proper  
3 staffing?

4 DIRECTOR JIHA: Again, as I said, there  
5 was a rationale for it, but as I said, if condition  
6 warrants as we proceed, we will work with you and see  
7 what can be done to address this fiscal issue.

8 COUNCIL MEMBER WILLIAMS: Okay, thank  
9 you. Then one off-topic, because it's just a little  
10 interest of mine, and I know you and I spoke about it  
11 before, about Rikers. can you just-- I know you said  
12 it already in your testimony, but because the money  
13 has to be set aside to fulfil previous laws for us to  
14 have borough-based jails, can you just say one more  
15 time, help us to understand how that impacts the  
16 current budget and your inability to have flexibility  
17 because you have to keep this money locked even  
18 though there is really not a legitimate, viable plan  
19 to actually use this money anytime soon?

20 DIRECTOR JIHA: Yeah, that's the  
21 challenge that we're dealing with on the Capital Plan  
22 side. Currently, as I said, we have a very limited  
23 capacity which is about \$10 billion, and--

24 COUNCIL MEMBER WILLIAMS: [interposing]  
25 \$10 billion?

1  
2 DIRECTOR JIHA: About left [sic].

3 COUNCIL MEMBER WILLIAMS: Okay.

4 DIRECTOR JIHA: To do everything that we  
5 need to do in terms of our capital plan. And now, we  
6 have to do a redistribution of the funding because  
7 our capital plan is front loaded. So, but one of the  
8 challenges that we have, we cannot move the funding  
9 that is allocated for Rikers, even though we know for  
10 sure that the resources are not going to be utilized,  
11 because the timeline that was created for Rikers was  
12 prior to COVID, okay, which is 2027, August 2027.  
13 Now, we have to keep the funding there even though we  
14 know the timeline is not accurate. We will not spend  
15 those resources by 2027. So, what we have to do is  
16 basically every capital program that is in the same  
17 time frame, we have to move them back because we  
18 don't have the room to accommodate them if we have to  
19 keep the funding for Rikers at-- you know, in the  
20 timeline where they currently are. So that's the  
21 challenge we're dealing with, and the other challenge  
22 that we also have with Rikers, because 2027 is the  
23 deadline, we cannot capitalize any expense right now  
24 on Rikers. In other words, if we have to make any  
25 changes, any improvement to Rikers, we cannot use

1  
2 capital tax dollars. We have to use expense dollars  
3 which we don't have to make any improvement, because  
4 we cannot capitalize those funding, because the  
5 capital rules require that the funding, you know, the  
6 asset has to be at least five years. We don't have  
7 five years left. So these are-- the timeline create a  
8 major challenge for us in term of managing the  
9 capital program, at the same time, making investment  
10 into Rikers as-is to improve conditions.

11 COUNCIL MEMBER WILLIAMS: So just  
12 hypothetically-- last question. Hypothetically, like  
13 if the timeline was changed, would that give you more  
14 flexibility--

15 DIRECTOR JIHA: [interposing] Yes.

16 COUNCIL MEMBER WILLIAMS: to manipulate  
17 the capital budget to let's say put more money into  
18 other projects.

19 DIRECTOR JIHA: Exactly.

20 COUNCIL MEMBER WILLIAMS: Okay, thank  
21 you.

22 CHAIRPERSON BRANNAN: Okay. We have  
23 Council Member Riley followed by Restler.

24 COUNCIL MEMBER RILEY: Thank you so much,  
25 Chair. Good afternoon, Director. Just a quick

1  
2 couple of questions on housing. So, Local Law 167 of  
3 2023, the Speaker's Fair Housing Plan requires the  
4 City to create a fair housing assessment and plan  
5 every five years. By 2026, the City must produce  
6 five-year production targets distributed to community  
7 district level and strategic equity framework that  
8 will report on the progress made toward the housing  
9 production targets and other preservation and anti-  
10 displacement goals. So with that being stated, has  
11 OMB added the necessary funding to DCP and HPD to  
12 implement the Fair Housing Plan, and how might OMB  
13 use the five-year production target to guide capital  
14 planning and budgeting?

15 DIRECTOR JIHA: We-- it's-- you know,  
16 we're currently working right now. There is an  
17 existing housing team in HPD that is currently  
18 working on this planning for this, but again, we  
19 would have to provide you in terms of the guidelines,  
20 the federal guidelines, we would have to come back to  
21 you and tell you exactly what DCP, HPD, what their  
22 needs are, what the plans are in terms of going  
23 forward to address the [inaudible] targets that  
24 you're talking about.

1  
2 COUNCIL MEMBER RILEY: Okay, so you can  
3 get back to us.

4 DIRECTOR JIHA: We're going to have to  
5 get back to you.

6 COUNCIL MEMBER RILEY: Thank you so much,  
7 Director. And to piggy-back, you mentioned that  
8 there's funding set aside for the borough-based  
9 jails. How much funding is set aside currently?

10 DIRECTOR JIHA: Currently, we have \$8  
11 billion already in the plan, and we have to add  
12 another \$4 billion.

13 COUNCIL MEMBER RILEY: Thank you. Wanted  
14 to touch on NYC Swims. The Governor made her  
15 announcement that she wanted to renovate and  
16 construct swimming pools throughout New York State.  
17 Currently, now, with that plan and the money that she  
18 allocated, how much of that is going to come to New  
19 York City, and did you guys project on how many  
20 swimming pools you're able to reconstruct and  
21 renovate from that funding?

22 DIRECTOR JIHA: I think the only-- I  
23 think they have like a pilot. It's a pilot, and I  
24 think we're contributing toward that pilot as well,  
25 but again, I would come back to you give you a sense

1  
2 of how much we're contributing and how much the  
3 City's contributing toward that pilot.

4 COUNCIL MEMBER RILEY: Okay. And lastly,  
5 when it comes to housing, I know the Deputy Public  
6 Administrator's office in each county, they're  
7 responsible getting family members who passed away  
8 back their assets and estates. I know currently  
9 right now-- just for true transparency, my wife's the  
10 Deputy Public Administrator for the Bronx County. I  
11 know currently right now within the Bronx they're not  
12 currently on the City's server system which prevents  
13 them from having access or even Wi-Fi access to get  
14 the funding out to these families as soon as  
15 possible. Is there any plan for OMB to work with the  
16 Public Administrator's Office to adequately fund  
17 them, because I believe when we're dealing with  
18 housing, currently right now there's housing within  
19 our communities that could be accessible to families  
20 who are in need?

21 DIRECTOR JIHA: We will definitely work  
22 with your office to see, you know, what the needs  
23 are, what's the reason why they're not currently on  
24 the City server and what can we do working with OTI  
25 to mitigate that problem.

1  
2 COUNCIL MEMBER RILEY: Thank you so much,  
3 Director.

4 COUNCIL MEMBER RESTLER: Thank you so  
5 much, Speaker Adams, and Chair Brannan, and thank you  
6 to the panel for joining us today. I just wanted to  
7 start following up on a letter that Chair Brannan and  
8 I sent to OMB last month, and we just received a  
9 response yesterday, just to confirm the information  
10 that was shared from OMB to the Council relating to  
11 cost shifts and increased costs that the City of New  
12 York is contributing into Albany. Over the last 10  
13 years, overall cuts and cost shifts, the impact, the  
14 aggregate impact to the New York City budget is  
15 approximately \$22 billion, is that right?

16 DIRECTOR JIHA: Yes.

17 COUNCIL MEMBER RESTLER: And payments  
18 made to the State have increased from approximately  
19 \$143 billion-- payments made by the City to the State  
20 have increased from approximately \$143 billion a  
21 decade ago to \$245 billion in FY24, and we're on pace  
22 to exceed that this year, is that right?

23 DIRECTOR JIHA: Yes.

24 COUNCIL MEMBER RESTLER: So that's a 71  
25 percent increase over the last decade of the amount

1 of money that the City is paying into Albany and it's  
2 a 25 percent increase since the beginning of the  
3 Adams Administration. That is an extraordinary  
4 burden that has been placed on the City of New York  
5 on you, on us, and on all of the tax payers of New  
6 York City, and it's an unfair one. So I hope that we  
7 can work together to push Albany so that we get our  
8 fair share back in return. There were significant  
9 cost shifts during the previous Mayor and Governor.  
10 I thought things might be better in the dynamics  
11 between the Mayor and the Governor today. They have  
12 not gotten better. It has gotten worse, and this is a  
13 matter of the public record, and we need it to be a  
14 part of the conversation in Albany over the next 30  
15 days.

17 DIRECTOR JIHA: Looking forward to work  
18 with you, Council Member, on this.

19 COUNCIL MEMBER RESTLER: Thank you.

20 DIRECTOR JIHA: And as I indicated to you  
21 in this current budget, we have about \$200 million,  
22 an additional \$200 million.

23 COUNCIL MEMBER RESTLER: A year.

24 DIRECTOR JIHA: Okay, that is cost-  
25 shifted to New York City and resources that they

1  
2 borrow from us. This is a intercept. So, be more  
3 than happy to work with you. We have a study being  
4 conducted for this city by CUNY in terms of the  
5 balance of payments between the City and the State,  
6 how much we contribute more to the state than we're  
7 getting. We'd be more than happy to share that study  
8 with you once it's complete.

9 COUNCIL MEMBER RESTLER: It certainly  
10 makes a real difference for us to have a more  
11 equitable cost-sharing responsibility with the City  
12 and the State.

13 DIRECTOR JIHA: Yes.

14 COUNCIL MEMBER RESTLER: I am concerned  
15 about some of the Mayor and your decisions and the  
16 impact that it's having on the budget.

17 DIRECTOR JIHA: Sure.

18 COUNCIL MEMBER RESTLER: So I'd like to  
19 just touch on a few items of real concern. OMB  
20 exempted a number of titles from the Prelim PEG cuts.  
21 DOB was-- and we had thought DOB was going to be  
22 among them, but DOB was in fact enforced to reduce  
23 inspector positions. Considering the PMMR found that  
24 DOB's average response times to priority B complaints  
25 increased two full days, almost 20 percent increase,

1  
2 why did OMB require reductions to the DOB inspector  
3 workforce, and are those going to be restored?

4 DIRECTOR JIHA: We will work with you,  
5 because of objective initially was to exclude-- to  
6 exempt all the inspectors, but you know, I will get  
7 back to you, because I thought they were excluded,  
8 but if they're not excluded--

9 COUNCIL MEMBER RESTLER: [interposing]  
10 That was our understanding of what was to be  
11 expected.

12 DIRECTOR JIHA: Yeah, yeah.

13 COUNCIL MEMBER RESTLER: I'm disappointed  
14 it didn't happen. So we'd appreciate you circling  
15 back with us.

16 DIRECTOR JIHA: They were not part of the  
17 freeze, but I will get back to you if that's the  
18 case.

19 COUNCIL MEMBER RESTLER: The-- you know,  
20 we have set exceptionally ambitious standards for  
21 large private buildings across the City to reduce  
22 their environmental emissions, their carbon emissions  
23 with Local Law 97. I'm very concerned that the City  
24 is not setting an example, and that we are telling  
25 our constituents that they need to de-carbonize their

1  
2 buildings, but we're failing to take care of our own  
3 house. If you look at the budget cuts that you all  
4 have proposed for this year, we saw a \$1 billion cut  
5 to the DCAS Capital Plan, and my understanding is  
6 that last year the DCAS Commissioner testified there  
7 are about \$500 million in projects that were  
8 dedicated to energy conservation, green capital  
9 projects to reduce our emissions. We saw a cut in  
10 the Capital Plan of \$294 million. So, if those  
11 numbers are right, it's about a 60 percent cut that  
12 the City made to de-carbonize our own buildings.  
13 Additionally, we saw \$15 million cut in this fiscal  
14 year on electric vehicle purchasing, and \$15 million  
15 more in the out-years. These are deeply concerning  
16 cuts. The Mayor signed Local Law 140 into law  
17 requiring us to have an all-electric fleet by 2038.  
18 We can't accomplish those goals with the cuts that  
19 you made. So what am I supposed to tell my  
20 constituents, that they need to de-carbonize, but the  
21 City is failing to do the job?

22 DIRECTOR JIHA: We are as concerned as  
23 you are, and I keep coming back to the same issue  
24 over and over. The reason we have these cuts is  
25 because we have a challenge with our debt limit.

1  
2 COUNCIL MEMBER RESTLER: Alright, well,  
3 let's talk about the debt limit, because you keep  
4 saying the same thing all day, and I have to--

5 DIRECTOR JIHA: [interposing] It is--

6 COUNCIL MEMBER RESTLER: say I really  
7 don't-- I don't think it's fair.

8 DIRECTOR JIHA: It is. It is fair--

9 COUNCIL MEMBER RESTLER: [interposing] And  
10 the reason I don't think it's fair--

11 DIRECTOR JIHA: [interposing] No.

12 COUNCIL MEMBER RESTLER: The reason I  
13 don't think it's fair is as follows. The  
14 Administration has not engaged the Council in any  
15 substantive way about updates or modifications to the  
16 Close Rikers Plan. If you want to have a  
17 conversation about how we can make reasonable  
18 alterations and modifications, then let's have that  
19 conversation, but that hasn't happened at all. And  
20 so to say that your hands are tied, but you're  
21 refusing to engage at the same time is disingenuous.  
22 And furthermore, there was a viable plan on the table  
23 to preserve the structure of the BQE and the triple  
24 cantilever which is my district. The Administration  
25 chose to take an alternative approach that's going to

1 cost at least \$5 billion and probably much more. You  
2 could have done something at 10 percent of that cost  
3 and preserved the structure for a 20 to 30-year  
4 timeframe, provided greater optionality for the City  
5 and avoided the challenges that you're facing around  
6 debt capacity. Those were decisions that this  
7 Administration made that is tying your hands. So to  
8 claim that it's our fault or that it's anyone else's  
9 responsibility is I think misleading. The  
10 Administration, if you want to engage in a  
11 conversation about Close Rikers, talk to us. Nobody  
12 responds from Deputy Mayor Banks' shop, from Lisa  
13 Thornbrook [sic] shop, to engage us in a serious  
14 conversation about how we're going to get Close  
15 Rikers back on track. We hear radio silence,  
16 crickets. I have the Brooklyn Jail in my district. I  
17 would closely with Department of Design and  
18 Construction to try to make this project viable and  
19 to support the closure of Rikers, but this  
20 Administration has not engaged us in a serious or  
21 rigorous way, and if you want to do so, let's have  
22 the conversation.

24 DIRECTOR JIHA: We're not blaming the  
25 Council for the debt capacity problem. The debt

1  
2 capacity problem has to do with the property values  
3 in New York, okay? Because debt capacity is tied to  
4 the value of properties in New York City. The value  
5 of property in New York City has [inaudible] dropped,  
6 so therefore, debt capacity also dropped. As yeah,  
7 it's not recouped as it should have been, as it  
8 should be, because we have all the issues with the 20  
9 percent vacancies that we have in commercial  
10 properties. So values have not recouped, have not  
11 come back, so therefore, our debt capacity remains  
12 more or less where it is, and we're trying to work  
13 with the state to get additional capacity from the  
14 state in terms of spending on TFA so we could deal  
15 with this. What I said with respect to the Rikers--  
16 and I'm very happy to hear from many Council Members  
17 that you are open, because from our perspective we  
18 all thought that that was closed in terms of the  
19 timeline. If the timeline-- if there is an appetite  
20 to discuss the timeline and then we could deal with  
21 that debt capacity--

22 COUNCIL MEMBER RESTLER: [interposing] We  
23 should talk about the timeline because we need to  
24 have a realistic conversation.

25 DIRECTOR JIHA: Trust me-- trust me--

1  
2 COUNCIL MEMBER RESTLER: [interposing]

3 What's--

4 DIRECTOR JIHA: [interposing] We'd be more  
5 than happy--

6 COUNCIL MEMBER RESTLER: [interposing]  
7 What's not going to work is to try and cram more  
8 people into jail like the Mayor has done, increase  
9 the Brooklyn jail by 17 percent, to slash the number  
10 of therapeutic beds by half, despite us having a  
11 record number of people with serious mental illness  
12 on Rikers Island today. The Mayor unilaterally  
13 making bad policy decisions and not engaging the  
14 Council, that's what doesn't work. So, I'll just-- I  
15 know that Justin's going to kick me, so one last  
16 question. I'm very concerned about the increase in  
17 PD response times. If you look in the PMMR, we saw a  
18 two-minute increase in total response times to crimes  
19 in progress and a two-minute increase for the most  
20 serious crimes for PD's response. That is a major  
21 concern. The Police Department's most important job  
22 is to respond to crimes in progress and to help keep  
23 us safe. Unfortunately, we're also seeing a four-  
24 fold increase in minor summons, four-fold increase  
25 since the Mayor came into office for minor summons.

1  
2 At the same time, you all have approved-- we're on  
3 pace for a billion dollars in OT spending for the  
4 NYPD while cutting libraries, while cutting 3K and  
5 more. How do you justify giving a billion dollars in  
6 overtime spending to the NYPD when they are clearly  
7 not doing anything about the increased response times  
8 that pose a real threat to safety in our communities?

9 DIRECTOR JIHA: One of the things that  
10 the PMMR also indicated is that congestion is a major  
11 challenge in terms of response time, so we--

12 COUNCIL MEMBER RESTLER: [interposing]  
13 Response times are not down for FDNY. They're not  
14 down for ambulances. It's only the NYPD.

15 DIRECTOR JIHA: No, every one of them is  
16 having some challenge--

17 COUNCIL MEMBER RESTLER: [interposing] No.

18 DIRECTOR JIHA: with respect to response  
19 time because of congestion.

20 COUNCIL MEMBER RESTLER: We should go on  
21 the data. That's not true.

22 DIRECTOR JIHA: Definitely--

23 COUNCIL MEMBER RESTLER: [interposing] But  
24 this is what I'll say in closing, PMMR paints a very  
25 different picture than the one you're telling.

1  
2 Agencies have faced seven rounds of budget cuts and  
3 severe hiring freezes, and the City is struggling to  
4 meet its goals as a result, and I hope recognizing  
5 all the additional revenue that we have found, that  
6 we can make restorations together and investments  
7 together to grow our economy and to stabilize the  
8 City. Thank you.

9 DIRECTOR JIHA: Thank you.

10 CHAIRPERSON BRANNAN: We have Council  
11 Member Won on Zoom.

12 COUNCIL MEMBER WON: Good afternoon.  
13 Thank you so much, Chair Brannan. Thanks so much to  
14 all my colleagues and the Director. I want to go  
15 back to your earlier testimony about the DYCD and the  
16 language access contract. I just want to make sure  
17 that it's on record that--

18 DIRECTOR JIHA: [interposing] Can't hear.

19 COUNCIL MEMBER WON: the current new RFP  
20 that is out--

21 DIRECTOR JIHA: [interposing] I can't  
22 hear.

23 COUNCIL MEMBER WON: it requires--

24 CHAIRPERSON BRANNAN: [interposing]  
25 Councilwoman, we can't really hear you.

1 COUNCIL MEMBER WON: Can you hear me now?

2 Okay, let me start-- let's take off my air pod

3 [inaudible]. Now?

4 CHAIRPERSON BRANNAN: Let's try.

5 COUNCIL MEMBER WON: Can you hear me

6 better now?

7 CHAIRPERSON BRANNAN: Yeah, that's

8 better.

9 COUNCIL MEMBER WON: Okay, thank you. I

10 want to go back to your earlier testimony about

11 DYCD's language access contract for a second.

12 Director, you had testified just now that anyone can

13 apply. That is not true with the newest RFP for

14 language access adult literacy, because there is now

15 an income restriction which means that students have

16 to provide proof of income which a lot of

17 undocumented migrants may not be able to do that.

18 and in addition to that, for the HERRCs there's more

19 than a total of all of the 60-something thousand that

20 are currently under our care, and out of the small

21 percentage that are in HERRCs, within the HERRC

22 itself, I believe there's less than three that

23 actually provide the adult literacy classes, and each

24 class is less than 30 students. So that's a very,

25

1  
2 very small minimal amount of migrants that will  
3 qualify. So I want to make sure that that's on  
4 record. I'm going to switch to contracting  
5 questions. We have now a record of delays in  
6 contract payments in our city under this  
7 Administration. Does OMB have an accounting of all  
8 nonprofit contracting and payment delays? If so, can  
9 you share this with the Council?

10 DIRECTOR JIHA: Latonia, take this?

11 SENIOR DEPUTY DIRECTOR MCKINNEY: So, on  
12 contracts, we have extensive outreach with vendors to  
13 ensure that the payments are remitted in a timely  
14 manner. We've been working on this for the last  
15 several years, and we know there's still work to do,  
16 but we've been making progress there. In recent  
17 years, New York City implemented a policy allowing  
18 for the 25 percent advances on contracts, so that  
19 once the contracts are registered, the providers will  
20 be assisted with cash flow. So there's still more to  
21 do, but we've made progress on-- in working with MOCS  
22 on contracts, and we'll continue to check in on that  
23 and give update as we move further along in the  
24 process.

