

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

----- X

December 18, 2022
Start: 1:15 p.m.
Recess: 4:11 p.m.

HELD AT: Committee Room - City Hall

B E F O R E: Justin L. Brannan
Chairperson

COUNCIL MEMBERS:

Diana Ayala
Charles Barron
Gale A. Brewer
Selvena Brooks-Powers
David M. Carr
Amanda Farías
Kamillah Hanks
Crystal Hudson
Ari Kagan
Farah N. Louis
Francisco P. Moya
Chi A. Ossé
Keith Powers
Pierina Ana Sanchez
Marjorie Velázquez
Julie Won

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

Kenneth Godiner
Office of Management and Budget First Deputy
Director

Latonia McKinney
Office of Management and Budget Deputy Director
for Intergovernmental Affairs and Education

George Sweeting
Independent Budget Office Acting Director

Logan Clark
Independent Budget Office Assistant Director for
Budget Review

Ana Champeny
Citizen's Budget Commission

Penny Lewis
Secretary of the Professional Staff Congress
CUNY

Zara Nasir
The People's Plan

Heather James
Borough of Manhattan Community College CUNY

Lynn Yellen

Jen Gaboury
CUNY

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

Ashley Conrad
Freedom Agenda

Devora Cafaro [sp?]

Tanesha Grant
Parents Supporting Parents NYC

Ana Perna Putlery Schriber [sp?]

Lupe Hernandez

Sarah Knispel

Leah Ali
Student

Gregory Brender
Daycare Council

1
2 SERGEANT AT ARMS: Good afternoon and
3 welcome to today's New York City Council hearing for
4 the Committee on Finance. If you wish to submit
5 testimony, you may at testimony@council.nyc.gov. At
6 this time, please silence all electronic devices.
7 Chair, we are ready to begin.

8 CHAIRPERSON BRANNAN: Thank you. [gavel]
9 Good afternoon and welcome to today's Finance
10 Committee meeting. I'm Council Member Justin Brannan.
11 I have the privilege of chairing the Committee on
12 Finance. We've been joined today by Council Members
13 De La Rosa, Velázquez, Hanks, and Carr. Today, the
14 Committee will be holding an oversight hearing to
15 review the Mayor's November Financial Plan.
16 Customarily, the Council begins its budget hearings
17 in March, but the economic climate and challenges
18 affecting New York City require closer attention as we
19 navigate our way forward. On November 15th, 2022,
20 the Office of Management and Budget released an
21 update to the City's Financial Plan, AKA the November
22 Plan. The expense changes introduced in the plan are
23 primarily the result of the funding of the prior
24 year's pension investment return shortfall, partially
25 offset by a PEG, a program to eliminate the gap, and

1
2 a financial plan action that reduces the City's
3 budget gap by either reducing an agency's expenses or
4 increasing city revenues. The November Plan PEG
5 totals \$2.5 billion across the first two years of the
6 plan and \$5.5 billion across the entire plan period,
7 though several agencies fell short of meeting
8 directed PEG targets. In the November Plan, the FY23
9 budget increases to \$104 billion while the Fiscal 24
10 gap is reduced by \$1.3 billion to \$2.9 billion total.
11 Our goal today is to examine the details of the plan,
12 both in terms of what is included, but also what's
13 been left out. The November Plan includes receipt of
14 a billion in federal assistance for costs related to
15 asylum-seekers, funds that have not yet been secured.
16 Yet, Council finance has identified approximately one
17 billion dollars in additional tax revenue that the
18 City has collected so far for this Fiscal Year, but
19 these funds are not factored into the November Plan.
20 Since the adoption of FY23 budget on June 14th, New
21 York City has welcome thousands of people seeing
22 asylum. The most recent chapter in our city's proud
23 and long history as a place where people from around
24 the world can come to find a better life. The City
25 has aided the asylum-seekers, expending City funds on