1  
2 COUNCIL MEMBER WON: So, was your answer  
3 that you do, yes, have an accounting for all the  
4 nonprofit contracts of payment delays? We want to  
5 know that number.

6 SENIOR DEPUTY DIRECTOR MCKINNEY: I don't  
7 have that number--

8 COUNCIL MEMBER WON: [interposing] Like  
9 what is the average--

10 SENIOR DEPUTY DIRECTOR MCKINNEY:  
11 [interposing] We'll get that number for you.

12 COUNCIL MEMBER WON: delay that providers  
13 are seeing? Because we're getting complaints of all  
14 the nonprofits across the city of their nonpayment's  
15 from the City.

16 SENIOR DEPUTY DIRECTOR MCKINNEY: Okay.  
17 I don't have the average delay, but we can get that  
18 information to you.

19 COUNCIL MEMBER WON: Okay, thank you,  
20 Latonia. And which agencies have the most  
21 significant contracting delays on payment backlog?

22 SERGEANT AT ARMS: Time expired.

23 SENIOR DEPUTY DIRECTOR MCKINNEY: I can't  
24 hear the question.

1  
2 CHAIRPERSON BRANNAN: Say that again.

3 Sorry, Council Member.

4 DIRECTOR JIHA: Which agency has the most  
5 delay?

6 COUNCIL MEMBER WON: Which agencies have  
7 the most significant contracting delays on payment  
8 backlogs?

9 SENIOR DEPUTY DIRECTOR MCKINNEY: Okay, I  
10 don't have that, but I will be sure to get you by  
11 priority order and ranking order the agencies with  
12 the most delays.

13 COUNCIL MEMBER WON: Okay. Could you  
14 also provide the contract reimbursement rates, fi  
15 they're keeping pace with the cost of the City  
16 providing services and employing, retaining skilled  
17 staff? Because we're also hearing a lot about  
18 inability to hire and retain staff, and we're seeing  
19 that firsthand especially with the migrant crisis of  
20 nonprofits not being able to compete with for-profit  
21 vendors like DocGo, because they're being honest  
22 saying that they can't scale.

23 SENIOR DEPUTY DIRECTOR MCKINNEY: Yes.  
24 We'll get that to you.

25

1  
2 COUNCIL MEMBER WON: Thank you so much.  
3 Thank you.

4 SPEAKER ADAMS: I'm going to ask a  
5 follow-up question to Council Member Won along the  
6 lines of nonprofits. They've historically had  
7 significant issues with workforce enhancement which  
8 we all know. Is the Administration at all  
9 considering or willing to increase the workforce  
10 enhancement budgeted at adoption last year? In other  
11 words, are you willing to increase that?

12 DIRECTOR JIHA: Again, we will work,  
13 continue to work with not-for-profit providers and we  
14 will work with the Council as we go forward and, you  
15 know, to see what can be done. But again, as I said,  
16 if conditions warrant, we will work with you, work  
17 with everyone to see what can be done for the not-  
18 for-profit.

19 SPEAKER ADAMS: Okay. I just want to  
20 leave that on the record as being a priority of the  
21 Council. Thank you.

22 CHAIRPERSON BRANNAN: We have Council  
23 Member Louis followed by Nurse.

24 COUNCIL MEMBER LOUIS: Thank you, Chair  
25 and Speaker. Good to see you, Director Jiha.

1  
2 Alright. I have three questions, so I'm going to  
3 just say all of them so I don't lose too much time  
4 and then we could go over them. So, in January, the  
5 Administration unveiled Women Forward, an action plan  
6 that includes a \$43 million investment aimed at  
7 making New York City a national leader to become the  
8 most woman-forward city in the country with a portion  
9 of investment for Woman Forward NYC supported through  
10 city dollars to dismantle barriers in sexual  
11 reproductive and chronic healthcare, along with  
12 reducing domestic violence. How is the PEG affecting  
13 Women Forward? Also, second question. Women Forward  
14 is a cross-section partnership collaboration on  
15 health, tech, and business. Particularly for DOHMH,  
16 how does the hiring freeze reduction in DOHMH from  
17 \$11.6 million in FY24 to \$5.2 million in FY25 impact  
18 the efficacy to sustain the Mayor's commitment to  
19 women-- sorry, to gender equity? My last question is  
20 regarding asylum-seekers. As reduction in asylum-  
21 seekers population continues to grow in our city, we  
22 have a great need for legal services to provide these  
23 services to enable many asylum-seekers to separate  
24 themselves from the city shelter system, reducing  
25 their cost to the city. I wanted to know in the

1  
2 Preliminary Plan, how does your team expect to  
3 include any funding in fiscal 25 for asylum-seekers  
4 work authorization applications and other legal  
5 services? And why is it only in FY24 but not FY25?  
6 Thanks.

7 DIRECTOR JIHA: Yeah, in terms of the  
8 Woman Forward initiatives, I believe we added city--  
9 \$43 million in the budget. This is a citywide-- as  
10 you know, it's a citywide initiatives and involves  
11 many agencies. I want to get back to two, because I  
12 don't remember exactly, but for the last one, the  
13 asylum-seeker, I believe we added \$11 million in the  
14 Preliminary Budget to support the operations of the  
15 asylum-seeker application help center. That provide  
16 legal services for asylum-seekers in our care. And I  
17 don't remember the--

18 COUNCIL MEMBER LOUIS: [interposing] So,  
19 that-- the legal services is included with the  
20 authorization for--

21 DIRECTOR JIHA: [interposing] Yes, all  
22 legal services.

23 COUNCIL MEMBER LOUIS: Okay, got it.

24 Now, regarding woman Forward NYC, I wanted to ask how  
25 is the PEG affecting Women Forward NYC? It does not?

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

DIRECTOR JIHA: It doesn't, no. It--

COUNCIL MEMBER LOUIS: [interposing] On any of the agencies, including DOHMH that now has a reduction?

DIRECTOR JIHA: That is different, but this is an initiative. The initiative is funded \$43 million citywide. So reduction in DOHMH or any other place have nothing to do with [inaudible] initiative itself.

COUNCIL MEMBER LOUIS: So it wouldn't impact the actual initiative?

DIRECTOR JIHA: Initiative, yeah.

COUNCIL MEMBER LOUIS: Got it. Alright, thank you.

CHAIRPERSON BRANNAN: Council Member Nurse?

COUNCIL MEMBER NURSE: Am I last? Oh, thank God. Good afternoon. I'm just going to ask-- I am going to ask some questions related to DOC, but also really on behalf of Council Member Abreu for Sanitation. The-- we currently understand that \$8.7 billion is what it will cost for the borough-based jails. What is the-- is there a new estimate for what the jails will cost?

1  
2 DIRECTOR JIHA: Yes, I believe it's the--  
3 [inaudible] population right now, we're talking just  
4 currently at Rikers it's about \$12 billion.

5 COUNCIL MEMBER NURSE: \$12 billion?  
6 Okay, that's not what we've been hearing.

7 DIRECTOR JIHA: It's-- it was \$8 billion  
8 initially that was included in the--

9 COUNCIL MEMBER NURSE: [interposing] Got  
10 it.

11 DIRECTOR JIHA: We had to add another \$4  
12 billion.

13 COUNCIL MEMBER NURSE: And when do you  
14 plan to reflect that--

15 DIRECTOR JIHA: [interposing] Oh, I'm  
16 sorry, \$15, I'm sorry.

17 COUNCIL MEMBER NURSE: Okay, yeah,  
18 that's-- I was going to say--

19 DIRECTOR JIHA: [interposing] \$15.5, yes.  
20 I'm sorry.

21 COUNCIL MEMBER NURSE: I don't think I've  
22 been hearing that. Okay, great, \$15 billion. What's  
23 driving this increase?

24 DIRECTOR JIHA: Cost of construction,  
25 particularly steel. Price of steel has doubled.

1  
2 COUNCIL MEMBER NURSE: Great. Okay, and  
3 related to the Board of Corrections PEG, I know  
4 Council Member Brewer asked about this, but just to  
5 build on what she asked. In fiscal year 2023,  
6 lawsuits and monitors for the BOC cost the City of  
7 New York approximately \$51 million. The City  
8 preliminary budget in FY24 included a request for \$3  
9 million for the Board of Corrections to bolster their  
10 monitoring staff for 27 new positions. The Council  
11 negotiated \$400,000 to be included in the adopted  
12 fiscal 24 budget to give some more money to BOC to  
13 investigate different issues that came up, but these  
14 two positions were removed as part of the PEGs. So  
15 how are PEGs savings calculated when reductions and  
16 restrictions end up costing the City more in the end?

17 DIRECTOR JIHA: These PEGs were basically  
18 what we call under-spending savings and as a result  
19 of lower than budgeted headcounts, and we also took  
20 some savings from vacancies. Again, it comes way  
21 back to this scale of the challenge that we face, and  
22 at the time we ask every agency to make--

23 COUNCIL MEMBER NURSE: [interposing] Yeah,  
24 no, I understand. My understanding is that some of  
25 these positions, you know, these are investigators,

1  
2 these are research assistants and the salaries being  
3 offered aren't really matching the talent and  
4 skillsets, what they would paid outside in other-- in  
5 the private sector, which is why it's "maybe not  
6 being fully utilized." So hopefully that can be  
7 looked at and considered. Last year, DOC also cut  
8 contracts for some of the critical service providers  
9 on Rikers, and then we went-- we found that, you  
10 know, DOC's attempts to do some of that programming  
11 just wasn't adequate enough to cover what those  
12 providers were doing. So now we're hearing maybe  
13 informally that DOC has invited these providers back,  
14 but without a new contract or compensation. So, how  
15 do you-- how is there an expectation to come do this  
16 critical work, I mean, not necessarily for free, but  
17 without additional compensation?

18 DIRECTOR JIHA: We are working with DOC,  
19 and as I said, we're doing an assessment of their  
20 needs, and I believe they've been working, they've  
21 been talking to those providers, and as we move  
22 forward, closer to budget, to Exec, we will make a  
23 decision one way or another in terms of how we're  
24 going to proceed with whether we're going to continue  
25 this programming. If there is a need to continue

1  
2 this programming, we will make the appropriate  
3 adjustment at Exec.

4 COUNCIL MEMBER NURSE: Okay. For  
5 Sanitation, you know, I asked about this the last  
6 time I saw you. We're rolling out this curbside  
7 program. We had a year of Queens under the belt.  
8 Now-- then we rolled out Brooklyn. The numbers are  
9 pretty low across the two boroughs, and that kind of,  
10 you know, corresponds with cutting a lot of the  
11 contracts, a lot of those workers who were out doing  
12 outreach and spreading the word and helping people  
13 understand why it's important. those folks were laid  
14 off, and then DSNY got a lot of their outreach and  
15 communications budget cut, and I think at the last  
16 hearing we had last week we were showing that the  
17 capture rete for organics is only at 4.3 percent. so  
18 basically 95 percent of what could be collected in  
19 these two boroughs is just going straight into the  
20 trash, basically making this program-- you know, even  
21 though what we're collecting is more than what's  
22 being collected around the country in other  
23 municipalities, we're still for what we could be  
24 doing very low. So are you planning at all, or are  
25 you considering restoring the cuts to some of those

1  
2 compost workers and the community organizations that  
3 were doing that critical outreach work?

4 DIRECTOR JIHA: Yeah, I believe that the  
5 citywide program that we launched was more effective  
6 than those small programs, but I also believe that  
7 there's--

8 COUNCIL MEMBER NURSE: [interposing] No,  
9 those weren't-- I understand--

10 DIRECTOR JIHA: [interposing] I also  
11 believe--

12 COUNCIL MEMBER NURSE: [interposing] the  
13 difference, but those folks were doing outreach parts  
14 of their work as well.

15 DIRECTOR JIHA: I also believe that there  
16 is an education piece that is missing.

17 COUNCIL MEMBER NURSE: Yeah.

18 DIRECTOR JIHA: I believe if we educate  
19 our folks, okay, they will take a-- you know, a  
20 meaningful [inaudible] many more [inaudible] in the  
21 program and the program will become even more  
22 effective than having small, you know, community  
23 groups doing, you know, piecemeal here, piecemeal  
24 there. I think the citywide program is a lot more  
25 effective. It's the approach that we should take,

1  
2 but I also believe that we also have to do a lot more  
3 in terms of education so that more people can  
4 participate in the program.

5 COUNCIL MEMBER NURSE: Yeah, I mean, this  
6 participation and capture rate is so embarrassingly  
7 low, and it--

8 DIRECTOR JIHA: [interposing] Yes, it is,  
9 yeah.

10 COUNCIL MEMBER NURSE: will make this  
11 program extremely extensive and create a  
12 justification for ending it. We don't want to do  
13 that given how much we've put into it.

14 DIRECTOR JIHA: We understand your  
15 concern.

16 COUNCIL MEMBER NURSE: Okay, thank you,  
17 Chair.

18 CHAIRPERSON BRANNAN: Okay, Director,  
19 thank you.

20 DIRECTOR JIHA: Thank you.

21 CHAIRPERSON BRANNAN: We look forward to  
22 negotiating with you as we head deeper into budget  
23 season.

24 DIRECTOR JIHA: Yes.  
25

1  
2 CHAIRPERSON BRANNAN: Thank you all very  
3 much.

4 DIRECTOR JIHA: Thank you.

5 CHAIRPERSON BRANNAN: Alright, we'll take  
6 a break and then we'll hear from the City  
7 Comptroller.

8 [break]

9 SERGEANT AT ARMS: Can everyone have a  
10 seat, please? We're going to start shortly. Can  
11 everyone please have a seat? Thank you.

12 CHAIRPERSON BRANNAN: Okay, we're now  
13 going to hear from the City-- Sergeants, we're good,  
14 right? We're good? Okay, we're now going to hear  
15 from the City Comptroller. First, our Committee  
16 Counsel Mike Toome [sp?] is going to swear everybody  
17 in.

18 COMMITTEE COUNSEL: Good afternoon. If  
19 you can raise your right hands, please? Do you  
20 affirm to tell the truth, the whole truth and nothing  
21 but the truth and to respond honestly to Council  
22 Member questions? Comptroller Lander?

23 COMPTROLLER LANDER: I do.

24 COMMITTEE COUNSEL: Deputy Comptroller  
25 Brindisi?

1  
2 EXECUTIVE DEPUTY COMPTROLLER BRINDISI: I  
3 do.

4 COMMITTEE COUNSEL: Deputy Comptroller  
5 Olson?

6 DEPUTY COMPTROLLER OLSON: [off mic]

7 COMMITTEE COUNSEL: Thank you. You may  
8 begin.

9 COMPTROLLER LANDER: Alright, thank you  
10 very much. Good afternoon Chair Brannan and members  
11 of the Finance Committee and the Council. Thanks for  
12 having me here to talk about the City's Preliminary  
13 Budget, current economic conditions, transparency in  
14 the budget process, or more precisely the lack of it,  
15 and an appropriate management response to our city's  
16 most pressing needs. I'm joined today by I'm joined  
17 today by Executive Deputy Comptroller Francesco  
18 Brindisi and Deputy Comptroller for Budget Krista  
19 Olson. We released our report today on the  
20 Preliminary Budget and Financial Plan, and I  
21 understand the Council now is doing electronic  
22 reports on those fancy new tablets. So in the  
23 future, we won't bring the reports, but today, we  
24 have the last printed copies. You guys have special  
25 editions. Despite the whiplash that we've

1  
2 experienced since the last budget was adopted in  
3 June, largely as a result of the Mayor doing quite a  
4 few twists, turns, and two-steps in the budget dance  
5 all by himself, and the associated lack of  
6 transparency around the City's finances, our report  
7 whether in print or digitally provides clarity about  
8 where we are and how those financial conditions have  
9 evolved. We also look at how critical services have  
10 been impacted by Adams' Administration budget cuts,  
11 and at how the City could do better at managing  
12 spending on overtime, claims, Carter cases,  
13 and emergency procurement. The city continues a  
14 gradual economic recovery. Jobs have rebounded and  
15 are now slightly above pre-pandemic levels, but  
16 growth has been largely concentrated in the lower-  
17 wage Health and Social Service sectors. We project  
18 that growth will continue at a modest pace. As we  
19 spend a lot of our time discussing, rent remains  
20 critically high, not just burdening families, but  
21 burdening the city's future economic growth  
22 potential. We urgently need a deal on housing in  
23 Albany this year to increase housing supply at all  
24 income levels, with a focus on affordability to  
25 better protect tenants from eviction with good cause

1  
2 protections, and especially to fund housing vouchers  
3 to help people escape homelessness into permanent  
4 housing. And we do also need and can afford more  
5 City investment in affordable housing. I'll come  
6 back to that at the end. Turning to the Preliminary  
7 Budget, I first want to identify two ways in which  
8 the Adams Administration's approach to the process  
9 has really unhelpfully muddled budget conversation.  
10 First, last June, at the time of FY 2024 budget  
11 adoption, the Administration presented the fiscal  
12 year 2025 budget gap as being \$5.1 billion. Then,  
13 just a couple months later in November, they  
14 projected that increase to \$7.1 billion, even after a  
15 round of PEG savings. And then just a few weeks  
16 later, in January, presented it as a balanced budget,  
17 that \$7 billion gap disappearing entirely. Now, some  
18 of those changes are due to increases in revenues,  
19 although I'll note that the Council's projections and  
20 our projections were closer to reality than the  
21 Administration's. And some due to savings, largely  
22 re-estimates of personnel as a result of vacancies.  
23 But a large part of that dramatic shift is due to the  
24 Administration's wild swings in the estimate of cost  
25 for services for asylum-seekers. At budget adoption

1 last June, they projected the two-year cost for FY24  
2 and 25 at \$3.91 billion. Then just two months later,  
3 in August, outside of the normal budget schedule and  
4 without any particular new information about border  
5 policy or migration shifts, they increased that  
6 projection to \$6.91 billion, a whopping 177 percent  
7 increase, to a total of \$10.82 billion. And then  
8 more recently, they lowered it to \$9 billion, and  
9 they've indicated they plan to lower it further still  
10 in the Executive Budget. Meanwhile, the level of  
11 spending that has already occurred cannot be  
12 reconciled in the City's own Financial Management  
13 System with the numbers that they've given to you and  
14 to us, indicating that they've spent. So, those  
15 dramatic variations make it difficult to accept their  
16 projections with confidence. And given the timing of  
17 those announcements, it is quite reasonable for the  
18 Council to believe that they were made for the  
19 purpose of establishing a rationale to order large  
20 PEGs from City agencies, and then reverse the worst  
21 of those PEGs in a show of magnanimity. And indeed,  
22 just after adjusting the forecasted gap up by \$7  
23 billion in August, the Administration announced in  
24 September that PEG savings would be included in the  
25

1 three upcoming plans, each of them at five percent,  
2 combined with hiring freezes and other spending  
3 freezes, and then restored a small number of the  
4 initiatives that were cut in the November Plan,  
5 cancelled the third round of PEGs in the Executive  
6 Budget, and pulled back hiring and spending freezes.  
7 These unnecessary twists and turns in the budget  
8 dance muddle the budget process and needlessly  
9 confuse the conversation. Further clouding that  
10 picture is the significant under budgeting of many  
11 predictable expenditures in the Adopted Budget,  
12 including rental assistance, special education Carter  
13 Cases, and overtime. This pattern of under budgeting  
14 expenses, despite knowing that these costs will be  
15 incurred, has become a habitual part of the City's  
16 budgeting, but it is not a good practice. A more  
17 accurate reflection of those expenditures would have  
18 added \$3.97 billion in expenditures over the two  
19 years of the plan in the budget that you adopted last  
20 year and roughly that pattern of about \$4 billion of  
21 under budget expenses is continued in the current  
22 Preliminary Budget. In addition, the Mayor has not  
23 been clear on which programs funded with Federal  
24 Stimulus dollars will be continued or will be ended.  
25

1 So, where does all this leave us? And this is the  
2 bottom line of this report. The Comptroller's Office  
3 projects that the City will end the current fiscal  
4 year in June with a small surplus of \$214 million.  
5 However, where OMB projects a balanced budget for  
6 fiscal year 2025, the Comptroller's Office projects a  
7 gap of \$3.30 billion in fiscal year 2025 that will  
8 need to be closed, you know, by the time of budget  
9 adoption, as well as through that year. In the longer  
10 term, fiscal projections are challenging because that  
11 structural under budgeting is compounded by two  
12 significant areas of long-term uncertainty: spending  
13 for asylum seekers, where long-term projections are  
14 in many ways just guesses; and the cost of reducing  
15 class sizes per State legislation, which is fully  
16 unbudgeted in the Preliminary Budget. If you leave  
17 those expenses out and go basically with projections  
18 for, you know, the near-term and carry them forward,  
19 then, my office projects out-year gaps of about \$8.5  
20 billion, or about 7.5 percent of total revenues, for  
21 the out-years for Fiscal Years 2026 through 2028. If  
22 you include projections of asylum-seeker costs and  
23 the class size mandate, then those restated gaps grow  
24 to \$10.5 billion in FY 2026 and could reach \$13.5  
25

1 billion in Fiscal Year 2028, nearly 12 percent of  
2 total revenues. How should we approach those gaps?  
3 So, we released another report last week, that you'll  
4 have to get online, the Bottom Lines which outlines a  
5 better approach. Rather than cuts to essential  
6 services that New Yorkers rely on, we should work  
7 harder to cover those growing future year gaps  
8 through stronger fiscal management. As I've  
9 advocated before, the City's fiscal health would be  
10 better served by implementing efficiencies and cost  
11 savings in each budget modification, with incentives  
12 for agencies to achieve structural and long-term  
13 savings without cutting core services, rather than  
14 erratic, surprise announcements of PEG exercises that  
15 emphasize short term cuts. It continues to be  
16 imperative that we reserve our rainy-day funds for  
17 true recessionary times. Despite current fiscal  
18 challenges, the New York City economy is projected to  
19 grow at a moderate pace. So, I urge the Council to  
20 adopt a target for the rainy-day fund and rules for  
21 deposits and withdrawals that remove the fund from  
22 the back and forth budget dance, budget negotiation  
23 process. There are places, though, where long-term  
24 savings really can be achieved, and we've outlines  
25

1  
2 several of them in this report and past reports.  
3 We've offered a plan to reduce Carter Case  
4 settlements by providing better special education  
5 services in the public schools so people don't need  
6 to go outside them. We urge making agencies  
7 responsible for claims payments and settlement  
8 payouts, as we recommended in an analysis of  
9 collisions that we did earlier this year. Last year,  
10 the City paid out over \$1.5 billion in settlements,  
11 but the agencies that are responsible for the harms  
12 that are being settled bear no responsibility in  
13 their budgets for those payments, so they don't have  
14 any incentive to reduce them. If you put the claims  
15 responsibility on the books of the agencies, then  
16 you'll get Commissioners involved in saying, "How  
17 could we have fewer crashes? How could we cause less  
18 harm, and have fewer payouts?" We think you could  
19 save hundreds of millions of dollars. We've also  
20 repeatedly identified significant opportunities for  
21 savings through better management of emergency  
22 procurement. Last week, our analysis found that four  
23 separate City agencies had entered into four separate  
24 emergency contracts for asylum seeker staffing  
25 services, for the folks who staff the various asylum-

1  
2 seekers facilities, but for many of the exact same  
3 services, but three of those contracts were issued  
4 without competitive bidding, and the result is wide  
5 cost variation. In one particularly egregious  
6 instance, SLSCO, an emergency contractor procured by  
7 New York City Emergency Management, charged hourly  
8 rates that were 237 percent more than a similar  
9 contract procured by DHS. Looking at just one  
10 facility in Midtown, we found that hiring new City  
11 employees instead of going with the contract that was  
12 in place could have delivered as much as \$50 million  
13 in savings. And we also, in addition to claims  
14 Carter Cases and emergency procurement, identified  
15 uniformed overtime, especially on planned events, as  
16 another area that we persistently under-budget but  
17 could achieve real savings on. And those reductions  
18 would be far better than many of the short-sided cuts  
19 that are included in the Preliminary budget. I'm not  
20 going to go through these in as much detail, because  
21 you went through them in your questions with the  
22 Budget Director. But, CUNY has faced a cumulative  
23 \$95 million in annual cuts when all the various  
24 rounds of Adams Administration's PEGs are taken into  
25 account, and it is having a real impact on their

1 budget. Libraries still face the impact of earlier  
2 cuts and can't afford to stay open seven days a week.  
3 The Administration's cuts to Alternatives to  
4 Incarceration and slow walking of the construction of  
5 out-posted therapeutic beds that are supposed to be  
6 coming online is similarly short-sighted. Those  
7 programs keep our community safe, and they save money  
8 in the long-run. ATI is much less than a comparable  
9 amount of time at Rikers, and to call that a re-  
10 estimate when it reduces the number of people who can  
11 be served in the program is misleading; it is a cut.  
12 I also hope the Council will continue its strong  
13 advocacy to maintain adequate funding for 3K and  
14 ensure the number of seats meets demand in  
15 neighborhoods across the city, as I heard from  
16 several Council Members in questioning. Similarly,  
17 Promise NYC has become a critical program for young,  
18 undocumented children and their families, and that  
19 funding should be baselined. And for early childhood  
20 professionals, we really do need to amend-- this was  
21 the previous Administration, the de Blasio  
22 Administration's broken promise-- and ensure true pay  
23 parity. We'll have more on that in the coming days.  
24 I urge the Council to maintain funding for community  
25

1 schools, 155 critical programs for 40,000 high-need  
2 students all across the city, to support funding for  
3 shelter-based education coordinators. We have so  
4 many schools now where you have a greater number of  
5 kids in shelter who are homeless. We cannot lose  
6 that critical program when the stimulus funds that  
7 are paying for it run out, and there are critical  
8 investments to be made in accessibility in our  
9 schools so that they can serve students and parents  
10 with disabilities. Finally, rather than evicting  
11 individuals and families from shelter just 30 or 60  
12 days after they've arrived-- the subject of  
13 legislation that you heard last week-- we should  
14 invest in the legal services, case management,  
15 assistance to obtain work authorizations, and  
16 workforce development that enable these new New  
17 Yorkers to get on their feet and move out of shelter  
18 to meaningful self-sufficiency. We need to scale up,  
19 improve coordination in job placement, and better  
20 measure the impact of programs like the Temporary  
21 Protected Status clinic and the Asylum-Seeker  
22 Application Help Center. Of course, if you're  
23 getting evicted from shelter after just 30 or 60  
24 days, the likelihood you're going to succeed through  
25

1 those centers and programs is dramatically  
2 diminished. And I'll conclude with just a couple of  
3 comments on the Capital Budget which I noticed were  
4 of significant comment back and forth during the  
5 Budget Director's testimony. The Preliminary Budget  
6 reduces the City's Capital Commitment Plan by \$5.9  
7 billion for the plan period for Fiscal Year 24 to 28,  
8 and does not fully reflect needs as you discussed for  
9 the School Construction Authority, borough-based  
10 jails, the portion of the BQE owned by the City, and  
11 other needs. But I want to just address a little  
12 here about the debt limit, because the Budget  
13 Director said a couple of times, you know, that that  
14 was the reason why we can't put more money in  
15 affordable housing or we can't meet the diversity of  
16 needs that we have. First, I will say that the  
17 remaining debt capacity as of Fiscal Year 2024 is not  
18 \$10 billion, as I think I heard him say. It's \$26.7  
19 billion. That's the remaining capacity we have under  
20 the current debt limit. Now, it is projected to  
21 narrow in future years, because more commitments will  
22 come into the plan for all of those needs, and what  
23 paces the debt limit is the kind of very convoluted  
24 estimate of the overall value of city property, and  
25

1 that has slowed as a result of the pandemic. So, the  
2 gap is narrowing. However, Governor Hochul has put a  
3 \$12 billion increase in the City's debt limit in her  
4 Executive Budget, and assuming that that is adopted,  
5 and we believe that it is reasonable and appropriate  
6 to do so, neither OMB nor the Comptroller's Office  
7 project that the City would hit its debt limit even  
8 including all of the Rikers expenses, the additional  
9 money from the SCA plan, and the BQE in the budget  
10 anytime in the next decade. So, we believe that the  
11 Governor's proposal for the \$12 billion increase in  
12 the debt limit is needed, but the debt limit is not a  
13 reason that the City can't invest in additional  
14 billion or \$2 billion in affordable housing or meet  
15 reasonable capital expenditures. Now, we should  
16 strengthen the provision that makes sure we stay  
17 below 15 percent debt service against tax revenue in  
18 our budget every year. That number currently is at  
19 about 10 percent. So we have, you know, meaningful  
20 room between the 10 percent we're currently spending  
21 on debt service, and that 15 percent limit that is  
22 critical to stay below. We'll be offering some  
23 suggestions about how we can do better to strengthen  
24 our policies to make sure we stay below 15 percent,  
25

1 but we can't do that consistent with the spending  
2 that's been discussed in the capital plan with the  
3 \$12 billion increase that Governor Hochul has  
4 proposed in the Executive Budget. I wish I believed  
5 that the City could actually achieve the capital  
6 commitments that we're talking about. Every year we  
7 wind up spending less than we project. That has  
8 gotten a little better in recent years, and I want to  
9 give DDC and OMB credit for improving those  
10 procedures, but I don't believe we will be able to  
11 hit every dollar that we're projecting to spend, and  
12 even if we did, as long as we get the \$12 billion  
13 increase proposed by Governor Hochul, neither OMB nor  
14 the Comptroller's Office project reaching the debt  
15 limit any time in the next decade. That means there  
16 is room to do things like put some additional capital  
17 into affordable housing which I really believe, and I  
18 said at the beginning, should be our number one  
19 priority. It's making it impossible for families to  
20 live here, and it impacts business growth in a  
21 significant way. In my mind, it is the most  
22 significant limit on the City's economic growth going  
23 forward. so, I urge the Council to fight for much  
24 larger investments and permanently affordable  
25

1  
2 community-controlled rental housing like the  
3 Neighborhood Pillars program, save affordable housing  
4 and put it in nonprofit ownership, expanded limit  
5 equity cooperative home ownership program, 21<sup>st</sup>  
6 century vision of the Mitchell-Lama program. We'll  
7 have more to say about this in coming days. But in  
8 addition to the action we need in Albany, in addition  
9 to the ability to build a lot more housing and  
10 protect tenants, investments in genuinely affordable  
11 housing is one of the biggest things that the City  
12 can do to confront our affordability crisis. I will  
13 note that to convert those dollars, if we make them  
14 into real projects, HPD does need additional  
15 resources to clear its backlog, develop and train new  
16 staff, and expand the housing footprint, and we've  
17 offered some ideas for how it can do that in a recent  
18 report, Building Blocks of Change. To conclude, our  
19 short-term decisions must not short-change the City's  
20 future. Sound management and strategic investments  
21 are required to face the City's fiscal challenges,  
22 confront the affordability crisis, and ensure strong  
23 economic growth in the years ahead. Thank you very  
24 much.

1  
2 CHAIRPERSON BRANNAN: Thank you. I want  
3 to talk about some of the emergency procurement for  
4 asylum-seeker response, the cost related to that.  
5 Back in November your office released a report on  
6 emergency contracting, sent a notice to city agencies  
7 revoking the prior approval for asylum-seeker  
8 response efforts that it had previously issued. As a  
9 result, agencies are now required to obtain  
10 independent prior approval on a case-by-case basis,  
11 and recently the Administration entered into a one-  
12 year no-bid \$53 million contract with MoCaFi. Did  
13 HPD seek approval from your office before entering  
14 into this contract?

15 COMPROLLER LANDER: Yes, they did. They  
16 sought it in November.

17 CHAIRPERSON BRANNAN: Okay. And what was  
18 the type of review conducted before the approval was  
19 given?

20 COMPROLLER LANDER: So we reviewed the  
21 basis for the emergency procurement, why is it  
22 needed? We reviewed once they brought us the  
23 contractor that was proposed, whether they met the  
24 procedural requisites, and on December 26<sup>th</sup> we  
25 authorized the use of the emergency procurement

1  
2 method, the assigned written determination, and then  
3 they brought a contract back to us, and it was filed  
4 with our office on January 18<sup>th</sup>, 2024.

5 CHAIRPERSON BRANNAN: Okay. I want to  
6 talk about-- so the pension investment strategies.  
7 The investment landscape has obviously changed  
8 recently with elevated interest rates and high  
9 inflation. How are fund managers adjusting their  
10 pension investment strategies during this time?

11 COMPTROLLER LANDER: so, I'm pleased to  
12 say this was an area where something that we did  
13 together really puts us in a stronger position,  
14 because you're right these are, you know, constantly  
15 evolving times. Interest rates are high. As a  
16 result, our fixed income portfolio is facing a series  
17 of challenges, but one thing that we did Albany back  
18 in 2022 was got state legislation changed to increase  
19 what's called the Basket Clause. Before that, the  
20 City was required to have 75 percent of the pension  
21 fund portfolio in either public equities in the stock  
22 market or in fixed income in debt instruments, and  
23 could only have a quarter, 20 percent, in what are  
24 called private markets in private equity,  
25 infrastructure, real estate, private credit, and

1  
2 those turned out to be asset classes that in an  
3 environment like this give you opportunity to secure  
4 some additional returns. We went to Albany and got  
5 legislation to raise that from 25 percent to as much  
6 as 35 percent. We then underwent this past summer  
7 what's called strategic asset allocation where you  
8 look at how to put your assets across those various  
9 asset classes, and used a little bit of that. We  
10 didn't go all the way up to 35 percent, but we've  
11 been from 25 percent to 30 percent increasing our  
12 exposure in private equity, private credit  
13 infrastructure and real estate, which our investment  
14 managers believe will be good investments to have  
15 during this.

16 CHAIRPERSON BRANNAN: How are this year's  
17 pension investment returns looking so far?

18 COMPTROLLER LANDER: So, we had a very  
19 good fiscal year last year. So, you know, two years  
20 ago when the stock market had its big bump in Fiscal  
21 Year 22. Obviously, that was a great year then.  
22 Fiscal Year 21 was the great year. Fiscal Year 22  
23 things were down. Last year, Fiscal Year 23, we  
24 ended June 30<sup>th</sup> up eight percent, which is better  
25 than our state-directed seven to seven percent, a

1 hurdle [sic] rate that we aim for every year. So, at  
2 this point from fiscal year to date, it's about 4.75  
3 percent up. Obviously, we're hoping for a very  
4 strong last few months of the year, and we'll report  
5 regularly to the Council and the public.  
6

7 CHAIRPERSON BRANNAN: Okay, I have one  
8 other question about the city's bond ratings. So,  
9 S&P Global and Fitch recently reaffirmed New York  
10 City's general obligation bond ratings at AA. Is  
11 this rating affirmation expected to impact the City's  
12 debt service obligations?

13 COMPTROLLER LANDER: It's good to have  
14 our debt service AA ratings reaffirmed, but it won't  
15 have too impact actually on our debt service.  
16 Obviously, a lot of factors influence how much you're  
17 going to raise with any particular issue and what  
18 your debt service will be, and the rising interest  
19 rates in recent year has certainly been, you know,  
20 the biggest factor affecting our cost. So we're on  
21 projection to-- you know, the deals we've had in the  
22 field have been well-received so far even in the  
23 rising interest rate environment. We've been able to  
24 find strategies that produce savings for the City,  
25 and we project to be able to hit the targets that are

1  
2 outlined in the plan, but we don't see any  
3 significant shifts, and certainly the rating  
4 stability is a good thing, but we don't see it  
5 leading to too much shift in the plans.

6 CHAIRPERSON BRANNAN: One last question  
7 about the Preliminary Mayor's Management Report. Do  
8 you believe there's a correlation between the  
9 headcount reductions and the decline in some of the  
10 PMMR indicators?

11 COMPTROLLER LANDER: Yes. You know, we  
12 looked at a couple of agencies where we have concerns  
13 like that. You know, we put this report out just a  
14 couple of weeks ago looking specifically at HPD.  
15 Now, we give the agency there some credit. They took  
16 very large reductions during the pandemic as people  
17 left. Then they were able to do pretty significant  
18 hiring back up. Now they face new challenges because  
19 they had lost a lot of people that had been there for  
20 years, and so they've got a whole set of training  
21 needs. They have a whole new set of technology needs  
22 but that's a place where you're seeing a bunch of  
23 barriers that really need to be addressed, and the one  
24 that stuck out to me most was the wait time to move  
25 people into a unit even after that unit is ready. I

1  
2 don't have that stat right to hand, but it had been  
3 at about three months and then it ballooned to six  
4 months, and I think eight or nine months for units  
5 for homeless families, and that's just processing  
6 time. that's, you know, if you're missing a few staff  
7 in that key unit or you had to-- you know, you lost  
8 some people with real experience, and now you've got  
9 families who are waiting for that apartment  
10 desperately, and we're making them take a couple of  
11 months longer. So, we did see some agencies that I  
12 think are having effective creative strategies. You  
13 know, I identify Department of Sanitation here that  
14 has found some creative ways to kind of manage its  
15 headcount and keep moving forward, but we did  
16 identify a number of places that we think the PMMR  
17 shows the impact of the hiring freeze.

18 CHAIRPERSON BRANNAN: Did you see  
19 improvements with HRA SNAP benefits processing as--  
20 the OMB pointed to a whole bunch of hiring they've  
21 done and they-- you know, clearing up backlog. Are  
22 you seeing that as well?

23 COMPTROLLER LANDER: I don't have-- I  
24 don't-- we didn't-- we don't have any-- we didn't  
25 include HRA as one of the--

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CHAIRPERSON BRANNAN: [interposing] Okay.

COMPROLLER LANDER: agencies we put specifically in our dig-in on the PMMR, but I'm glad to--

CHAIRPERSON BRANNAN: [interposing] Okay.

COMPROLLER LANDER: ask the team.

CHAIRPERSON BRANNAN: Thank you. Okay, we have questions from Council Member Brooks-Powers followed by Brewer.

COUNCIL MEMBER BROOKS-POWERS: thank you, and I just wanted to ask a quick question. You wrote in a report last year that police overtime remains by far the largest overtime category and the most likely to far out-strip its budget. Yet, there have been-- yet, there have not been serious efforts either to reign in this spending or to more honestly reflect expectation in the budget. Can you talk about what steps OMB could and should take to be more appropriately budgeting for overtime among uniformed officers?

COMPROLLER LANDER: So, the thing we looked at in that report that really stuck out to me the most was how much overtime there was on planned events. Obviously, one understand overtime for an

1  
2 unplanned event. Something, you know, there's a, you  
3 know, a protest or a disaster. Then, of course,  
4 you're going to assign people overtime. But a pretty  
5 substantial number of planned events, of parades and  
6 large-scale events that are known in advance involved  
7 a significant amount of overtime, and that seemed to  
8 me to be one area where you could just say look, we  
9 know this event is coming, we're going to staff it  
10 with folks who are on-duty at that shift so that we  
11 don't have to pay overtime costs. So that would be  
12 one particular place that we would recommend.

13 COUNCIL MEMBER BROOKS-POWERS: Thank you.

14 CHAIRPERSON BRANNAN: Council Member  
15 Brewer followed by Restler.

16 COUNCIL MEMBER BREWER: Thank you. So,  
17 on the contracts that the Chair was asking about, the  
18 one that is for the cards for those who need to eat  
19 and get baby products, I understand that-- I think  
20 one of the reasons that you signed off, which makes  
21 sense, is that they're backed by Citibank and other  
22 banks who have lots of experience with credit cards,  
23 so that makes sense. But my question is, under what  
24 circumstance can an emergency contract be allocated  
25 in the first place? This may be a good one in terms

1  
2 of background, but it seems to me like every time I  
3 turn around we have another emergency contract. Is  
4 it just Health + Hospitals? Can everybody else do  
5 it? What's going on?

6           COMPTROLLER LANDER: Yeah, it's a great  
7 question. And I'll point to in addition to the  
8 report we put out last week specifically on these  
9 asylum-seeker contracts, we did a whole report called  
10 Rethinking Emergency Procurement that digs in on a  
11 bunch of these questions. Actually, let me use an  
12 example, because we approved one today from the same  
13 agencies, Department of Correction, that we had  
14 rejected one from last week. So, last week,  
15 Department of Correction brought us a contract for  
16 the digital services for tablets of detainees, and  
17 that contract--

18           COUNCIL MEMBER BREWER: [interposing] I'm  
19 aware of that contract.

20           COMPTROLLER LANDER: we rejected because  
21 we concluded it should have been bid out, that they  
22 didn't have a good reason not to bid it out. Today,  
23 DOC came to us for exterminator services because they  
24 had a facility at which a rat had bit someone last  
25 week, and they identified the need to procure

1  
2 emergency services. It seemed entirely reasonable.  
3 In that case, they had gone to three firms to get  
4 essentially informal bids. They didn't go through a  
5 whole RFP process, but they got three quick bids, and  
6 they brought the best of them to us, and we turned  
7 around that request for emergency procurement in an  
8 hour, I think, or a couple-- you know, within the  
9 day. So the Charter gives some clarity on what are  
10 unforeseen circumstances, and when bidding or one of  
11 the other traditional procurement methods would be  
12 infeasible, but even when they are infeasible, you're  
13 still directed to use as much cost-containment as you  
14 can to make sure that the firm you're bidding with is  
15 appropriate. In the case of MoCaFi, you know, what  
16 they brought was-- and this has been publicly  
17 reported-- you know, we're looking for ways of  
18 keeping food costs down, of improving the-- and you  
19 know, we think trying that out in a pilot--

20 COUNCIL MEMBER BREWER: [interposing]  
21 Pilot, 500 families.

22 COMPTROLLER LANDER: round of the program  
23 will-- you know, is worth doing without bidding it  
24 out, and my team looked at the reasons given. In  
25 that case we actually have city policies for P-cards,

1  
2 for-- and they affirm that those policies were being  
3 followed and--

4 COUNCIL MEMBER BREWER: [interposing]  
5 Okay.

6 COMPTROLLER LANDER: gave prior approval.

7 COUNCIL MEMBER BREWER: Alright, again, I  
8 think it needs longer discussion like you said,  
9 emergency contracts. Second, just quickly, the  
10 mental health beds that you mentioned, are you going  
11 to do a study of that. First we heard, you know,  
12 we're going to have 350 in Woodhull, Bellevue,  
13 etcetera. Then we heard a fewer number, and it's all  
14 different numbers and nothing is happening. I think  
15 there's like, I don't know, 30 or something at  
16 Bellevue. If that, maybe seven. What's the story  
17 with that? You know, it seems to me on so many  
18 levels it makes sense, reduction, support for mental  
19 health, etcetera, etcetera, good healthcare.