1
2 an emergency basis. Although our compassion as a
3 city is limitless, our resources are not. While the
4 Council echoes the Administration's call for the
5 Federal Government to fully support New York's effort
6 in confronting the national immigration issue, we
7 still insist on clarity and concrete information from
8 the Administration on these costs and the progress
9 made on securing non-city funding and assistance.
10 Related to this, the Council as a body will hold an
11 oversight hearing on the City's response and delivery
12 of services to migrant families on December 9th--
13 December 19th and 20th. During this hearing we will
14 also examine other economic challenges and risks not
15 addressed in the plan. As an example, settlements of
16 expired labor contracts are pending, but emerging
17 settlement patterns in the state exceeded what the
18 City's labor reserve is currently funded to provide.
19 Under the plan it is unclear whether the reserve will
20 suffice to meet new contracts or more funding will be
21 needed. The November Plan is also silent on retiree
22 healthcare costs in the out-years, particularly
23 whether the plan assumes savings from the
24 implementation of moving the retirees to Medicare
25 Advantage. The Committee will also consider the

1 details and choices made with the November Plan PEG
2 and subsequent proposed fiscal action. The City's
3 fiscal health is linked to New Yorker's health and
4 safety promoted through investments in essential
5 health, social services and education programs such
6 as Universal 3K that make the City a place where
7 people want to live, work, and grow. While difficult
8 economic circumstances may necessitate cuts, it is
9 critical that those decisions are made in such a way
10 as to not obstruct our economic recovery and
11 subsequent growth. Through that lens, the Council
12 notes some agencies were excused from meeting their
13 obligations under the recent PEG, and we will examine
14 more closely the rationale for that approach. The
15 Council has also taken note of OMB's recent directive
16 to city agencies to eliminate half of their current
17 vacant positions ahead of their Preliminary Budget.
18 Agency vacancy rates have ballooned from 2.1 percent
19 in FY21 to our current level at nearly 7.5 percent.
20 Yet, these vacancies are not evenly distributed
21 across the city agencies. Indeed some of the more
22 acute shortages are in the Department of Buildings at
23 24 percent, the Department of Health and Mental
24 Hygiene at 19 percent, the Department of Social
25

1
2 Services 17 percent, and HPD, the Department of
3 Housing Preservation and Development at 15 percent.
4 Exactly the places we look as we grapple with the
5 ongoing affordable housing and mental health crisis.
6 The Mayor's own Management Report from this past
7 September even identified HPD's vacancy rate as a
8 factor in the 45 percent decrease in the creation and
9 preservation of affordable housing from the last
10 Fiscal Year. Today, we'll have the opportunity to
11 discuss the Mayor's Financial Plan and receive
12 feedback from members of the public. Before we
13 begin, I want to thank the Council CFO and deputy
14 Chief of Staff, Tanisha Edwards [sp?], and the entire
15 tireless Finance Committee Staff who all worked very
16 hard in putting this hearing together, Managing
17 Director Jonathan Rosenberg [sp?], Finance Counsel
18 Kathleen Un [sp?], Deputy Director and Chief
19 Economist Ray Majesky [sp?], Deputy Director Chima
20 Obichere [sp?], Aisha Wright [sp?], Paul Simone
21 [sp?], Assistant Directors Emra Edev [sp?] and
22 Crilleen Francisco [sp?], Unit Heads Alijah Ali
23 [sp?], Jack Story [sp?], and Massisse Sarkisikean
24 [sp?], and all the economist and analysts, and of
25 course, my Committee Counsel Michael Toome [sp?], and

1
2 my Senior Advisor Johnathan Yenin [sp?]. So, with
3 that, I'm going to turn it over to Committee Counsel
4 so we can swear in the witnesses and get moving. Oh,
5 we've also been joined by Council Members Hudson, Won
6 and Moya on Zoom, and Brewer and Kagan in person.

7 COMMITTEE COUNSEL: Good afternoon. Can
8 you raise your right hands please? Do you affirm to
9 tell the truth the whole truth and nothing but the
10 truth before this Committee and to respond honestly
11 to Council Member questions? Deputy Director Kenneth
12 Godiner?