20 COMPTROLLER LANDER: Yes. These are the  
21 out-posted beds--

22 COUNCIL MEMBER BREWER: [interposing] Yes,  
23 yes.

24

25

1  
2 COMPROLLER LANDER: for folks who are at  
3 Rikers but have a health issue, which might be  
4 physical health or mental health and need to be--

5 COUNCIL MEMBER BREWER: [interposing]  
6 Whatever.

7 COMPROLLER LANDER: in a hospital, and  
8 so they're operated by Correctional Health Services,  
9 and yes. So, there were three places that they were  
10 supposed to be.

11 COUNCIL MEMBER BREWER: Correct.

12 COMPROLLER LANDER: Only Rikers-- I  
13 mean, only Bellevue--

14 COUNCIL MEMBER BREWER: [interposing] Has  
15 a few.

16 COMPROLLER LANDER: is currently moving  
17 forward.

18 COUNCIL MEMBER BREWER: Right.

19 COMPROLLER LANDER: The other two are on  
20 hold. We've also asked the Administration why not  
21 begin building them and not gotten a clear answer on  
22 when those two are proceeding to construct.

23 COUNCIL MEMBER BREWER: You're getting  
24 the same answers, okay. Thank you.

1  
2 CHAIRPERSON BRANNAN: We've been joined  
3 by Council Member Hanks on Zoom, and we now have  
4 questions from Council Member Restler followed by  
5 Williams.

6 COUNCIL MEMBER RESTLER: Thank you so  
7 much, Chair Brannan, and Comptroller Lander, it's  
8 great to see you. Thank you for your thoughtful  
9 testimony today. Just a couple questions that I  
10 wanted to ask. You noted that with the anticipated  
11 increase in the debt capacity as a result of Governor  
12 Hochul's plan that there is no concern at this time  
13 about being able to accommodate the costs of the SCA  
14 capital plan and the borough-based jail plan, as well  
15 as the BQE, even if I might think the latter is  
16 misinformed. Do you think that the Mayor's cuts of  
17 \$5.88 billion in the current Capital Plan were  
18 appropriate? In particular, I just want to highlight  
19 that disproportionately those cuts came out of the  
20 DCAS budget and really undermine our de-carbonization  
21 efforts and are a real concern for me, but of course,  
22 as are the affordable housing and other reductions  
23 that we're concerned about. Do you think that those  
24 cuts should be reversed based on your analysis of our  
25 debt capacity?

1  
2                   COMPTROLLER LANDER:  So first, I will  
3 give the Administration credit for reaching out to  
4 try to get the debt limit issue addressed, because I  
5 think if they hadn't sounded the alarm bell, gone to  
6 the Governor, then she wouldn't have put the \$12  
7 billion increase into her budget, and we might have a  
8 problem in fiscal year 28, 29, 30, and because these  
9 projects take a long time and you're borrowing, it's  
10 a good idea to keep looking down the road.  So I  
11 think it was wise to say we need to look at this  
12 issue and get it addressed to go to the Governor and  
13 get her to put the \$12 billion in the budget.  Once  
14 she did-- and before she did that, I could see the  
15 reason for kind of the alarm bells and perhaps cuts.  
16 Once you knew, and you saw in the Executive Budget,  
17 that the Governor was putting the \$12 billion there,  
18 that you don't foresee a breach in the next 10 years,  
19 then I think it was a mistake to cut projects that  
20 you know are necessary slow them down because of a  
21 problem that you-- far unlikely to have.

22                   COUNCIL MEMBER RESTLER:  That's very  
23 helpful.  Thank you for clarifying that, and I hope  
24 that we'll be successful in pushing back on OMB over  
25 the course of the budget process.  and then secondly,

1  
2 I just wanted to ask, and forgive me if you haven't  
3 had a chance to review what the Council put out  
4 yesterday in terms of kind of our updated financial  
5 forecasting, but my understanding is that the Council  
6 anticipated that we believe there's actually an  
7 additional \$3 billion or so in revenue over this  
8 fiscal year and next fiscal year to support our  
9 needs, and you're findings were almost in reverse,  
10 that you found approximately a \$3 billion gap for  
11 next year, slightly a small surplus for this year.  
12 Could you just help us if you can understand the  
13 differences in your projects versus the Council's  
14 projections and what we're looking at?

15 COMPROLLER LANDER: Fortunately, I asked  
16 this question of the team on-- last week.

17 UNIDENTIFIED: Last night.

18 COMPROLLER LANDER: So I think they--  
19 you can-- Lincoln's time is up, but Francesco's time.

20 UNIDENTIFIED: There we go. Ready for  
21 Francesco. Thank you.

22 EXECUTIVE DEPUTY COMPROLLER BRINDISI:  
23 I'll be brief.

24 COUNCIL MEMBER RESTLER: Good to see you  
25 Francesco.

EXECUTIVE DEPUTY COMPTROLLER BRINDISI:

1 Hi, how are you? So, a couple of things. We also  
2 have additional tax revenues relative to OMB, not to  
3 the extent that the Council Finance Economy staff  
4 estimate or IBO has estimated, and I think our view  
5 there is that we have seen not a very strong growth  
6 in high-paying jobs in the City and a lot of growth  
7 in low-paying jobs, as a matter of fact, and a not a  
8 very evident return to the pre-pandemic trend when we  
9 were actually, you know, adding 80,000 jobs a year.  
10 So both of the Council Finance and IBO's forecast are  
11 predicated on returning to that pre-pandemic trend,  
12 and that's, you know, not entirely clear to us given  
13 that the high-paying jobs, finance and tech, have  
14 headwinds. So that's one reason why we have a  
15 different outlook. The other one is that, you know,  
16 in order to have jobs and residents, the City is a  
17 very unaffordable place, right? So that sort of like  
18 gives a constraint over the longer term, right? So  
19 that's the reason for the outlook being more  
20 moderate. So, you know, that's what-- our tax  
21 revenues are consistent with that economic view. On  
22 the spending side, I think we are accounting for, you  
23 know, a lot of the costs are accounted for that

1 under-budgeting that takes place, that costs-- that  
2 we know will be incurred, but they're not in the  
3 budget like, you know, the reduction of rental  
4 assistance from 800 and something, \$150 million to a  
5 small fraction of that right? So I think all those  
6 up-- we come up with those gaps in 2025. So, it's  
7 not a matter just of the tax revenue, it's a matter  
8 of the under-budgeting as well.

10 COUNCIL MEMBER RESTLER: That's very  
11 helpful. You now, I just echo an element of the  
12 Comptroller's testimony. You know, I think we are  
13 failing New Yorkers by our disinvestment in CUNY and  
14 community colleges, and if we want to shift and  
15 better connect New Yorkers to better paying jobs that  
16 allow them to sustain and support a family than  
17 cutting 16 percent of the operating expenses that the  
18 City gives to CUNY over the course of Mayor Adams'  
19 tenure is the wrong way to do it and has the opposite  
20 effect. So thank you for the clarification and look  
21 forward to continuing the conversation.

22 CHAIRPERSON BRANNAN: Council Member  
23 Williams followed by Stevens.

24 COUNCIL MEMBER WILLIAMS: We're over here  
25 collaborating. Quick question about the claim

1  
2 settlement. You mentioned better management on  
3 claims and settlements. Are there specific  
4 strategies that you would suggest? Very fascinated  
5 by how much money the City spends, especially around  
6 like NYPD lawsuit and etcetera. And so just  
7 wondering if you have any strategies on how we could  
8 do better there.

9           COMPTROLLER LANDER: WE did a deep-dive  
10 on crash claims. We're actually going to be looking  
11 at NYPD settlements in more detail going forward, but  
12 we did a deep-dive on crash claims, because those two  
13 areas are actually the biggest most years. And we  
14 offered a lot of ideas for what the City could do to  
15 reduce the amount it pays out every year as a result  
16 of crashes caused by city vehicles. NYPD's the  
17 largest, but there's meaningful amounts in  
18 Sanitation, Parks, and FDNY as well. And we made a  
19 whole series of suggestions. As I mentioned, if you  
20 just put those on the agency's budgets themselves,  
21 and now the Commissioner would be like, I would like  
22 to reduce crashes so I could instead spend money on  
23 things that they want to have in my budget rather  
24 than on crash payouts. If you held city drivers  
25 accountable using something like the Reckless Driver

1  
2 Accountability Act, if those drivers of City vehicles  
3 are running through speed cameras or red light  
4 cameras, then maybe they shouldn't continue to be  
5 driving city vehicles. And for routine vehicles you  
6 could consider things like speed delimiters.  
7 Obviously, you're not going to do that for fire, you  
8 know, a firetruck or a police car in a chase, but if  
9 you had other city vehicles with speed delimiters,  
10 you would significantly reduce the amount of crash  
11 payouts that we saw.

12 COUNCIL MEMBER WILLIAMS: And I know like  
13 your office isn't litigating this, it's the Law  
14 Department, but you have to sing it. so, is there--  
15 has there been any time where you sort of negotiated  
16 or played a role with the law Department's like  
17 settlements, because they settle a lot of things.  
18 They don't even go to court a lot of time.

19 COMPTROLLER LANDER: So, we actually are  
20 responsible for pre-litigation settlements in the  
21 Comptroller's Office. So the Comptroller's Office is  
22 authorized to offer up pre-ligation settlement up to  
23 basically a year after the incident, and we do that  
24 in cases where things are really clear. Obviously, if  
25 there's conflicting facts or multiple parties, it'll

1  
2 generally go to litigation. But you know, your car  
3 is parked and a Sanitation truck comes along and  
4 smashes into it, and you got video, you can come to  
5 us and seek a settlement, and then we can offer you a  
6 settlement without it having to go to litigation,  
7 saving the City money and saving the claimant money.  
8 About half of city claims are settled by our office.  
9 Those are smaller dollars, so it's nowhere near half  
10 the total value. And we think we save a lot money  
11 every year that way, and then yes, after things do  
12 get litigated they come back to us for review and my  
13 office signs off on those settlements as well.

14 COUNCIL MEMBER WILLIAMS: Thank you.

15 CHAIRPERSON BRANNAN: Council Member  
16 Stevens?

17 COUNCIL MEMBER STEVENS: Good afternoon.  
18 Just a couple things, and I think one of them is kind  
19 of highlighted around even when we're talking about  
20 identifying some concerning costs with alternative to  
21 incarceration plan. I've definitely been talking to  
22 providers and it's been talking about-- they've been,  
23 you know, just expressing their concern how there has  
24 been a lack of recommendations, referrals, and all  
25 those things are kind of down, and also just kind of

1  
2 connecting it to the Close Rikers Island plan where  
3 that was also a de-carceration plan, right? And I  
4 think sometimes we get-- we forget to mention that  
5 piece, and so we're cutting things like alternatives  
6 to incarceration programs. The citizens in Rikers  
7 are going to continue to rise and increase. So I do  
8 think that we have to start thinking about this in a  
9 more circular, because I feel like we often talk  
10 about it in pieces. I just wanted to get your take  
11 on that perspective as well just really quickly, and  
12 then I have another question.

13           COMPTROLLER LANDER: I completely agree.  
14 I mean, I think these thing go together as we say.  
15 If we are-- you know, you'll hear the Administration  
16 say we're working hard on, you know, achieving those  
17 goals, but then how could you be cutting the ATI  
18 programs that are the essential way that you could  
19 responsibly have people who are not at Rikers who are  
20 in a program with proven success. Recidivism rates  
21 as a result of ATI programs are significantly lower.  
22 They save the City money overall, and they're  
23 essential to achieving the Close Rikers goals, but  
24 they're cut in this budget.

25

1  
2 COUNCIL MEMBER STEVENS: Yeah, and it's  
3 just one of the things that's very alarming to me  
4 around that and talking to providers. And then just  
5 the next thing is just thinking about the housing  
6 crisis that we're in and just having concerns. And I  
7 know you have a number of, like, ideas around some of  
8 it, and you know the Mitchell-Lama thing is one of  
9 the things I really am excited about and to work with  
10 your office on just because that's something I think  
11 we need to be thinking about when we're thinking  
12 about housing and not just, you know, one model. But  
13 what additional resources do you believe both capital  
14 as well as staffing do you think, like, we need as  
15 far as like HPD and stuff like that?

16 COMPROLLER LANDER: Yeah. And this is  
17 really-- I wish I thought there was a silver bullet  
18 on the housing crisis. I think we need many different  
19 things. So we do need more production across a wide  
20 range of income levels and that's why I think both  
21 it's been discussed in Albany, and that we haven't  
22 had the full chance to review. The City of yes  
23 proposals are needed, but we want to make sure as  
24 much as possible of that is genuinely and deeply  
25 affordable to working New York families, and often

1 that takes city subsidy. That's why the capital  
2 dollars are so critical and why I spent so much time  
3 on the debt limit question. We can't produce  
4 significant amounts of affordable housing across all  
5 neighborhoods that are generally affordable to  
6 working class, low-income and moderate-income New  
7 Yorkers without city subsidies. We've got some great  
8 programs, but we need some new ones. And I really--  
9 you know, when we think about limited equity,  
10 affordable limited equity cooperatives, a modern-day  
11 version. They're not going to look like the towers  
12 of Coop city [sic], but there's so much room for  
13 multifamily--

14  
15 COUNCIL MEMBER STEVENS: [interposing] But  
16 those things worked and they were effective, right?  
17 When you think about-- I have one in my district,  
18 Concourse Village that is effective and it works, and  
19 it was a way for middle-class families to have  
20 beautiful places to live in home.

21 COMPTROLLER LANDER: And when you think  
22 about the debate we're having about the need for more  
23 density, imagine being able to say to your neighbors,  
24 "You know what's going to happen as a result of this  
25 increase in density?" Your kids and your neighbors

1  
2 are going to be able to buy a place they could not  
3 possibly buy. Otherwise, I think it would shift  
4 people's openness to the growth and development of  
5 new multi-family housing if they believed a  
6 significant chunk of that was going to create  
7 affordable home ownership opportunities for New  
8 Yorkers who don't have them.

9 COUNCIL MEMBER STEVENS: Yeah, I 100  
10 percent agree. I think that and it creates roots and  
11 have longevity in communities which we're kind of  
12 missing in some of our communities. Thank you.

13 CHAIRPERSON BRANNAN: Okay. Seeing no  
14 more questions, we appreciate you. Thank you so  
15 much.

16 COMPTROLLER LANDER: Thank you very much,  
17 Chair, and thanks to all the members. Great to see  
18 you.

19 CHAIRPERSON BRANNAN: Okay, next up we're  
20 going to hear from IBO. Good afternoon, IBO. The  
21 inimitable Mike Toome [sp?] is going to swear you in,  
22 and we can begin.

23 COMMITTEE COUNSEL: Raise your right  
24 hands please. Do you affirm to tell the truth, the  
25

1 whole truth and nothing but the truth and respond  
2 honestly to Council Member questions? Louisa Chafee?

3 DIRECTOR CHAFEE: [off-mic]

4 COMMITTEE COUNSEL: Sarita Subramanian?

5 OFFICER SUBRAMANIAN: Yes.

6 COMMITTEE COUNSEL: Sarah Parker?

7 OFFICER PARKER: Yes.

8 COMMITTEE COUNSEL: Thanks. Please  
9 begin.

10 CHAIRPERSON BRANNAN: I don't think your  
11 mic's on.

12 DIRECTOR CHAFEE: Good afternoon. Good  
13 afternoon, Chair Brannan, and members of the Finance  
14 Committee. I'm Louisa Chafee, Director of the New  
15 York City Independent Budget Office. I'm here today  
16 with my colleagues, Sarah Parker and Sarita  
17 Subramanian, IBO's Senior Research and Strategy  
18 Officers. We appreciate the opportunity to discuss  
19 the Preliminary Budget with you today. Recently, IBO  
20 has published three reports on this budget: an  
21 analysis of the Preliminary Budget, IBO's details on  
22 the economic and revenue forecasts, and an in-depth  
23 examination of the Program to Eliminate the Gaps, the  
24 PEGs. We're here today to report on highlights.  
25

1  
2 First, the fiscal outlook. IBO forecasts a \$6.0  
3 billion surplus in the current year, which is \$2.8  
4 billion higher than the Administration's expected  
5 surplus of \$3.1 billion. This higher surplus results  
6 from IBO's forecast of \$900 million more in City tax  
7 revenues and \$1.9 billion less in City-funded  
8 spending than the Administration anticipates. IBO  
9 estimates next fiscal year, 2025, will end with a  
10 surplus of \$3.3 billion. This is driven by using the  
11 2024 surplus to pre-pay some of next year's expenses  
12 and an additional \$2.0 billion in anticipated tax  
13 revenues, but it's offset by \$1.5 billion in  
14 additional spending over the Administration's  
15 projections. Recognizing that the City continues to  
16 face financial challenges, IBO's analysis concludes  
17 that the City's budget gaps from 2026 through 2028  
18 are within the range that the City has closed in the  
19 past. IBO's economic forecast predict moderate but  
20 slowing growth for the local economy. The Federal  
21 Reserve's actions to raise interest rates, the easing  
22 of supply-side bottlenecks, and productivity gains  
23 have helped reduce inflationary pressures. It's  
24 increasingly clear in recent months that the economy  
25 has reached a position, where the question is not

1  
2 whether growth will continue, but how great that  
3 growth will be. Over 77,000 jobs were added in New  
4 York City in 2023, almost exactly in keeping with  
5 IBO's projections over the past year. While the jobs  
6 numbers for New York City are back to pre-pandemic  
7 levels, the City still lags behind the national  
8 economy. IBO estimates that the City will add around  
9 90,000 jobs in 2024 before gradually moderating in  
10 the future years as the post-pandemic recovery fades.  
11 IBO estimates that the City tax revenue will grow by  
12 an annual average of 3.1 percent, growing from \$73.8  
13 billion in 2024 to \$85.3 billion in 2028. IBO  
14 anticipates higher tax receipts than the  
15 Administration in every year of the financial plan.  
16 Real property tax, as the single largest tax revenue  
17 for the City, is expected to help drive this growth.  
18 Now, let's turn to expenditures. IBO's re-estimates  
19 of lower spending include reductions in the following  
20 areas: \$1.6 billion less on City workforce salaries  
21 and fringe due to staffing vacancies, \$2.4 billion  
22 less on asylum seekers across 2024 and 2025, and \$91  
23 million less in tuition savings from lower charter  
24 school enrollment from 2026 through 2027. These  
25 reductions are partly offset by additions elsewhere.



1  
2 could mean fewer resources for staffs and students  
3 and reduced contracts for the community-based  
4 organizations which provide these wrap-around  
5 services. The November Plan's five percent cut to  
6 the City's library system resulted in the decision to  
7 halt services on Sunday, shut libraries, and this  
8 reduction remains unchanged in the Preliminary  
9 Budget. Even as the City Council and the  
10 Administration negotiate, these cuts are occurring  
11 now, in real time, and are already impacting  
12 communities. The Administration anticipates costs of  
13 \$4.2 billion in asylum seekers this year, compared  
14 with IBO's estimate of \$3.6 billion. A notable  
15 expense by either estimate, but it's manageable  
16 within the context of the overall City Budget of \$116  
17 billion, especially when a portion of these funds, be  
18 that \$4.2 or \$3.6, are expected to be reimbursed by  
19 the State if claims are properly submitted. IBO  
20 wants to emphasize to the Council how much the City  
21 workforce has shrunk, decreasing from over 300,000  
22 active employees to close to 285,000 active employees  
23 since 2020. Hiring freezes and slow hiring practices  
24 have left the City struggling to recruit, retain and  
25 replace agency staffing. This change in staffing has

1 led to operational challenges across numerous  
2 critical areas, as experienced by New Yorkers day to  
3 day and supported by data, as seen in the Mayor's  
4 Management Report and extensively discussed today.  
5 While the City must continue to navigate financial  
6 uncertainties, IBO's findings indicate that with  
7 sound fiscal management and careful prioritization,  
8 New York City can achieve a balanced budget without  
9 fundamentally compromising City services. We're here  
10 to answer any questions and provide further details  
11 as needed. Thank you for the opportunity to testify  
12 today.  
13

14 CHAIRPERSON BRANNAN: Thank you. IBO has  
15 done their own analysis of the cost of the asylum-  
16 seeker response. What challenges has IBO found in  
17 tracking the cost related to asylum-seekers, and what  
18 does IBO see as a potential solution for greater  
19 transparency?