13 FIRST DEPUTY DIRECTOR GODINER: I do.

14 COMMITTEE COUNSEL: Senior Deputy
15 Director Latonya McKinney [sp?]?

16 SENIOR DEPUTY DIRECTOR MCKINNEY: I do.

17 COMMITTEE COUNSEL: Thank you, please
18 proceed.

19 FIRST DEPUTY DIRECTOR GODINER: Good
20 afternoon Chairman Brannan, members of the Finance
21 Committee at City Council. My name's Kenneth
22 Godiner. I'm the First Deputy Director of New York
23 City Office of Management and Budget. I'm joined at
24 the table today by OMB Senior Deputy Director Latonia
25 McKinney. As I think you're aware, Budget Director

1
2 Jiha was not able to attend today's hearing. The
3 hearing was scheduled approximately a week ago, and
4 by then, unfortunately, he had already had a prior
5 appointment. I'll be testifying today about the
6 November 2022 Financial Plan update. Though Fiscal
7 23 remains balanced at \$104 billion, we face serious
8 challenges in crafting this plan. First, we had to
9 add billions of dollars in new mandated spending.
10 This includes \$5.8 billion of additional required
11 pension contributions across Fiscal Years 2024
12 through Fiscal 2026 due to market losses in our
13 pension investments in Fiscal Year 2021. Also,
14 Fiscal Year 2023 reflects a billion dollars in
15 federal funds related to the unexpected cost of
16 meeting our legal obligations to provide shelter and
17 support for the nearly 20,000 asylum-seekers who have
18 arrived from the nation's southern border. We're
19 actively working with our Federal Government partners
20 to secure reimbursement for all of this spending.
21 These initial needs made it difficult to keep the
22 FY2023 budget balanced and they've widened the out-
23 year gaps. Second, our fiscal stability is
24 threatened by needs we must find in the near future.
25 Because nearly all of the City's contracts with its

1 workforce have expired, when we reach settlements
2 with the labor unions will may incur new costs which
3 are not yet reflected in the financial plan. The
4 City must fund the State's class size reduction
5 mandate and address budget cliffs [sic] as federal
6 stimulus sunsets. Third, making matters worse, as
7 costs have increased, economic headwinds threaten our
8 tax revenues. Wall Street performance has declined by
9 more than 50 percent year over year. Commercial
10 vacancy rates remain high, and the housing market is
11 sluggish as mortgage rates have risen. At the same
12 time, the national economy is slowing. Healthcare
13 costs are rising, energy prices remain high, and
14 inflation has not eased. In light of this reality,
15 the Mayor took two critical steps. He implemented a
16 program to eliminate a gap, or PEG, and kept new
17 agency spending at a modest level. The PEG was a
18 success, achieving more than two and half billion in
19 gap closing savings across Fiscal Years 23 and 24,
20 and three billion over Fiscal Years 25 and 26, all
21 without reducing services or laying off a single
22 employee. As a result of these efforts, the current
23 Fiscal Year remains balanced, and we've lowered next
24 year's gap by more than one billion dollars to a more
25

1 manageable \$2.9 billion. However, the out-years have
2 grown to \$4.6 billion in FY25 and \$5.9 billion in
3 FY26, this despite one and a half billion in savings
4 achieved through the PEG at each of those two years.
5 We are aware that the Council has expressed concerns
6 with several of the PEGS, including the adjustment to
7 the 3K budget. The Mayor is committed to supporting
8 working families and building a stronger Early
9 Childhood education system. Through its advocacy and
10 willingness to shoulder much of the cost, the state
11 increased the Earned Income Tax Credit which puts
12 more money in the pockets of low to moderate income
13 New Yorkers. He has created tax incentives to
14 promote the development of childcare centers and
15 encouraged subsidized care at workplaces. The
16 longstanding childcare voucher wait list has been
17 cleared, which paved the way for the families of
18 36,000 children to apply for affordable care, and
19 last month the Mayor reached an agreement to provide
20 additional financial support to community-based
21 childcare providers. Consistent with this
22 commitment, we carefully adjusted the 3K budget to
23 maintain its current level of service and leave room
24 for growth. This Fiscal Year's 3K budget is \$712
25

1 million. Of that, \$469 is federal stimulus, a
2 funding source that ends in Fiscal Year 2025. This
3 investment supports 54,500 seats with 36,500 children
4 enrolled. This leaves an additional 18,000 seats
5 available. Every school district across the City has
6 capacity to enroll more children. We are maintaining
7 the program at the current funding levels and seat
8 levels instead of growing capacity when it has
9 already outstripped demand. I would like to turn now
10 to the reserves, which we have maintained at the
11 record-high level of \$8.3 billion. As always, we
12 appreciate your partnership in building these
13 reserves. Before I conclude, I'd like to discuss new
14 spending occurring in Fiscal Year investments. New
15 agency spending of \$211 million dollars in Fiscal 23
16 and \$138 million in FY24 is more than offset by the
17 PEG. As a result, we were able to make a prepayment
18 of \$705 million dollars to reduce through the school
19 year 2024 gap. In Fiscal Year 2023 we made
20 investments to support the Mayor's commitments to
21 help struggling New Yorkers and make the City
22 cleaner, greener and safer. We added \$19 million
23 dollars to the Medallion Relief Program to support
24 struggling taxi drivers. The Administration launched
25

1 the \$14.5 million dollar multi-agency Get Stuff Clean
2 initiative that upgrades cleanliness protocols in all
3 five boroughs. To make CityFHEPS housing vouchers
4 more accessible and easier to use, we launched the
5 Shelter to Housing Action Plan with a 50 million
6 dollar investment. To combat climate change and
7 improve neighborhood air quality, we added \$3 million
8 dollars to modify school boilers to burn cleaner fuel
9 as part of the Mayor's Leading the Charge initiative.
10 And to support a greener future, the Administration
11 invested \$2.6 million to fund a residential curbside
12 organics collection pilot program in Queens. To
13 conclude, the City traditionally uses the November
14 Plan to make technical adjustments to the Financial
15 Plan. The Council then votes on the November Plan
16 modification which reflects the changes made in
17 Fiscal Year 2023. We will submit the modification as
18 soon as we receive the Council's final list of
19 community organizations that require changes in
20 designated discretionary funding. We look forward to
21 your continued partnership in the weeks and months
22 ahead, and now I will take your questions.

24 CHAIRPERSON BRANNAN: Thank you. We've
25 also been joined by Council Members Sanchez on Zoom,

1
2 Powers and Ayala. I have no doubt that-- Latonia and
3 Kenneth, it's good to see you guys again. As a
4 former staffer, I know that often the staff is the
5 one that does the hard work behind the scenes, but
6 I'm concerned about the message that it sends to not
7 have the Commissioner here. Is that something you
8 guys thought about?

9 FIRST DEPUTY DIRECTOR GODINER: Well, as
10 I said, this is purely a scheduling difficulty. You
11 know, we don't ordinarily hold a hearing at this
12 time, so it wasn't anticipated well in advance. It
13 came on the calendar approximately a week ago, and by
14 then unfortunately Director Jiha's time was already
15 spoken for, but I-- you know me and Senior Deputy
16 Director McKinney are here to answer your questions,
17 and we hope that we'll be able to do so to your
18 satisfaction.

19 CHAIRPERSON BRANNAN: Yeah, I have no
20 doubt. I just think unless it's a family emergency,
21 the message that it sends not having him here, and
22 that whatever he's doing right now is important than
23 being here is not in line in saying we're partners in
24 this.

1
2 FIRST DEPUTY DIRECTOR GODINER: It's
3 certainly not our intent or his intent that that
4 message be sent out. I've made that clear-- without
5 asking him, I know that that's the case.

6 CHAIRPERSON BRANNAN: Alright. I'll have
7 to take your word for it. Let's get right into it.
8 So Tax Revenue collections have kept their momentum
9 from last Fiscal Year with personal income, sales,
10 and business taxes leading the way. As of October,
11 the year-to-date tax collections were \$2.8 billion or
12 11.5 percent higher compared to the same period last
13 year, and when the November Plan was released
14 collections were about \$1.6 billion more than your
15 Adopted Plan, but in the November Plan it did not
16 recognize any of these extra revenues that we've seen
17 so far. So can you explain why you've kept the tax
18 revenue forecast unchanged between Adopted and
19 November Plan?