20 DIRECTOR CHAFEE: Thank you for that  
21 question. We see challenges almost identical to  
22 those just outlined by the Comptroller. It's very  
23 hard to see the procurement details. Emergency  
24 procurements are used often with agencies that do not  
25 transmit-- or where the data is hard to understand.

1  
2 It's hard to understand which providers are being  
3 selected, what services are being provided, who's  
4 receiving those services. As asylum-seekers enter  
5 and exit the system, it's hard to understand the  
6 criteria. It's basically a very opaque system.

7 CHAIRPERSON BRANNAN: And what  
8 assumptions is IBO making in terms of census growth,  
9 new entrances, exits?

10 OFFICER SUBRAMANIAN: Yes, so IBO updated  
11 the estimate in December. So, following the November  
12 Plan as well as the Administration's announcement to  
13 reduce costs by 20 percent. So, our cost estimates,  
14 we have three different cost estimates that had  
15 varying assumptions in terms of the population as  
16 well as the per-diem cost. Our middle scenario is  
17 what we factored into our gap estimates, and so  
18 that's an area assumes a decline in the adult  
19 population based on the data we were able to obtain  
20 at that time. We did not yet have data on the census  
21 for families with children with enough time after  
22 exit requirements were instituted. So that's  
23 something that we plan to look at for the Executive  
24 Budget. The other per-diem estimate differed from  
25 the Administration's. So, in December, we estimated

1  
2 a per-diem of 320 per household per day, and that was  
3 based on stated goal that the Administration had  
4 publicly stated, and was roughly about 20 percent  
5 less than the per-diem that was most recently  
6 reported in October.

7 CHAIRPERSON BRANNAN: It's 386.

8 OFFICER SUBRAMANIAN: Right, exactly.

9 CHAIRPERSON BRANNAN: What is your  
10 analysis of the asylum PEG that was included in the  
11 prelim plan?

12 OFFICER SUBRAMANIAN: So, I will say that  
13 we are still trying to really understand what is  
14 driving the decline in cost. Definitely trying to  
15 track, for example, how the Administration has come  
16 to the different assumptions regarding the per-diem  
17 costs that they are reflecting. In total, the update  
18 is closer in line with what IBO has projected. So  
19 back in November, the difference between IBO's  
20 estimates and the Administration's was about \$4  
21 billion, and that has reduced down to \$2.4 billion,  
22 and we also acknowledge the additional state revenue  
23 that has been reflected in the plan. So, ultimately  
24 a decline in City contribution towards asylum-seeker  
25 cost.

1  
2 CHAIRPERSON BRANNAN: Talking about the  
3 PEGs, what are your primary take-aways from the most  
4 recent PEG?

5 OFFICER SUBRAMANIAN: So, as Louisa  
6 mentioned in our testimony, we track different  
7 categorizations of PEGs. So looking at, for example,  
8 the restorations, while there were some PEGs that  
9 were either fully or partially restored, there were  
10 also additional adjustments to the budget so that the  
11 net impact for 2024 is actually a seven percent  
12 increase in the 2024 budget. Despite that, we do  
13 also note key areas where programs received a PEG in  
14 both the November and the Preliminary Budget. in  
15 particular, we note the Department of Education Early  
16 Childhood programs, programs for alternatives to  
17 incarceration, as well as-- trying to think what  
18 else-- I think those are the-- oh, and also adult  
19 center, older adult centers, and these are as Louisa  
20 mentioned, areas that nonprofit providers contract  
21 with the City to provide these services. So, you  
22 know, we're really trying to get a better  
23 understanding of what the impact could mean both in  
24 terms of delivery of those services, but also  
25 payments to contracted providers.

1  
2 CHAIRPERSON BRANNAN: Okay. And just a  
3 question about commercial real estate. What is  
4 IBO's-- what is IBO estimating for the future of  
5 commercial real estate in New York?

6 DIRECTOR PARKER: Good question.  
7 Something have been asking us lots of questions on.  
8 So, one of the things-- just to lead off, IBO in our  
9 economic and in our tax revenue forecast, we are not  
10 anticipating a collapse in the real estate sector, in  
11 the Manhattan commercial office real estate  
12 particular. Vacancy remains-- vacancy rates do  
13 remain elevated, but we have yet to see asking rents  
14 materially decline to-date. To be clear, the growth  
15 in the value of office space has notably slowed  
16 compared to where we were pre-pandemic, and this is  
17 reflected in our forecast. IBO was estimating about  
18 a two percent annual growth rate in the value of  
19 Manhattan office buildings, and this while it is  
20 growth is much lower than where we were around six  
21 percent, more than six percent growth annually pre-  
22 pandemic.

23 CHAIRPERSON BRANNAN: Okay. I'm going to  
24 turn it over to my colleagues. Council Member

1  
2 Brooks-Powers followed by Restler. Okay, we have  
3 Council Member Restler followed by Brewer.

4 COUNCIL MEMBER RESTLER: Great. Thank  
5 you so much, Director Chafee and team. Appreciate  
6 you joining us today. I wanted to ask about Early  
7 Childhood education cuts. The Budget Director  
8 testified again today that every child in New York  
9 City who wants a 3K seat can get one. I'd like him  
10 to come and tell that to the families in my district  
11 who have been shut out of the system, but just  
12 wondering if you could offer-- if you could share,  
13 have you conducted any analysis of the long-standing  
14 argument that the Adams Administration has been  
15 making that we have too many 3K seats, and that the  
16 system has just been-- that we have put seats in the  
17 wrong places, and that we are in fact fulfilling  
18 demand. Do you believe that to be an accurate  
19 argument?

20 DIRECTOR CHAFEE: That is something that  
21 we are also interested in getting a better  
22 understanding of. So we have requested data at the  
23 site level from the Department of Education.

24 COUNCIL MEMBER RESTLER: So have I.  
25

1  
2 DIRECTOR CHAFEE: Yeah, and a lot-- it's  
3 taken quite some time, so that is something that we  
4 are actively pursuing with them. We've thought  
5 about-- once we can look at not just the total number  
6 of seats, but also the type of seats, because what we  
7 heard is that there's greater demand for extended-  
8 day/year seats.

9 COUNCIL MEMBER RESTLER: We looked at the  
10 data from last year, and we've requested it again for  
11 this current school year. The data they provided us  
12 last year showed that the seats were fulfilled at a  
13 lower percentage for the extended day/extended year  
14 seats which is shocking, right? Because any family  
15 that you could find would tell you that they are  
16 desperately in search of extended day/extended year  
17 seats so that they could hold down a job and have  
18 their kid taken care of, which to me only comes back-  
19 - which to me comes back to the unfortunate reality  
20 that they eliminated the outreach program for Early  
21 Childhood education, and that that is part of the  
22 challenge that we're facing, that they're no longer  
23 trying to engage anybody to encourage anyone to  
24 apply. I guess, relatedly, the demographic trends,  
25 migration trends that we've been looking at have

1 shown that disproportionately the people leaving New  
2 York City are low-income families with young  
3 children, and just wondering if-- you know, I believe  
4 the Black population in New York City has shrunk by  
5 10 percent over the last-- during the 21<sup>st</sup> century,  
6 you know, after only having going up since the great  
7 migration up from the south. And so what are we--  
8 have you conducted any analysis of your own to  
9 understand how the lack of Early Childhood education  
10 options is impacting decisions of families to leave,  
11 impacts on the New York City economy? Any more you  
12 could elaborate for us there?

14 DIRECTOR CHAFEE: So, we haven't-- we are  
15 in the process of looking far more in-depth at the  
16 Early Childhood, 3K and UPK arenas, and we're very  
17 interested in usage. We're also very interested in  
18 the procurement issues, because we're aware of the  
19 intense stress on the provider community with just  
20 operational delays from DOE. We're also really  
21 concerned about the entry to the system. In other  
22 words, as a family how do you learn about how to get  
23 what you're eligible for and how to enter? It's not  
24 necessarily as user-friendly as one might expect at  
25 the Department of Education. We have looked at

1 migration, out-migration, through the COVID era  
2 throughout the Department of Education, but would be  
3 happy to speak with you more focused much more on the  
4 earlier years, as we are also very concerned about  
5 what the data tells us about the future of New York  
6 City, the city government provides to city children,  
7 and we're also concerned about the general pace of  
8 accuracy of data that, you know, we are charter  
9 mandated to receive.  
10

11 COUNCIL MEMBER RESTLER: Absolutely.

12 Well, if there are any ways we can be helpful. Your  
13 analysis on this topic is of great interest to me,  
14 and I think my colleagues-- you know, the billion  
15 dollars in cuts that the Mayor made to Early  
16 Childhood education last year were devastating, and  
17 he's decided to double-down and make another \$170-odd  
18 million of cuts this current fiscal year. it is  
19 unconscionable to me why he would be so insistent on  
20 decimating Early Childhood education in New York  
21 City, and we have to fight back and more data  
22 analysis and insight from you and your team will be  
23 immensely helpful in that effort. Thank you.

24 CHAIRPERSON BRANNAN: Council Member  
25 Brewer?

1  
2 COUNCIL MEMBER BREWER: Thank you very  
3 much, and thank you for a very clear, well-organized  
4 testimony. I appreciate it. My question is just on  
5 the employees, 77,000 I think last year new and maybe  
6 90,000 this year. That was well-said. But in other  
7 testimonies that we've heard, there are many jobs,  
8 maybe this listing, \$55,000 and less, and there are  
9 very few jobs on the higher, and of course, it's such  
10 an expensive city, etcetera. So I'm just wondering  
11 if you're looking at that, because it looks good, 77-  
12 90,000, but not at less than \$55,000. So I'm just  
13 wondering where you think that leads us, and  
14 obviously what we can do to have higher paid jobs or  
15 less rent or something.

16 OFFICER PARKER: Thank you for that  
17 question. So, certainly, when we look at jobs we're  
18 talking about jobs added over the course of the year,  
19 but then there is this question of what kinds of jobs  
20 is the city adding, and generally people talk about  
21 these in terms of sectors, and then in relation to  
22 that the average wage of those sectors. So low-  
23 paying jobs are always something that we are looking  
24 at and concerned about, as people who care deeply  
25 about the economic health of the city. It is

1  
2 important to point out that many sectors, both high  
3 and low wage are still below pre-pandemic levels. So  
4 New York City on the whole, we are just about to the  
5 number of jobs that we had in February of 2020 before  
6 things came crashing down, but nationally the rest of  
7 the country is three percent above that. So New York  
8 City is still in this recovery phase. We are still  
9 lagging. One of the places that we are adding new  
10 jobs is low-wage home health aides, and this is a  
11 trend that was happening many years even before the  
12 pandemic. Other wage-- other low-wage sectors,  
13 though, retail and then the leisure and hospitality  
14 sectors, they're also still struggling. So, we have  
15 both low-wage jobs that were adding a lot of new jobs  
16 in, but also we have low-paying jobs that are still  
17 in these very much struggling sectors. And this is  
18 in contrast-- a place that we have added jobs since  
19 the pandemic-- pre-pandemic levels is the finance and  
20 insurance sector and the professional scientific and  
21 technical sectors. On the one hand this provides a  
22 cushion for our personal tax revenues. So our  
23 concern in looking at this is less that the City is  
24 going to see a hollowing out of our personal income  
25 tax revenue, but one of the things with low-paying

1  
2 jobs, there's a concern again to the local economy  
3 and also individual household ability to afford to  
4 live in this city.

5 COUNCIL MEMBER BREWER: Thank you.

6 CHAIRPERSON BRANNAN: Okay, IBO, thank  
7 you so much. We appreciate all that you do, and look  
8 forward to working with you. Thank you.

9 DIRECTOR CHAFEE: Thank you.

10 CHAIRPERSON BRANNAN: Okay, now we're  
11 going to hear from the Department of Finance. Okay,  
12 we'll now hear from the New York City Department of  
13 Finance. Committee Counsel Mike Toome will swear you  
14 in before you begin your testimony.

15 COMMITTEE COUNSEL: Afternoon. Please  
16 raise your right hands. Do you affirm to tell the  
17 truth, the whole truth and nothing but the truth and  
18 to respond honestly to Council Member questions?  
19 Commissioner Niblack?

20 COMMISSIONER NIBLACK: I do.

21 COMMITTEE COUNSEL: Assistant Commissioner  
22 Snyder?

23 ASSISTANT COMMISSIONER SNYDER: I do.

24 COMMITTEE COUNSEL: Thank you. You may  
25 begin.

1  
2                   COMMISSIONER NIBLACK: Ready? Alright,  
3 good afternoon, Chair Brannan, members of the Finance  
4 Committee. I wish there were more. When I first got  
5 here-- My name is Preston Niblack. I am the  
6 Commissioner of the New York City Department of  
7 Finance. I'm joined by Deirdre Snyder, the Assistant  
8 Commissioner for Financial Management. Thank you for  
9 the opportunity to testify on our Fiscal Year 2025  
10 Preliminary Budget. Few city agencies have the reach  
11 and impact of the Department of Finance. We collect  
12 over \$47 billion annually in taxes and other  
13 revenues, which amounts to 40 percent of the City  
14 budget and most importantly, we interact with  
15 millions of New Yorkers every year. As I've  
16 testified in the past, I see my role as continually  
17 improving our customer service by evaluating our  
18 existing operations, leveraging new technologies, and  
19 giving our incredible staff the tools they need to  
20 serve the public to the best of their ability. We  
21 may not be everyone's favorite agency to interact  
22 with, but we do promise to always strive to make  
23 paying your taxes and other charges as straight-  
24 forward and painless as possible. Much of what I'll  
25 have to say today will be focused on our efforts to

1  
2 better serve our customers, and I'll update you on  
3 what we have done, what we plan to do to continue  
4 improving our service to the public. But first, I'll  
5 give you a brief review of this year's tentative  
6 assessment roll, released in January, as well as an  
7 overview of our proposed Fiscal Year 2025 budget. As  
8 you know, DOF is required to determine market and  
9 assessed values for all properties in the City each  
10 year and issue a tentative property tax assessment  
11 roll by January 15th. The tentative assessment roll  
12 for Fiscal Year 2025 showed a small increase in  
13 market value of just 0.7 percent over last year, to  
14 \$1.491 trillion. Assessed values, to which tax rates  
15 are applied, rose by 4.2 percent to \$299 billion,  
16 reflecting the continued phase-in of prior-year  
17 market value growth. As I said when we released the  
18 roll, this overall very modest growth in market  
19 values subsumes a range of different recovery  
20 patterns in the various segments of the city's real  
21 estate market. Encouragingly, a resurgence in  
22 construction and renovation spending after three  
23 years of decline generated almost \$14 billion in new  
24 market value, more than offsetting an overall decline  
25 of nearly \$6 billion in changes in value attributable

1 to market forces. The decline in value due to market  
2 forces was driven by Class 1, which saw an overall  
3 decrease in market value of 3.4 percent. This  
4 primarily reflects the rise in interest rates which  
5 helped slow sales activity, which fell off by nearly  
6 30 percent between calendar years 2022 and 2023.  
7 Class 2 market values rose 5.3 percent on the  
8 tentative roll. For rental apartment buildings,  
9 recovery in terms of both lower vacancy rates and  
10 higher rents were partially offset by rising  
11 expenses. This is another area where we saw robust  
12 investment, with physical changes accounting for 71  
13 percent of overall market value growth. The office  
14 building picture is more mixed, with strong demand  
15 for modern, high-quality space, but continued  
16 weakness in less sought-after segments of the office  
17 market. Standalone retail stores and hotels continue  
18 to recover from the dramatic hits they took at the  
19 peak of the pandemic. Next, I'd like to give you a  
20 brief overview of the Department's proposed budget  
21 for the coming fiscal year. Our preliminary budget is  
22 \$340.2 million. That includes \$182.7 million in  
23 personal services funds to support an authorized  
24 headcount of 1,932 full-time staff, and \$157.5  
25

1 million for other than personal services. Like all  
2 city agencies, the past few years have presented DOF  
3 with challenges from a staffing perspective. When I  
4 was appointed Commissioner two years ago, one of our  
5 pressing challenges was recovering from pandemic-era  
6 attrition, particularly retirements. Progress has  
7 been slow but steady. I'm pleased to report that we  
8 filled 168 vacancies in Fiscal Year 2023, the highest  
9 in any year since Fiscal Year 2020. For the first  
10 half of Fiscal Year 2024, the agency has filled 101  
11 vacancies, and we're currently working towards  
12 filling critical vacancies, including city tax  
13 auditors, deputy city sheriffs, and principal  
14 administrative associates. We still have a way to go  
15 before we are at full strength, but we are very  
16 pleased with how far we have come with support from  
17 the Mayor and this council. Department of Finance  
18 staff come to work each day ready to contribute to a  
19 culture of professionalism and excellence. They  
20 believe, as I do, that our customers deserve to be  
21 treated with respect and courtesy. We're proud of  
22 our many achievements in the area of customer service  
23 over the past year. First, we are setting records in  
24 the number of in-person outreach events, with 170  
25

1 events thus far in Fiscal Year 2024. We will hold  
2 over 50 in-person Notice of Property Value  
3 information sessions this season, our most ever. In  
4 addition to being present in neighborhoods throughout  
5 New York, we've also opened our doors to make it  
6 easier for New Yorkers to come to us by offering  
7 extended hours at our business centers to assist with  
8 exemption applications and questions as we approach  
9 the March 15th application deadline. And we are  
10 renewing in-person engagement with the tax  
11 practitioner community, including the first Tax  
12 Representatives and Practitioners Program, known as  
13 TaxRAPP, since the pandemic, last October. In  
14 addition to our in-person outreach, we have conducted  
15 several email and mail campaigns directed to  
16 households that may be eligible for, but did not  
17 claim, various tax credits, such as the Senior and  
18 Disabled Homeowner Exemptions, the Earned Income Tax  
19 Credit, the Child Tax Credit, and the Child and  
20 Dependent Care Credit. But there is perhaps no  
21 better indication of our commitment to customers than  
22 the redesign of the Department of Finance website,  
23 developed in partnership with OTI Digital Services,  
24 who I really have to commend for their excellent work  
25

1 with us. My thanks to CTO Matt Frasier [sp?]. DOF's  
2 website is one of the most highly trafficked  
3 municipal websites in the country, serving  
4 approximately 800,000 visitors who generate 2.5  
5 million hits each month. Now we hope that it is also  
6 one of the best. The new website, launched in  
7 January, reflects our commitment to making it easier  
8 and more convenient for the public to get the  
9 information they need and conduct their business with  
10 the Department of Finance. The feedback so far has  
11 been very positive, with users giving us high marks  
12 for ease of use and navigability - and not just on  
13 our desktop version, but also on the mobile-phone  
14 compatible version. Over the course of the coming  
15 year, we'll continue to improve the website in  
16 response to user feedback and through our own ongoing  
17 content review. We've not only improved the  
18 usability of our website, but added new tools that  
19 will make it easier for customers to access  
20 information and services. First, I encourage council  
21 members and staff to visit the new and improved  
22 Property Information Portal, which connects property  
23 owners to all the DOF resources they need, including  
24 their NOPV, property tax account, ACRIS and the new  
25

1  
2 3D digital tax map, through a single, convenient  
3 point of entry. Second, our self-serve parking  
4 judgment payment plans continue to help customers pay  
5 what they owe and avoid being booted or towed. Since  
6 February 2023, some 70,000 customers have enrolled in  
7 payment plans online and made down payments of \$18  
8 million toward violations totaling \$92 million.  
9 Third, since October, Rent Freeze Program  
10 participants have been able to renew their benefits  
11 online, rather than returning a paper applications,  
12 so we can now accept both initial and renewal  
13 applications online. And starting today-- actually,  
14 starting Friday, I'm excited to announce we have also  
15 made it possible for your constituents to easily look  
16 up the status of their benefit applications online,  
17 which is one of the most common inquiries we receive.  
18 New Yorkers who have applied for property tax  
19 exemptions can visit [nyc.gov/exemptionstatus](https://nyc.gov/exemptionstatus) to check  
20 the status of their applications. And we are  
21 continuing to serve as leaders and partners in the  
22 effort to close down illegal smoke shops to ensure  
23 that legally licensed businesses have the chance to  
24 operate in a fair marketplace. To date, the  
25 Sheriff's Office Joint Compliance Task Force has

1 completed inspections at almost 1,800 unique  
2 addresses, seized \$29 million in illegal products.  
3 We have mailed over 400 notices to landlords of  
4 illegal shops warning of possible penalties. We will  
5 be unflagging in our efforts, and appreciate both the  
6 Council and the State Legislature's support in  
7 strengthening the legal tools we have to close down  
8 illegal shops. In the coming fiscal year, we look  
9 forward to delivering a number of new improvements to  
10 benefit our customers. As we continue to modernize  
11 our collections system, customers will find it easier  
12 than ever to pay their parking and camera violations  
13 and Environmental Control Board debt, including with  
14 an auto-debit option. We are also working to  
15 introduce voice-bot technology to streamline calls to  
16 our Collections Division and provide better, faster  
17 customer service. This year we will introduce  
18 parking hearings by video, so that customers can  
19 present their case directly to a judge from the  
20 comfort of home, the office, the coffee shop, or  
21 anywhere else. With the addition of video hearings,  
22 customers will have a full range of options for  
23 disputing tickets, which can already be done via the  
24 web, by mail, in person, or through our Pay or  
25

1  
2 Dispute mobile app. Finally, we are eager to work  
3 with the council to pass meaningful reforms to  
4 property tax enforcement, enabling us to collect  
5 property taxes from those who won't pay while helping  
6 those who can't pay protect their homes and assets.  
7 We are grateful for the council's input in guiding  
8 our proposal thus far and look forward to continuing  
9 this dialogue. In summary, we remain committed to  
10 providing the best customer service in all of city  
11 government. We are grateful for the many DOF  
12 initiatives you have supported in the past. I know  
13 that we can continue to count on your support in the  
14 future. Our door is always open to assist you with  
15 any needs that your constituents might have. Thank  
16 you for the opportunity to testify today, and I will  
17 be happy to answer any questions.