20 FIRST DEPUTY DIRECTOR GODINER: We thank
21 you for that question. While we too saw the
22 collections being above our scheduled plan, we do not
23 necessarily believe that that indicates first quarter
24 collections are going to reflect higher than the
25 anticipated collections for the rest of the Fiscal

1
2 Year. As you know, the City Council's Finance
3 Division but also the City Comptroller, the State
4 Comptroller have all shown sig-- you know, join us in
5 seeing headwinds towards the City's revenues as we go
6 forward. You know, it's difficult to know whether
7 the collections in the first quarter represent a
8 timing issue versus a change that will reflect the
9 current-- the full Fiscal 23 revenue collections, and
10 we of course, will be coming up with a new revenue
11 estimate in the Preliminary Budget.

12 CHAIRPERSON BRANNAN: Sorry, I guess the
13 concern is, is OMB not recognizing the extra revenue
14 because you want to set money aside to cover other
15 substantial costs coming soon such as collective
16 bargaining?

17 FIRST DEPUTY DIRECTOR GODINER: The reason
18 that we didn't change our forecast is because we
19 thought that it was too early based on the data we
20 saw given the level of sort of unprecedented
21 uncertainty in the economy about collections, about
22 timings of payments. We know, you know, you've seen
23 it, everyone has, that Wall Street profits are down,
24 likely is the bonuses will be down. We, you know, we
25 will change and update our revenue forecast in the

1 Preliminary Budget which will have year-end data
2 plus, you know, a week or so, and we'll be able to
3 give you a more accurate forecast at that point. You
4 know, this is our tradition of updating our forecast
5 as we release the preliminary.
6

7 CHAIRPERSON BRANNAN: What do you think
8 is driving the stronger collection?

9 FIRST DEPUTY DIRECTOR GODINER: We think
10 that the higher collections are driven by tourism
11 return. Good news really is which is that, you know,
12 year over the year we saw substantial increases in
13 tourism in 23 versus 22, and our forecast actually
14 has a return to pre-pandemic levels by FY24. We're
15 also seeing some upticks in business and sales tax
16 that we think may be driven partially by inflation.

17 CHAIRPERSON BRANNAN: I want to jump into
18 some questions from the Speaker with regard to the
19 plan that the mayor announced at the end of last
20 month to direct police and emergency medical
21 personnel to hospitalize people who were deemed too
22 mentally-ill to care for themselves. Does this new
23 policy include any additional funding within these--
24 the agencies involved to meet this mandate? If so,
25 how much is it estimated to cost?

1
2 FIRST DEPUTY DIRECTOR GODINER: So, this
3 announcement was made after the November Plan. So,
4 not going to be in the mod that we're sending you.
5 We, you know, we are going to work with our state
6 partners and try to obtain funding and making sure
7 that all the agencies that are working with us will
8 have the resources they need to be able to provide
9 services to these severely mentally-ill people.

10 CHAIRPERSON BRANNAN: Okay. I mean, has
11 there been discussion around-- I mean, I guess we'll
12 expect to see funding added in the Prelim?

13 FIRST DEPUTY DIRECTOR GODINER: I can't
14 really discuss the next budget. As we move forward
15 we'll-- we're going to evaluate what's needed. We're
16 looking to see, you know, additional state funding to
17 provide these services. We'll come back in January,
18 and we'll-- you know, to the-- sorry. We'll come
19 back in January and to the extent that additional
20 resources are needed they'll be added.

21 CHAIRPERSON BRANNAN: This is again, from
22 Speaker Adams. In the November Plan-- this is about
23 B-HEARD, the B-HEARD Program. So, in the November
24 Plan, the B-HEARD's Program budget was reduced by
25 \$8.5 million with a reduction of 54 positions in

1
2 FY23. If the B-HEARD Program was not performing to
3 standards, why was it decided to cut funding rather
4 than trying to determine the root of the issue and
5 figuring out a way to fix it?