18 CHAIRPERSON BRANNAN: Thank you. I want  
19 to talk about the final assessment roll. So, is  
20 there anything happening this year that would-- that  
21 lead you to believe that the change in assessments  
22 between the tentative and final roll will differ from  
23 the typical one to 1.5 percent reductions?

24 COMMISSIONER NIBLACK: No, I think, you  
25 know-- I don't see anything unusual. We typically--

1  
2 you know, it's a combination of changes by notice we  
3 do internally or tax commission actions either on the  
4 value or on exemption status, and I think we are  
5 expecting a slight decrease in market value in line  
6 with what we usually see.

7 CHAIRPERSON BRANNAN: There's obviously  
8 been a lot of discussion about Manhattan commercial  
9 office vacancies. Are you seeing this flight to  
10 quality in the real property tax income expense data  
11 that DOF collects?

12 COMMISSIONER NIBLACK: Yeah, it's clearly  
13 a mixed picture right now in the office market. Very  
14 bifurcated. Strong demand for high-end office space  
15 with modern layouts, technology, amenities, and less  
16 so for older buildings with fewer amenities. Two  
17 things to keep in mind regarding the tenant  
18 assessment roll. First, it's based on reported  
19 income and expenditures from essentially two years  
20 ago, so calendar year 2022. And second, assessments  
21 for the first property taxation are retrospective.  
22 While evaluations in the market for purchases or  
23 financing buildings are forward-looking and are, you  
24 know, projecting what is expected to be future income  
25 expense, rather than past income expense. So I think

1  
2 the fact that the office sector is relatively flat  
3 overall in the tentative assessment roll compared to  
4 before the pandemic reflects both the mixed state of  
5 the market and the fact that in 2022 employees were  
6 still working from home, but employers were still  
7 paying rents on their leases that had yet to run out  
8 and expire. Another factor that contributed to the  
9 increase in market values this year was a big upturn  
10 in investment. There was-- actually it counted for  
11 the office building sector 42 percent of the increase  
12 in market value from last year. The rest was mostly  
13 equalization changes or, you know, changes in market  
14 conditions reflected in real property income and  
15 expense statements.

16 CHAIRPERSON BRANNAN: High mortgage rates  
17 obviously have slowed existing home sales across the  
18 country and New York City's obviously not immune.  
19 Has DOF seen home sales of higher-end residential  
20 properties slow the way that more the mainstream  
21 homes have slowed?

22 COMMISSIONER NIBLACK: The-- during the  
23 pandemic there was, you know, a big-- surprising I  
24 think to everyone-- surge in the market. It's  
25 clearly fallen off very much. Market value decreased

1  
2 for Class One this year by 3.4 percent. That was  
3 driven by a big drop-off accompanied by a big drop-  
4 off in sales activity. As I said, one to three  
5 families homes between calendar years 22 and 23  
6 transactions fell by 25 percent. So, obviously,  
7 drive no doubt by higher interest rates. So, as we  
8 see interest rates decrease or stabilize and kind of  
9 buyers become accustomed to the market, I expect we  
10 won't continue to see that kind of fall off, but for  
11 a while at least I don't expect another big uptick.

12 CHAIRPERSON BRANNAN: Recently HPD put  
13 out its findings from the 22 and 23 housing vacancy  
14 survey. Obviously, the headline was about the City's  
15 vacancy rate falling to-- citizens-- the City's  
16 rental stock fell to 1.4 percent. I know as part of  
17 your assessment, you collect information on rental  
18 buildings with 11 or more units. So, is there any  
19 insight that DOF might have into these vacancy rates?

20 COMMISSIONER NIBLACK: Yeah, I mean, we  
21 certainly have seen vacancy rates start to fall again  
22 quite dramatically this year, and-- slightly  
23 different measurement so it's not quite-- this is not  
24 the same numbers as what we saw from the HVS, not  
25 quite the same time period, but it definitely --

1  
2 definitely a sharp downward decline in vacancy rates,  
3 and that's also been, you know, driving the increase  
4 in rents that we've seen that's supported incomes.  
5 Even though expenses have been rising, incomes have  
6 been rising fairly substantially, too. Particularly  
7 in the [inaudible] sector of the market we saw some  
8 pretty hefty increases and values this year. You  
9 know, ultimately that low vacancy rate reflects the  
10 mismatch between supply and demand the Mayor's  
11 proposing to address through his City of Yes plan to  
12 help increase the supply of housing and ease those  
13 historically low vacancy rates.

14 CHAIRPERSON BRANNAN: Is there a profile  
15 for types of locations or types of buildings that  
16 have lower or higher vacancy rates?

17 COMMISSIONER NIBLACK: We can get you  
18 some information about that. There is, and we  
19 recently this year, for example, we-- we used to look  
20 at buildings and categories that were pre-74 and  
21 post-74. We've now added a 74 to 2,000 and a 2,000  
22 forward, because there's-- you know, as more modern  
23 buildings have come online we've seen a difference in  
24 how they-- we should assess them. So now we've

1 started to reflect that. So we can certainly get you  
2 some information that looks at that.

3  
4 CHAIRPERSON BRANNAN: Okay. A question  
5 about SCRIE and DRIE. According to the Mayor's  
6 Preliminary Management Report, the increase in  
7 processing time for SCRIE and DRIE applications is  
8 due to decreased staffing levels. So, what-- can you  
9 tell us what is the current budgeted actual headcount  
10 for DOF employees that are assigned to the SCRIE and  
11 DRIE applications?

12 COMMISSIONER NIBLACK: Let me ask  
13 Commissioner Snyder to address that.

14 COMMISSIONER SNYDER: So, currently for  
15 specifically SCRIE and DRIE, our current active  
16 headcount is 27 in a unit. We also have another nine  
17 vacancies we're trying to fill.

18 CHAIRPERSON BRANNAN: Is that about  
19 standard in the 30s?

20 COMMISSIONER SNYDER: I think that with,  
21 you know, prior year vacancy reductions and things,  
22 we have vacancies to fill which will help with  
23 application processing timelines, but we're also as  
24 an agency clearly dealing with, you know, less staff  
25 from before. So, really, the focus is to just fill

1  
2 the existing vacancies that we have. We have a  
3 hiring haul this month for--

4 CHAIRPERSON BRANNAN: [interposing] Hiring  
5 haul?

6 COMMISSIONER SNYDER: Yeah, hiring haul,  
7 excuse me, for principle administrative associates.  
8 A big chunk of those are for exemptions division.

9 CHAIRPERSON BRANNAN: You think--  
10 obviously, you'd always love to have more staff, but  
11 do you think 30-something people is enough to handle  
12 all SCRIE and DRIE applicants?

13 COMMISSIONER NIBLACK: I think so. you  
14 know, as we talked about last year, I think, we had  
15 an artificial backlog because we held open cases,  
16 renewal and initial application cases during the  
17 pandemic for normally than we normally would, and it  
18 turned out to be almost three years. So that-- we've  
19 now closed that caseload. Our cycle times right now  
20 as of February are under five days for everything, in  
21 fact, four days or less for everything pretty much.  
22 So we are currently-- and this is heading into, you  
23 know, the peak season. The applications are-- final  
24 applications are finally due March 15<sup>th</sup>. So we're--  
25 I think we're doing very well right now. We've made

1  
2 a number of process changes and, you know, additions  
3 of automation where we can to help make the process  
4 more efficient.

5 CHAIRPERSON BRANNAN: Could you tell us  
6 how many New Yorkers are currently eligible for SCRIE  
7 and DRIE?

8 COMMISSIONER NIBLACK: Well, our-- no.  
9 But our estimate is about 135,000.

10 CHAIRPERSON BRANNAN: And what's the  
11 ballpark participation rate?

12 COMMISSIONER NIBLACK: It's around 55  
13 percent.

14 CHAIRPERSON BRANNAN: Is that where it  
15 normally hovers?

16 COMMISSIONER NIBLACK: You know, it's--  
17 so this is where I'm going to draw my great many  
18 years in city government. I mean, I certainly  
19 remember 20 years ago it was in the 30s. So I think  
20 the continued push that everybody has made has helped  
21 drive the participation rate up. We do a tremendous  
22 amount at DOF. We work a lot with the Mayor's Public  
23 Engagement Unit with DFTA and with others to make  
24 people aware of the availability of these benefits.  
25 As I said, we've done a record number of outreach

1 events this year. We've done mailings to make people  
2 aware of the availability of benefits. We do a lot  
3 of-- we make a lot of effort and, you know, we hope  
4 that people will hear us and sign up. The other  
5 thing that most significant I think from last year  
6 was the legislation that simplified the definition  
7 that we use for income for eligibility. So that has  
8 really mad a difference. First of all, we think  
9 that, you know, upwards of 50,000 additional  
10 households could be eligible for SCRIE or DRIE under  
11 that legislation. The other goal of it was to simply  
12 the application process by having a simpler income  
13 definition, and we have seen the number of  
14 applications that have gaps in the income information  
15 fall off quite a bit because we have this simpler  
16 definition. So, you know, it makes it easier for  
17 people to apply. We sent letters recently to people  
18 who may have been turned down for SHEHE [sic] or DEHE  
19 [sic] in the past who we thing might be eligible  
20 based on the new income definition to encourage  
21 people to apply.

22  
23 CHAIRPERSON BRANNAN: Okay. Question  
24 about auditors. The Council talks a lot about trying  
25 to prioritize a revenue-generating titles especially

1 now that the hiring freeze has been loosened a bit.

2 Do you have a formula for the amount of revenue that  
3 each additional auditor would generate for the City?  
4

5 COMMISSIONER NIBLACK: We have a-- yes.  
6 We have a sort of by type of tax, and we have a, you  
7 know, estimate of what people bring in on average  
8 each year. So that's kind of what we use to generate  
9 an estimate of the revenue.

10 CHAIRPERSON BRANNAN: What will be the  
11 titles that are included in this PEG for the November  
12 Plan?

13 COMMISSIONER NIBLACK: Right. So we got  
14 39 City tax auditors. We also got some funding to  
15 help, you know, with promotions within the city tax  
16 auditors to work on retention which is very  
17 important. In addition to the 39 auditors we have  
18 three clerical associates, two conciliations  
19 attorneys, and one collections specialist.  
20 Conciliations is where you go if you don't agree with  
21 us and we can't reach a resolution, then we can go to  
22 conciliations, and if that doesn't work, you know,  
23 you could end up in collections.

24 CHAIRPERSON BRANNAN: Okay, question  
25 about the marijuana shops and the sheriffs. What do

1  
2 we need to do to give the City the power they need to  
3 close these shops down once and for all?

4 COMMISSIONER NIBLACK: I-- first of all,  
5 I really want to acknowledge the work of Sheriff  
6 Miranda and his team. They're out there every day in  
7 the front lines trying to address this problem.  
8 They're working kind of with one hand behind their  
9 backs right now, because we don't have the legal  
10 authority at the city level that we need, as has been  
11 noted by a number of people. The resources to do  
12 this are located here, but the legal authority is  
13 located at the state. So we're very happy that, you  
14 know, we're having conversations right now with the  
15 Governor's office and the legislature. We appreciate  
16 your support on the Council for changes to the state  
17 law that will give us more authority and allow us to,  
18 you know, go from just inspections to actually be  
19 able to close down, padlock shops that are operating  
20 illegally and take other more stringent enforcement  
21 measures against them.

22 CHAIRPERSON BRANNAN: Do you have a  
23 number of how many illegal marijuana shops have been  
24 raided for FY23?

1  
2 COMMISSIONER NIBLACK: Yeah. Nearly--  
3 since the Joint Compliance Taskforce started, about  
4 1,800.

5 CHAIRPERSON BRANNAN: But we don't have  
6 an idea of how many of those actually stay closed,  
7 right?

8 COMMISSIONER NIBLACK: I don't know how  
9 many stayed closed. We did-- we have sent letters to  
10 landlords. We sent 435, if I remember correctly,  
11 letters to landlords warning them of the possibility  
12 of penalties.

13 CHAIRPERSON BRANNAN: Has that been  
14 successful?

15 COMMISSIONER NIBLACK: It has been. We've  
16 gotten a number-- you know, we've heard back from I  
17 think over 90, so over 20 percent of them so far.  
18 Most of them are-- either have begun eviction  
19 proceedings or have actually-- a few of them have  
20 actually gotten through to the end and evicted their  
21 clients, or their tenants, rather. So, it's  
22 definitely, I think, been a success.

23 CHAIRPERSON BRANNAN: Okay. I'm going to  
24 hand it over to my colleague, starting with Council  
25 Member Hudson.

1  
2 COUNCIL MEMBER HUDSON: Thank you so  
3 much. I appreciate it. Just a couple of quick  
4 questions, I think and hope. Judges in New York City  
5 can order electronic monitoring in place of bail for  
6 pre-trial detainees on Rikers Island. Since 87  
7 percent of the jail population are people  
8 incarcerated as a result of pending criminal cases,  
9 the ability of judges to utilize ankle monitors has  
10 the potential to decrease the jail population  
11 significantly. The Sheriff's Office budgets for the  
12 purchase of ankle monitors and also administers the  
13 program. Can you describe the role of the Sheriff's  
14 Office in administering electronic monitoring for the  
15 court system? It's our understanding that they're  
16 both screening defendants to determine whether  
17 they're suitable to receive a ankle monitor and also  
18 monitoring compliance with the terms set for these  
19 devices. Do you know if that's accurate?

20 COMMISSIONER NIBLACK: That's correct.  
21 We get information that. The basic things we're  
22 looking at is, is there electricity? Do they have  
23 stable housing? Is there electricity at the stable  
24 housing so they can charge their ankle bracelet, and  
25 is there an adult contact person who can be reached?

1  
2 If those simple criteria are satisfied, we advise the  
3 judge and then it's up to the judge to make a  
4 placement. When we get placements-- we have about  
5 285 active placements right now. Then, we monitor  
6 24/7 the status, and if somebody, you know, ankle  
7 bracelet goes out, we give them-- we start by giving  
8 them a call. Occasionally someone will, you know,  
9 cut their bracelet essentially and leave the city or  
10 the state. We've pursued a couple of people who've  
11 left and brought them back. So, you know, we're  
12 actively monitoring people who are in the program.

13 COUNCIL MEMBER HUDSON: Thank you. Is  
14 there a backlog of cases waited to be screened for  
15 electronic monitoring devices, and if so, how many  
16 people are currently in the screening pipeline? What  
17 are the common reasons people are deemed unsuitable  
18 for electronic monitoring, and how often is homeless  
19 the reason people are rejected for electronic  
20 monitoring?

21 COMMISSIONER NIBLACK: Rejection-- there  
22 is no backlog right now. We keep up pretty well. I  
23 mean, there are people who are sort of in the  
24 process, but I wouldn't say there's a backlog at all.  
25 We don't reject very many. The vast majority are

1  
2 approved, and again, because it's a fairly simple  
3 straightforward set of criteria that has to be met  
4 that are pretty easy to meet. So, I don't-- yeah, I  
5 don't think-- I'm sorry, I forgot the middle part of  
6 your question.

7 COUNCIL MEMBER HUDSON: Just the common  
8 reasons people are deemed unsuitable for electronic  
9 monitoring.

10 COMMISSIONER NIBLACK: You know, it's so  
11 infrequent, it's-- if we really cannot pin down  
12 somebody's address and don't think they have stable  
13 housing, we usually report that back to the judge  
14 with a record--

15 COUNCIL MEMBER HUDSON: [interposing] So,  
16 It's safe to say then that homeless might be a reason  
17 that people are rejected for electronic monitoring?

18 COMMISSIONER NIBLACK: I mean, we would  
19 take somebody who was in a shelter who was, you know,  
20 could be-- who might be living in a shelter.

21 COUNCIL MEMBER HUDSON: Okay.

22 COMMISSIONER NIBLACK: But if they  
23 couldn't-- if they were living on the street and  
24 didn't have any fixed address that they could provide  
25

1  
2 to us that we could verify, then we might go back to  
3 the judge and say we can't monitor this person.

4 COUNCIL MEMBER HUDSON: Okay. How many  
5 staff in the Sheriff's office are assigned to either  
6 screen defendants or monitor compliance with  
7 electronic monitoring devices, and do you have enough  
8 staff to fulfil these functions?

9 COMMISSIONER NIBLACK: There are 24  
10 Deputy Sheriffs currently assigned or budgeted for  
11 this task. We've been talking to OMB actively, you  
12 know-- I'm sure you're aware there's discussion about  
13 expanding the use of electronic-- pre-trial  
14 electronic monitoring. So we've been talking with  
15 OMB about what resources we would need in order to  
16 expand it.

17 COUNCIL MEMBER HUDSON: Okay. And just  
18 one last question. How does the Sheriff's Office  
19 procure electronic monitoring devices? How many  
20 total devices are in your inventory, and of that  
21 total, how many are already assigned to defendants,  
22 and how many are currently available if judges opted  
23 for electronic monitoring instead of setting bail?

24

25

1  
2 COMMISSIONER NIBLACK: I will have to  
3 come back to you with that information. I don't have  
4 that handy.

5 COUNCIL MEMBER HUDSON: Okay. Thank you.  
6 Thank you, Chair, appreciate it.

7 CHAIRPERSON BRANNAN: Council Member  
8 Brooks-Powers followed by Brewer.

9 COUNCIL MEMBER BROOKS-POWERS: Thank you.  
10 Just two brief questions-- two or three brief  
11 questions. A lot of my colleagues including myself  
12 have some serious concerns about the increases in  
13 processing times for SCRIE and DRIE applicants. Just  
14 wanting to get perspective in terms of what is  
15 causing the lag in these processing times, how the  
16 Department of Finance seeks to address this  
17 internally, and how does this budget help ensure the  
18 Department of Finance has what it needs to address  
19 this pressing issue?

20 COMMISSIONER NIBLACK: I appreciate the  
21 question, and I think we-- you know, we're doing much  
22 better than what was reflected in the Preliminary  
23 Mayor's Management Report which obviously only covers  
24 through October. As I mentioned earlier, we had kind  
25 of a case backlog where we held cases open. That

1  
2 really drove up the average time for processing kind  
3 of artificially. Now, as of February, we are at four  
4 days or less to respond to both initial and renewal  
5 applications. So, you know, I think we are-- as  
6 Assistant Commissioner Snyder said, you know, we are  
7 actively hiring to fill vacancies in the property  
8 exemptions administration unit and we are also  
9 looking at some automation in there. I think the  
10 change in the income definition has been very  
11 helpful, and that we have to-- we don't have to go  
12 back as often to people to request that they can give  
13 us additional information about their income. So,  
14 that's actually helped, I think a lot, speed things  
15 up recently.

16 COUNCIL MEMBER BROOKS-POWERS: Thank you.

17 CHAIRPERSON BRANNAN: Okay, we have  
18 Council Member Brewer.

19 COUNCIL MEMBER BREWER: Thank you. First  
20 of all, thank you to Rita Chen [sp?] for all that she  
21 does. We appreciate it very much. When you talk  
22 about the Sheriff, I want to thank him also, because  
23 I have been out and I see the amazing amount of work  
24 that goes into a raid and calculations and bags of  
25 stuff and time, etcetera. So my question, though,

1 is, I believe looking at some of the online data in  
2 the Open Data platform that it's like only 10 percent  
3 of what is submitted to OATH that actually gets  
4 collected. I'm just wondering if you have some ideas  
5 about what gets collected. The second question is  
6 along those lines. As you know, thanks to IBO, I did  
7 a report over a year ago that we're missing out as a  
8 city, not just finance, on \$2.1 billion in terms of  
9 collection. That's a lot of money. Some of it's  
10 uncollectable. I've been around long enough to  
11 listen to all that, and I can't believe that \$2.1  
12 billion is uncollectable. And then third, I know  
13 that this lien sale is hanging up there. I just was  
14 wondering if there ever is a lien sale-- because I  
15 have buildings that are in Manhattan sitting there,  
16 not paying their taxes. I can't do a thing about  
17 them. So, I'm just wondering what that would  
18 contribute to our revenue if there ever was. Those  
19 are my three questions.

21 COMMISSIONER NIBLACK: Okay. So, with  
22 respect to fines that are issued during the course of  
23 Sheriff's Joint Compliance Taskforce, those are  
24 almost entirely issued by the Department of Consumer  
25 and Worker Protection. Some of-- most of them are

1  
2 probably returnable to OATH. I know that some of  
3 them are not docketable [sic] which means that they  
4 never come to us for collection.

5 COUNCIL MEMBER BREWER: So, when I go out  
6 with the sheriff and he marks down-- I'm making this  
7 up. I'm learning these terms. A flower is I don't  
8 know, \$200, the blah [sic], blah, blah and they add  
9 it all up, that doesn't go to OATH? What happens to  
10 the fine?

11 COMMISSIONER NIBLACK: I don't-- I don't  
12 know. This is really a question for DCWP about what  
13 exactly goes and how much they collect. I really  
14 can't answer that question.

15 COUNCIL MEMBER BREWER: I thought it went  
16 through-- okay.

17 COMMISSIONER NIBLACK: Because you know,  
18 the stuff that comes to us is only after it's  
19 defaulted at OATH where someone hasn't paid for  
20 collection.

21 COUNCIL MEMBER BREWER: Okay. Well, I  
22 have to--

23 COMMISSIONER NIBLACK: On the broader  
24 question, I mean, I think-- first of all, I'm going  
25 to say yes, some of it is uncollectable. A couple of

1 things-- First of all, we have a Collections Division  
2 led by Assistant Commissioner Pam Parker Tiho [sp?]  
3 that does a fantastic job. the general process is--  
4 with respect to ECB debt, for example, if it's-- if a  
5 respondent defaults, doesn't show up for their  
6 hearing, or comes to the hearing, the violation is  
7 upheld and they're found guilty and they don't pay,  
8 that comes to the Department of Finance for  
9 collection. We work that debt internally, typically,  
10 for a couple of months. We have what's called the  
11 Account Executive Unit who just-- it's-- they send  
12 dunning [sic] notices. They make phone calls. If  
13 they are unsuccessful after 60 days, if it's a high  
14 value amount-- the average fine that comes to us is  
15 about \$500. So, if it's a higher than-- if it's a  
16 higher dollar amount, may be referred to our Legal  
17 Affairs Division, their Collections Unit there for  
18 them to do a legal proceeding like an execution or a  
19 levy on a bank account. For smaller dollar amounts  
20 it goes to three successive collection agencies, each  
21 of whom works it for six months. You know, I mean,  
22 obviously, if somebody collects in the first round  
23 then it doesn't go on, but--

1  
2 COUNCIL MEMBER BREWER: [interposing] And  
3 they get paid something for their administrative--

4 COMMISSIONER NIBLACK: [interposing] They  
5 get paid a percentage, yes. And but that's--

6 COUNCIL MEMBER BREWER: [interposing] They  
7 don't get paid if the person doesn't pay, or do they--  
8 -

9 COMMISSIONER NIBLACK: [interposing]  
10 Right, it's only-- it's strictly on what they  
11 collect.

12 COUNCIL MEMBER BREWER: Okay. And you  
13 know, the rates are varied according to the type and  
14 the-- and where they are in the queue. Are they  
15 first, second, or third? So, I think that that's--  
16 you know, this is best practice from an industry  
17 point of view, and I think that we do well on  
18 collections. Parking violations are kind of self-  
19 resolving for the most part. Usually we have a 90  
20 percent resolution rate within the first three years  
21 after a violation.

22 COUNCIL MEMBER BREWER: Yeah, parking's  
23 easier because you don't want to lose your car.

24 COMMISSIONER NIBLACK: Yeah. You know,  
25 property taxes is obviously-- you mentioned is a

1  
2 different story, right? There the only tool that we  
3 really have to enforce has been the lien sale, and  
4 we're looking at a delinquency rate that's now up at  
5 like 3.4 percent. That's up four-tenths of a percent  
6 compared to last year, which may not sound like a  
7 lot, but that's almost \$150 million. We are-- at the  
8 current rate, we are looking at delinquent property  
9 taxes at the end of this fiscal year of over \$800  
10 million. Historically, we've been under \$350 million  
11 at the end of the fiscal year when we had regular  
12 lien sales. Last year went up to \$700 million. This  
13 year, you know, it looks like it will go north of  
14 \$800 million. So, it's the-- it's not just the  
15 absolute dollar amount that I think should worry us  
16 all, but it's also the trend in people sort of  
17 recognizing that there are no consequences for not  
18 paying your property taxes, and that just can't be  
19 allowed to continue. We really have to address it.

20 COUNCIL MEMBER BREWER: I've got three  
21 buildings, and they each owe a million. So, that's  
22 \$3 million right there. Just finally in terms of  
23 like if someone doesn't pay sanitation, etcetera,  
24 that still goes to you in terms of the collections,

25

1  
2 is that what you're saying, or whatever buildings  
3 Department, etcetera, etcetera?

4 COMMISSIONER NIBLACK: Anything that's  
5 returnable to ECB and which can be docketed, meaning  
6 it can be filed as a claim in court will come to us  
7 for collection.

8 COUNCIL MEMBER BREWER: Okay, and do you  
9 break that down which agency does well,--

10 COMMISSIONER NIBLACK: [interposing] Yeah.

11 COUNCIL MEMBER BREWER: doesn't do well,  
12 etcetera?

13 COUNCIL MEMBER BREWER: We have a report  
14 that we do each year at the end of October on  
15 outstanding ECB debt which, you know, I'm guessing is  
16 probably something that you initiated, but I would  
17 recommend that. It's very comprehensive.

18 COUNCIL MEMBER BREWER: Okay, thank you.

19 CHAIRPERSON BRANNAN: Is DOF prioritize--  
20 now that the hiring freeze has been loosened again,  
21 is DOF going to prioritize hiring assessors?

22 COMMISSIONER NIBLACK: Our priority right  
23 now is in three areas in the short term, city tax  
24 auditors-- we-- there was an old civil service list  
25 that we kind of exhausted. We've been hiring

1  
2 provisionally. In the meantime, we've had I think 26  
3 offers that we've given and another 14 who are people  
4 who are in the queue for interviews. And next week,  
5 we're holding a hiring haul for city tax auditors off  
6 the new civil service list. Deputy Sheriffs, we are  
7 working on-- that's a lengthy process. They have to  
8 first pass a physical agility test, medical  
9 evaluation, a psych evaluation, and then a background  
10 investigation. So that's a lengthy process, but  
11 we've started the physical agility test. We called  
12 2,000 people. So far-- or 2,600 people I guess now.  
13 I think so far we've had 240, I think, roughly people  
14 who've passed the physical agility test. So, you  
15 know, we're-- we have 32 vacancies right now in  
16 Deputy Sheriff, so I think-- I expect we'll be able  
17 to fill those. And then principle administrative  
18 associates, we have 22 vacancies to fill which we are  
19 also going to do later this month through a hiring  
20 haul. They're critical kind of across the board in  
21 our operations. As D. Snyder mentioned, they're a  
22 big part of exemptions and a lot of other places as  
23 well.

24 CHAIRPERSON BRANNAN: And if members want  
25 to do hiring hauls, you'll work with them?

1  
2 COMMISSIONER NIBLACK: Sure. I mean,  
3 it's a DCAS-run thing, but you know, we're happy to  
4 work with anybody to help with our hiring.

5 CHAIRPERSON BRANNAN: Anymore questions?  
6 Seeing none. Okay.

7 COMMISSIONER NIBLACK: Thank you.

8 CHAIRPERSON BRANNAN: Thank you very  
9 much.

10 COMMISSIONER NIBLACK: Thank you very  
11 much.

12 CHAIRPERSON BRANNAN: Look forward to  
13 working with you going forward. Alright, we'll take  
14 a break, and then we're going to hear from the  
15 public.

16 [break]

17 COMMITTEE COUNSEL: Good afternoon.  
18 We'll now begin the public portion of the testimony.  
19 Brief reminder, if you are testifying in-person,  
20 please first complete a witness slip with the  
21 Sergeant at Arms at the back. Each speaker will be  
22 given two minutes to speak. For those testifying in-  
23 person, please come to the witness table as your name  
24 is called and wait for your turn to speak. For those  
25 who are testifying remotely, once your name is

1  
2 called, a member of our staff will unmute you and the  
3 Sergeant at Arms will give you the go-ahead to begin.  
4 Please wait for the Sergeant to announce you may  
5 begin before delivering your testimony. During your  
6 testimony, you must remain on topic and maintain  
7 decorum. It is not permitted to record yourself or  
8 the committee while giving your testimony. A full  
9 recording of the hearing will be available on the  
10 Committee's website. First, we'll hear from Maria  
11 Palicarpo, Caroline Conroy, Ana Champeny, Hailey  
12 Nolasco, Sarita Daftary, and Matthew Robinson.

13 CHAIRPERSON BRANNAN: You may begin.

14 MARIA POLICARPO: Good afternoon Chair  
15 Brannan and members of the City Council. My name is  
16 Maria Policarpo. I am President of DC37 Local 1757  
17 which represents appraisers and assessors. I work as  
18 an assessor in the New York City Tax Commission, and  
19 I'm going to speak regarding the critical need for  
20 the hiring of additional assessors as a crucial part  
21 of the budget for the upcoming fiscal year. At the  
22 Department of Finance, assessors are responsible for  
23 overseeing the valuation of approximately \$1.1  
24 million parcels within the five boroughs and the  
25 single largest source of revenue in New York City.

1  
2 Our overall member total is down over 25 percent  
3 since March of 2020. Staffing at DOF has been at  
4 crisis level and continues to decline. There are 15  
5 vacant districts with Brooklyn suffering the most,  
6 having seven vacant districts, short supervisors, and  
7 a vacant new supervising assessor position. Staten  
8 Island is now the only borough without a more  
9 experienced 3A assessors and also without a  
10 supervisor. The loss of revenue due to the lack of  
11 actual assessors valuing properties versus a flawed  
12 community modeling system run by random titles is  
13 immeasurable. We have seen tax class two properties  
14 reduced by model nearly 30 percent without any rhyme  
15 or reason. Hotels, even those considered major  
16 property profiles are modeled. Cell towers and  
17 billboards need regulation and monitoring, along with  
18 an audit process for those who do not report the  
19 income they produce, or claim of no income due to  
20 sale. Physicals from alterations, new buildings,  
21 flip sales, and condo conversions are being missed  
22 due to the shortage of staff. The sale of air rights  
23 is not monitored or accurately assessed. At the Tax  
24 Commission assessors are tasked with an  
25 insurmountable caseload and mandated to 12 weeks of

1  
2 overtime. Human error due to the lack of time to  
3 carefully review caseloads is unfair to the tax payer  
4 and can be costly to the City. Excess annual leave  
5 is also a significant issue due to the nature of our  
6 demanding schedules. The hiring of an additional 100  
7 assessors will help to fill the current vacancies and  
8 create smaller, more manageable districts. The  
9 uncollected revenue which would be sustainable with  
10 additional assessment staff could fund vital public  
11 services. We have been advocating for a line of  
12 succession and warning about attrition for years.  
13 Unfortunately, both retirements and resignations have  
14 outpaced any hiring efforts. Local 1757 thanks you  
15 for your time and consideration, and I'd be happy to  
16 answer any questions you may have.

17 CHAIRPERSON BRANNAN: We'll do all the  
18 testimony, then we'll come back for questions. Go  
19 ahead.

20 CAROLINE CONROY: Good evening. My name  
21 is Caroline Conroy and I'm the Senior Director for  
22 Policy and Programs at the New York Immigration  
23 Coalition, an umbrella policy and advocacy  
24 organization that works statewide with over 200  
25 immigrant-serving member organizations. Thank you

1  
2 Speaker Adams, Chair Brannan and the members of the  
3 City Council for convening this hearing. New York  
4 seems to be at a crossroads in how and who it chooses  
5 to prioritize when budgets are concerned. False  
6 narratives of budget scarcity and scapegoating of new  
7 arrivals have been used to justify unnecessary  
8 austerity measures that not only harm our most  
9 vulnerable communities, but all New Yorkers.  
10 Critical programs like childhood education, language  
11 and housing accessibility and support cannot properly  
12 function without guaranteed consistent funding.  
13 Given this Administration's misleading statements in  
14 relation to our city's financial health, aggressive  
15 cuts to critical services and programs and  
16 unwillingness to publicly commit to funding restoration  
17 despite increases in revenue, we call on the Council  
18 to continue to support and allocate funding to the  
19 following priorities and programs in the upcoming  
20 City Council budget to protect the interest, safety  
21 and quality of life for all New Yorkers. We must  
22 renew funding for critical outreach programs for  
23 immigrants including Access Health initiative and the  
24 Key to the City initiative which help connect  
25 thousands of immigrant New Yorkers to critical

1 services. Enshrine the restoration of funding to 3K  
2 and Pre-K programs which are the only free Early  
3 Childhood and education and care available to  
4 immigrant families and are linked to higher academic  
5 outcomes, less engagement with criminal justice  
6 system, and higher ultimate financial stability for  
7 children who go through these programs. Expand  
8 Promise NYC childcare voucher program at at least \$20  
9 million to continue providing childcare to the  
10 youngest immigrant children who are not eligible for  
11 other forms of childcare vouchers. Fully invest in  
12 the New York Public Schools and CUNY, including  
13 protecting and expanding investments in the six  
14 English language learner transfer schools outside of  
15 Manhattan. Support newcomers and asylum-seekers.  
16 And looking to-- as of late February, over 55,038  
17 notices have been given out to single migrants. Over  
18 9,000 60-day notices have been given to families. We  
19 must fight back against the Mayor's 30 and 60-day  
20 shelter rule and adopt fiscally sensible policies  
21 including addressing longstanding affordability and  
22 accessibility crises facing New York City and embrace  
23 comprehensive housing solutions by allocating  
24 adequate funding to the budget for CityFEPS. Also,  
25

1  
2 invest in \$5 million in the city's language access  
3 working cooperatives. Thank you for your time.

4 CHAIRPERSON BRANNAN: Thank you.

5 ANA CHAMPENY: Good afternoon Chair  
6 Brannan and members of the City Council Finance  
7 Committee. I am Ana Champeny, Vice President for  
8 Research at the Citizen's Budget Commission. Chronic  
9 under-budgeting and the more recent trend of funding  
10 recurring programs one year at a time, what we call  
11 the fiscal cliff, have grown to dangerous levels in  
12 recent years. These, along with the surge in cost to  
13 support migrants and asylum-seekers put the City's  
14 fiscal health at significant risk despite an  
15 expanding economy. Through its role in shaping the  
16 City's budget, the City Council will partly determine  
17 whether the City's fiscal foundation is stable, and  
18 therefore, whether the City will be able to serve New  
19 Yorkers well. We urge you to ensure that your  
20 proposals to add or modify spending are affordable  
21 and do not make the City budget even more fiscally  
22 precarious. For example, we mean that funding  
23 required to support current level of the CityFEPS  
24 vouchers whose costs are expected to exceed \$800  
25 million this year, but are budgeted at approximately



1  
2 HAILEY NOLASCO: Hi. Greetings Chair  
3 Brannan, Deputy Speaker Ayala, and esteemed members  
4 of the Committee of Finance. My name is Hailey  
5 Nolasco, Director of Government Relations at the  
6 Center for Justice Innovation, and I am honored to  
7 testify before you all today. We thank the Council  
8 for its sustained and steadfast support for programs  
9 that work daily to make a positive impact in the  
10 lives of people most-impacted by the criminal legal  
11 system, and we are relieved to learn that this latest  
12 round of spending cuts have been cancelled, but  
13 understand that there still continues to be financial  
14 constraints that will inform future decisions.  
15 Having said this, we urge the Council to continue to  
16 support the progress already made and the effort to  
17 make our criminal legal system more fair, humane, and  
18 effective, while keeping our community safer. It is  
19 important to make a conscious effort to not divest  
20 from vital services that will work to address a  
21 multitude of growing community needs, as this will  
22 directly impact public safety. The centers [sic]  
23 program across the City expand entire justice  
24 continuum working to enhance public safety beyond  
25 enforcement by one, increasing civic engagement and

1  
2 place keeping at NYCHA developments through our  
3 Neighborhood Safety initiatives; two, responding to  
4 and bringing awareness to the intersection of gun and  
5 domestic violence through our RISE project that works  
6 within the city-- the Crisis Management System;  
7 three, by supporting at-risk and systems-involved  
8 youth with economically sustained lives through our  
9 Crisis Management System programs such as SOS, Save  
10 our Streets, in both the Bronx and Brooklyn and its  
11 wrap-around services such as the Anti-Gun Violence  
12 Youth Employment Program, school conflict mediation  
13 services, and therapeutic supports. Also, through  
14 our life-changing pre-arraignment and diversion work  
15 such Bronx Hope that causes a harm reduction model to  
16 give clients the opportunity to rehabilitate and  
17 connect to community rather than jail or options that  
18 do not really address their underlying issues. and  
19 as we look forward to the closure of Rikers Island,  
20 our programs will be relied on more than ever and the  
21 efficacy of these programs are reliant on meaningful  
22 investments to do so responsibly. In closing, well-  
23 funded community-based programing produces better  
24 outcomes for individuals as well as our communities,  
25 and they generate cost-savings. Our programs provide

1  
2 much-needed services. And in close, for your  
3 reference, you will find a map of our programs across  
4 the City in addition to letters of support from the  
5 Brooklyn, Bronx, Manhattan DAs with Staten Island  
6 forthcoming. Thank you so much for your time.

7 SARITA DAFTARY: Good afternoon Chair  
8 Brannan, Deputy Speaker Ayala. Thank you for the  
9 opportunity to testify. My name is Sarita Daftary  
10 and I'm Co-Director of Freedom Agenda. We're led by  
11 our members who have experienced incarceration  
12 themselves or through a loved one. We're one of the  
13 organizations leading the campaign to close Rikers  
14 and I'm glad to testify here today, certainly along  
15 with this panel. The Council heard the  
16 Administration make several disingenuous arguments  
17 today about-- excuses for extending the financial and  
18 humanitarian disaster that is Rikers Island. So, as  
19 we move through the process of setting budget  
20 priorities to ensure the best use of our city's  
21 resources, I'm glad to be here today to emphasize  
22 that Rikers Island stands out as the worse possible  
23 use of our dollars. New York City spends 350 percent  
24 more per incarcerated person than at comparable jail  
25 systems in LA or Chicago, and yet people in DOC

1 custody are subjected to some of the worst jail  
2 conditions in the nation. DOC's failures and  
3 inefficiencies are by now well-known. They are even  
4 more egregious when considering what DOC's vast  
5 resources could pay for instead. Incarcerating one  
6 person at Rikers Island for a year cost over half a  
7 million dollars, equivalent to providing supportive  
8 housing for 13 people or engaging between 25 and 70  
9 people in alternatives to incarceration. The plan to  
10 close Rikers Island approved by this Council in 2019  
11 marked the commitment to take a different and much  
12 more effective approach to public safety. this also  
13 requires spending our money differently, but Mayor  
14 Adams has refused to align our city's budget with the  
15 legal and moral obligation to close Rikers Island by  
16 2027. He is proposing serious cuts to alternatives  
17 to incarceration and re-entry services, and failing  
18 to adequately fund supportive housing and community-  
19 based mental health treatment. I'll skip a little  
20 bit down in my testimony. I hope you will read the  
21 piece about the experience of our members. I have a  
22 son who's been on Rikers for more than three years,  
23 costing him dearly and costing us financially. So I  
24 want to summary up-- close by just saying that we are  
25

1  
2 urging the Council to intervene. We know the Council  
3 has supported closing Rikers, and to make that real  
4 through this budget, we need to reduce DOC's  
5 uniformed headcount to about 5,100 officers by  
6 eliminating vacancies and holding staff accountable  
7 for chronic absenteeism. We need to reduce overtime  
8 expenses by permanently closing unused jails. we  
9 need to restore \$27.8 million dollars to the Office  
10 of Criminal Justice for alternatives to  
11 incarceration, supervised release, and re-entry  
12 programs; allocate an additional \$21 million to meet  
13 critical housing and mental health needs. I'll note  
14 that that's about one month-worth of DOC's overtime.  
15 So certainly, we can afford it. And we need to  
16 increase the Board of Corrections headcount in  
17 proportion to DOC's headcount. The Council has  
18 reaffirmed its commitment to closing Rikers, and that  
19 must be backed up by a budget that strengthens our  
20 communities to improve safety, reduce incarceration,  
21 and get Rikers closed. Thank you.

22 CHAIRPERSON BRANNAN: Thank you. How  
23 much does it cost to keep someone on Rikers for a  
24 year?

25 SARITA DAFTARY: \$556,000.

1  
2 CHAIRPERSON BRANNAN: How many people are  
3 on Rikers right now?

4 SARITA DAFTARY: About 6,250.

5 CHAIRPERSON BRANNAN: And then I have a  
6 question for Maria. Did you hear any of the  
7 testimony from DOF? What do you make of that?

8 MARIA POLICARPO: Well, he danced around  
9 your question, your very direct question, in regards  
10 to what's the plan for hiring assessors.

11 CHAIRPERSON BRANNAN: How many-- what--  
12 in your career as-- in your tenure as President,  
13 what's been the highest count, headcount for  
14 assessors?

15 MARIA POLICARPO: Just from March of  
16 2020, I've analyzed the last several years since of  
17 March of 2020. DOF had about 173 combo of assistants  
18 and city-- and assessors, and we are currently down  
19 to about 125 at DOF.

20 CHAIRPERSON BRANNAN: Okay.

21 MARIA POLICARPO: And DOF being the  
22 largest agencies with our members, of course, affects  
23 all the other agencies at the Tax Commission, DCAS,  
24 Law Department, and HPD because most people start out  
25 at DOF and then move their careers over to the other

1  
2 agencies. So without a hiring haul at DOF, it kind  
3 of makes a ripple effect towards the other agencies,  
4 which are also down. For instance, the Law  
5 Department is down 50 percent staffing at this point  
6 since 2020, March of 2020 to current. So, all the  
7 agencies are suffering from a lack of hiring.

8 CHAIRPERSON BRANNAN: And do you find--  
9 that something the Council raises quite a bit. Do  
10 you find that as these hiring freezes come and go,  
11 when they're loosened, are they prioritizing hiring  
12 the revenue-generating titles?

13 MARIA POLICARPO: We have made some  
14 efforts in hiring, but unfortunately, the retirements  
15 and people resigning for other agencies or other  
16 different job opportunities, it's outpacing any  
17 hiring efforts that we've made.

18 CHAIRPERSON BRANNAN: My colleagues some  
19 questions? Council Member Brewer?

20 COUNCIL MEMBER BREWER: Thank you for  
21 your testimony and for DC37. So how long does it  
22 take-- say for instance, you find somebody who's  
23 appropriate. How long does it take to get that  
24 person on board? Do you have some sense of that as  
25 a union president? First of all, your testimony was

1  
2 excellent. It must have been quite shocking to be  
3 honest with you.

4           MARIA POLICARPO: Thank you. It was  
5 meant to be. So, for instance, we have a assistant  
6 city assessor list which was established, I believe  
7 it's been about two years now, and it hasn't been  
8 called from. And if-- yeah. And a huge problem  
9 with that is it's an entry-level position. Typically  
10 you need two years of experience as an assistant in  
11 order to become an assessor, and most people need to  
12 go through that process. So, if we're waiting two  
13 years to hire form a list, and then another two years  
14 of them gaining experience to be moved into the  
15 assessor title, it's definitely problematic. And  
16 also, another huge problem is that the training  
17 staff, because people are retiring at such a fast  
18 pace, we don't have many people left in the higher  
19 levels to do the training for the newcomers. So it  
20 is definitely at a point where it's a crisis right  
21 now. We have a big, big problem on our hand.

22           COUNCIL MEMBER BREWER: So, would you  
23 make suggestions-- you did in your testimony-- about  
24 just overall what should be done. That's something  
25 that you--

1  
2           MARIA POLICARPO: We definitely need to  
3 hire from that list. We need at least-- you know,  
4 we're calling for at least 100 people to be hired.

5           COUNCIL MEMBER BREWER: From that list.

6           MARIA POLICARPO: From that list we have-  
7 - we're waiting for the assessor open competitive and  
8 promotional list to be established. It was given in  
9 September of 23, so hopefully that will be moved  
10 along shortly. We have some people who just moved  
11 to-- we have about-- I think it was roughly 15 that  
12 were moved into the assessor provisionally. So  
13 hopefully they can move that list and make them  
14 permanent, and we have about another 28 assistants at  
15 this point that can hopefully be moved into assessor  
16 positions.

17           COUNCIL MEMBER BREWER: They're lucky to  
18 have you as president. Thank you.

19           MARIA POLICARPO: Thank you. Thank you.

20           CHAIRPERSON BRANNAN: Caroline, do you  
21 think Albany is doing enough for the migrant crisis?

22           CAROLINE CONROY: I think more resources  
23 are needed at the City and the State level, and  
24 definitely more can be done. There are supports that  
25

1  
2 are needed outside of New York City as well. So I  
3 think that we can do more overall.

4 CHAIRPERSON BRANNAN: And Ana, do you  
5 think-- do you agree with what OMB contends, that he  
6 rainy day fund should only be used for a recession?

7 ANA CHAMPENY: Our position has been that  
8 the rainy day fund should be used for recession or an  
9 extreme catastrophe or emergency with a significant  
10 revenue loss or expenditure impacts. So we are not  
11 as narrowly defining it as they are. If what you're  
12 asking about is referring to the migrant crisis, I  
13 think at this point we would sort of lean more to the  
14 fact that we aren't at a sort of-- an emergency  
15 crisis that has just happened. We have been muddling  
16 through for quite a while, and we have recurring  
17 costs. So using the rainy day fund would give you a  
18 short term reprieve, empty out the funds so you don't  
19 have it for something else, and still leave you with  
20 migrant and asylum-seeker expenses down the line.  
21 So, in this case we would sort of advise against it.

22 CHAIRPERSON BRANNAN: Any questions?  
23 Okay. Thank you all very much.

24 MARIA POLICARPO: I neglected to also  
25 thank Council Member Brewer. Thank you.

1  
2 CHAIRPERSON BRANNAN: Thank you. We'll  
3 next hear from Lisa Rivera and then turn to witness  
4 testimony on Zoom beginning with Sierra Kraft. You  
5 may begin when you're ready.

6 LISA RIVERA: Hello, good afternoon.  
7 Thank you Chair Brannan, Deputy Speaker Ayala,  
8 Council Members and staff. Appreciate the  
9 opportunity to speak about legal services. As it  
10 relates to the FY Preliminary Budget. My name's Lisa  
11 Rivera and I'm the President and CEO of the New York  
12 Legal Assistance Group, otherwise known as NYLAG.  
13 NYLAG staff are amongst many providers doing the  
14 essential work to support our communities, work that  
15 in many instances, as you all know, exists because  
16 there's systemic obstacles in all the institutions  
17 that our clients encounter to achieve justice. In  
18 2023, the impact of the lives of more than 130,000  
19 individuals, the highest number in our 34-year  
20 history as an organization. That's an increase of  
21 over 15,000 that we served in the prior year. I share  
22 this because the numbers reflect an ever-increasing  
23 need amongst the communities we serve, especially in  
24 housing, access to benefits, shelter advocacy, and  
25 immigration. That's why today I'm asking for the

1 City to increase the investment in critical civil and  
2 legal services and social services that are designed  
3 to help our clients because they are increasingly  
4 becoming difficult to access. We've heard the word  
5 crisis thrown around quite a bit lately, a migrant  
6 crisis being the most consistent mentioned, and  
7 suffice to say, nonprofit providers have a rich  
8 history of responding to a crisis. We've created  
9 innovative, expert, adapt programming even during  
10 budget shortfalls to do even more with fewer  
11 resources, because it is our mission to meet the most  
12 basic needs of our clients so they can thrive and  
13 live a life of dignity. That said, under the  
14 increasing needs of those seeking our services,  
15 including our new neighbors, the fact is that we feel  
16 its utmost importance to properly define the crisis  
17 before us. It's not a crisis of people overwhelming  
18 systems, but a crisis of management divesting from  
19 the very services that exist to confront these  
20 systems, their inequities, their injustices, and  
21 thus, their inefficiencies. The nonprofit sector has  
22 reached a tipping point. NYLAG's continued ability  
23 to respond to the need, recruit staff, retain them,  
24 pay our advocates fair wages, it's all at-risk  
25

1  
2 because of chronic under-funding. I've testified  
3 about this before, but a budget reflects values.  
4 Nonprofits stand ready to meet New Yorker's needs,  
5 but instead of maximizing our connections,  
6 communities, and our expertise, the City has cut  
7 successful programs and left us uncertain about what  
8 type of programs we will have after reductions. We  
9 can only continue to do our work at the necessary  
10 volume, case, and level of expertise with  
11 significantly increased investments in legal and  
12 social services that NYLAG and organizations like us  
13 can provide. Thank you for the opportunity to meet  
14 with you today, and I'm happy to answer any  
15 questions.

16 CHAIRPERSON BRANNAN: How much is NYLAG  
17 currently owed by the City for its services rendered?

18 LISA RIVERA: As of last count, two and  
19 a half weeks ago, we had invoices outstanding  
20 somewhere around \$6 million.

21 CHAIRPERSON BRANNAN: So you have about  
22 \$6 million in outstanding invoices, and how long have  
23 you been carrying that?

24 LISA RIVERA: We have been unable to  
25 invoice properly since December.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CHAIRPERSON BRANNAN: Yep.

COUNCIL MEMBER BREWER: The same question. In other words, has this been a problem in the past, or is this something that is newly created?

LISA RIVERA: It's a little bit of both, but this is a newly created issue, and so you've heard the nonprofit sector speaking a lot about late contract registrations, onerous like uploading of documents, and sort of repetitive measures, and we have fulltime staff really to upload documents at this point at our organization. This City moved to a new system, Passport, which many of us are familiar with as providers to sort of streamline efforts. And so while that is definitely appreciated, because we spend a lot of time trying to obtain the money for the services that we provide, it wasn't ready. The program, the system was not ready. In December it rolled over. We were asked not to upload any invoices, and so the system-- it's not unusual for us not to be paid on time. So it's not alarming at that point, but three months later without the ability to upload invoices at this point is requiring agencies like mine to take out loans to make payroll. We are similarly situated across the board in terms of

1  
2 social and legal services across the city with this  
3 issue as well.

4 COUNCIL MEMBER BREWER: Thank you very  
5 much.

6 CHAIRPERSON BRANNAN: Thank you, Lisa.

7 LISA RIVERA: Thank you.

8 CHAIRPERSON BRANNAN: Thanks for all you  
9 do. Now turn to Sierra Kraft on Zoom.

10 SIERRA KRAFT: Hi, good afternoon. Thank  
11 you Chair Brannan and the Finance Committee for  
12 inviting testimony. My name is Sierra Kraft and I'm  
13 the Executive Director at ICare. We are a coalition  
14 of legal service organizations providing free  
15 representation to unaccompanied immigrant children  
16 facing deportation in New York City while advocating  
17 for universal access to counsel. Having access to an  
18 attorney can be a matter of life or death for  
19 immigrant children and families. Immigrants aren't  
20 granted to the right to an attorney in immigration  
21 proceedings, not even if they are a child. Children  
22 are fleeing violence and trauma in their home country  
23 in search of safety, protection and opportunities,  
24 and New York ranks fourth-highest in the country for  
25 unaccompanied arrivals with over 8,000 young New

1  
2 Yorkers arriving annually, and without  
3 representation, they stand just a mere 15 percent  
4 chance of winning their case, resulting in rapid  
5 deportation back to countries where their lives are  
6 at-risk. With the support from City Council through  
7 the Unaccompanied Minors and Families initiative,  
8 you've made it possible for the I-Care coalition to  
9 stand alongside over 12,000 young immigrants.  
10 Children represented by ICare attorneys have over a  
11 90 percent success rate, providing them the  
12 opportunity to pursue higher education, meaningful  
13 careers, and leadership roles in a city they now call  
14 home. ICare attorneys are on the front lines every  
15 day defending immigrant rights and upholding New York  
16 values. However, we have not received an increase in  
17 funding in over five years, while thousands of young  
18 immigrants await to receive legal support, vulnerable  
19 to detention if they cannot-- deportation if they  
20 cannot find or afford an attorney. so today, we're  
21 urgently calling upon City Council to prioritize  
22 funding for the many unaccompanied minors that New  
23 York City-- that are in reliance on New York City's  
24 critical legal services. Our coalition of seven  
25 providers seeks \$4.9 million this year to serve

1  
2 nearly 1,700 children and families to provide legal  
3 screenings, Know Your Rights trainings, direct  
4 representation, and referrals to city and social  
5 services. Now more than ever it is critical that we  
6 stand in solidarity with children seeking safety and  
7 protection in this city. We look forward to our  
8 continued partnership with you all to uphold our  
9 values--

10 SERGEANT AT ARMS: [interposing] Time has  
11 expired.

12 SIERRA KRAFT: as a sanctuary city.  
13 Alright, thank you so much.

14 COMMITTEE COUNSEL: Thank you. We'll now  
15 hear from Marianela Diaz followed by Tanya Krupat.

16 SERGEANT AT ARMS: You may begin.

17 MARIANELA DIAZ: Good afternoon Chair  
18 Brannan and members of the New York City Council  
19 Committee on Finance. My name is Marianela Diaz and  
20 I'm the Campaign and Policy Manager at the Human  
21 Services Council, a membership organization  
22 representing over 170 human service providers in New  
23 York City. HSC serves our membership as a  
24 coordinating body, advocate, and intermediary between  
25 the human services sector and government. We take on

1  
2 this work so that our members can focus on running  
3 their organizations and providing critical direct  
4 support to New Yorkers. These are the nonprofits  
5 that support our city's children, seniors, those  
6 experiencing homelessness, people with disabilities,  
7 individuals who are incarcerated or otherwise  
8 involved in the justice system, immigrants, and  
9 individuals coping with substance abuse and other  
10 mental health and behavioral challenges. We strive  
11 to help our members better serve their clients by  
12 addressing matters such as government procurement  
13 practices, disaster preparedness and recovery,  
14 government funding and public policies that impact the  
15 sector. Years of underfunding of the sector have  
16 resulted in the human services workforce being some  
17 of the lowest compensated workers in New York City's  
18 economy. These are the workers who do some of the  
19 most important jobs in our communities. They take  
20 care of our aging neighbors, assist families in  
21 staying in their homes, work with people to overcome  
22 substance abuse and addiction, and help people from  
23 all walks of life in the event of an emergency. Yet,  
24 despite all of this, they are drastically underpaid.  
25 City agencies are not getting a deal by chronically

1  
2 underfunding human services contracts to balance  
3 their budget. It is further harming the low-wage  
4 workers the city relies on to keep these programs  
5 running while pushing community-rooted nonprofits  
6 into failure during a time of increased need. It is  
7 fundamental to invest a five percent COLA in this  
8 budget year and publicly commit to a three percent  
9 COLA in each of the next two years, bringing the full  
10 investment in human service workers to 16 percent.  
11 Thank you so much, and thank you for having me.

12 CHAIRPERSON BRANNAN: Thank you.

13 COMMITTEE COUNSEL: Thank you. We'll now  
14 hear from Tanya Krupat, followed by Sienna Fontaine.

15 SERGEANT AT ARMS: You may begin.

16 TANYA KRUPAT: Thank you for the  
17 opportunity to provide testimony today. My name is  
18 Tanya Krupat. I'm the Vice President of Policy and  
19 Advocacy at the Osborne Association. Osborne serves  
20 10,000 participants in programs from arrest to re-  
21 entry each year. Osborne has been a proud member of  
22 the ATI and Re-entry Coalition since its inception,  
23 and we are among the 11 organizations included in  
24 this year's funding request. We are grateful for  
25 Council support for the vital services we

1 collectively provide. ATI's are effective and  
2 affordable. For the cost of one person being  
3 detained on Rikers for one year, a year in which  
4 they're likely to experience or witness violence, to  
5 be separated from their family, may lose their job  
6 and home, and their health and mental health may  
7 worsen, ATI's can serve more than 30 people, yielding  
8 positive and life-changing results that make us all  
9 safer. Osborne has submitted a number of funding  
10 requests to this council which are detailed in my  
11 written testimony which includes funding to relaunch  
12 programs for people detained on Rikers while we also  
13 call for the full restoration of the \$17 million that  
14 was eliminated at the end of this past June, as well  
15 as for the closure of Rikers. We're also requesting  
16 funding for our work with NYPD to safeguard children  
17 at the time of their parent's arrest. For the past  
18 three years, the Council has funded Osborne to lead  
19 this work. We're enormously grateful, but there is  
20 much left to be done, including working on the issue  
21 of extricating [sic] a warrant to reduce trauma to  
22 children, and NYPD Commissioner Caban has submitted a  
23 letter of support for this request. To advance the  
24 goal of gun violence prevention, we're requesting  
25

1  
2 \$20,000 for our BOGAP, Bronx Osborne Gun  
3 Accountability and Prevention program, which serve 16  
4 to 30-year-olds facing their first gun charge. BOGAP  
5 is very successful in keeping young people out of  
6 jail and prison, saving millions of dollars, and  
7 achieving positive outcomes. We're also requesting  
8 funding for our soon-to-be-open Fulton Community Re-  
9 entry Center which will provide 140 transitional  
10 housing beds for older men returning from prison.  
11 We're grateful for the Council's steadfast support to  
12 reduce the impact of arrests and incarceration on the  
13 City and the trauma that this inflicts particularly  
14 on Black and Brown communities. To close Rikers  
15 Island we need an all-hands-on--

16 SERGEANT AT ARMS: [interposing] Time has  
17 expired.

18 TANYA KRUPAT: to reducing the number of  
19 people there. Thank you for your support.

20 CHAIRPERSON BRANNAN: Thank you very  
21 much.

22 COMMITTEE COUNSEL: Thank you. Lastly,  
23 we'll hear from Sienna Fontaine.

24 SERGEANT AT ARMS: You may begin.  
25

1  
2 SIENNA FONTAINE: Good afternoon Chair  
3 Brannan and the esteemed Finance Committee. My name  
4 is Sienna Fontaine. I'm the General Counsel and  
5 former Legal Director at Make the Road New York.  
6 Make the Road New York is a membership organization  
7 with almost 27,000 members, and we serve about 30,000  
8 immigrant and working-class New Yorkers a year with  
9 our legal health and educational services, and our  
10 community centers provide a welcome space for those  
11 looking for support and connection in many aspects of  
12 their lives. We ask the Council to use every  
13 available tool to meet this critical moment in our  
14 city's history and reverse the Mayor's sweeping  
15 short-sided proposed budget cuts to vital services  
16 that would have a lasting damaging impact on the  
17 communities that we serve and their ability to  
18 thrive. Amidst historic housing, shelter, cost of  
19 living crises, we need to invest in communities and  
20 not make the short-sided cuts that hurt the most  
21 vulnerable among us. We've identified four important  
22 examples. First, the cuts that threaten legal  
23 services, especially immigration legal services as we  
24 heard a little bit about earlier. For example, our  
25 Rapid Response Legal Collaborative which fills a

1  
2 critical gap, helping individuals who are literally  
3 on the verge of deportation. The City's asylum  
4 Navigation Centers are sending increased referrals in  
5 recent months, while proposed cuts to this program  
6 are on the table. These cuts would do irreversible  
7 harm to our communities who are looking to stay and  
8 to build with their communities. Second, education  
9 cuts of \$1 billion over two years coupled with the  
10 loss of federal funds for school nurses and more will  
11 absolutely devastate our youth and their potential.  
12 This is unacceptable while the City continues  
13 overspending on school police and the NYPD's bloated  
14 budget. Third, we ask that the Council work with  
15 DYCD to baseline \$21.7 million in the Preliminary  
16 Budget for fiscal year 25 and amend the new--

17 SERGEANT AT ARMS: [interposing] Time  
18 expired.

19 SIENNA FONTAINE: adult literacy RFP,  
20 ensuring those funds are included in the RFP. And  
21 then lastly, cuts to the Department of Health and  
22 Mental Hygiene and Health + Hospitals threaten to  
23 health access services which thousands rely on to  
24 meet their basic needs. We have a list of kind of  
25 individual requests that we'll detail in our written

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COMMITTEE ON FINANCE

312

testimony, but again, want to reiterate that this is the time for critical investments, not major cuts. So thanks so much for your time.

CHAIRPERSON BRANNAN: Thank you. Okay, with that, Preliminary Budget hearing number one is adjourned. Thank you.

[gavel]

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COMMITTEE ON FINANCE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COMMITTEE ON FINANCE

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 25, 2024