6 FIRST DEPUTY DIRECTOR GODINER: So the
7 reduction you see in B-HEARD is just recognizing that
8 it's not the roll-out. It's not a change in the
9 ultimate direction of this program. It simply
10 reflects the lower volume of calls in the areas where
11 we have rolled this out. So, it's not a reflection
12 of not investing in this program. We're not leaving
13 it or feeling there's problems, just that the number
14 of calls for service in the areas where we've rolled
15 out have been lower than we anticipated.

16 CHAIRPERSON BRANNAN: And what do we think
17 the reason is behind that? Do people not know that
18 it's available?

19 FIRST DEPUTY DIRECTOR GODINER: Well, my
20 understanding, and I don't want to go outside my
21 expertise very far, is that the calls for service go
22 through 911. So, it's a-- 911 triages the calls that
23 go. It's not like you have to know that B-HEARD
24 exists.

1
2 CHAIRPERSON BRANNAN: Well, then I guess
3 the concern is why don't the 911 operators know to
4 route it to B-HEARD?

5 FIRST DEPUTY DIRECTOR GODINER: I don't
6 know if that's the case, but certainly those
7 operational issues are outside my knowledge.

8 CHAIRPERSON BRANNAN: I mean, I just
9 think there's-- there's a bit of tension here with
10 the Mayor's Plan regardless of what-- whether--
11 however you feel about it. The Mayor's Plan there
12 that's sort of an unfunded mandated, and then you--
13 then we're cutting positions to B-HEARD. It's hard
14 to make sense of that. Would you agree?

15 FIRST DEPUTY DIRECTOR GODINER: Yeah,
16 obviously the Mayor is deeply committed to helping
17 people with serious mental illness. I think these
18 initiatives are separate. The B-HEARD initiative, as
19 you know, is so that we-- when calls come into 911
20 persons experiencing mental illness and the call's
21 considered, you know, non-violent. They send out a
22 team of social workers along with some EMTs to help
23 the person on the scene or get them additional care.
24 I think that's totally separate from this initiative
25

1
2 where people are thought to be a danger to themselves
3 or others.

4 CHAIRPERSON BRANNAN: And I think you
5 have a lot of supporters of B-HEARD, myself included,
6 on the Council, so if it's not working or it's not,
7 you know,-- or if the 911 calls aren't being routed
8 to B-HEARD, I think that's something we should try to
9 work on together.

10 FIRST DEPUTY DIRECTOR GODINER: I mean,
11 yeah, we appreciate that. Thank you.

12 CHAIRPERSON BRANNAN: Okay. With regard
13 to asylum-seekers, again, this is from Speaker Adams,
14 what is the actual spending to-date on the HERRCs?
15 Can you provide a breakdown by location and expense
16 type?

17 SENIOR DEPUTY DIRECTOR MCKINNEY: So, Mr.
18 Chair, we are still receiving and processing
19 invoices. There are 58 additional shelter sites and
20 four HERRCs. There was another HERRC added that
21 opened online as of yesterday, and so we don't have
22 the breakdown by facility yet, but there is a hearing
23 on December 19th in which all the agencies will come
24 before the Council and you will get more detail at
25 that hearing at that time.

1
2 CHAIRPERSON BRANNAN: I mean--
3 understood. Would you be able to tell me is there a
4 plan right now to create any new HERRCs?

5 SENIOR DEPUTY DIRECTOR MCKINNEY: We are
6 keeping all options open. We will roll out more
7 information as it becomes available. We are looking
8 at the numbers of asylum-seekers that continue to
9 come in. Obviously, the numbers have decreased, but
10 when there's a plan, we will give you more detail on
11 that.

12 CHAIRPERSON BRANNAN: Okay. Okay. I
13 want to get into labor contracts and collective
14 bargaining. So while there's yet to be any
15 settlements in collective bargaining, it's expected
16 that the pattern will likely be set soon. In the
17 November Plan the labor reserve remain unchanged with
18 funding for roughly of 1.25 percent wage increase.
19 So recent labor settlements from the state level have
20 included wage increases of two to three percent in
21 addition to signing bonuses. So, could you tell us
22 how many of the unions-- I know the percentage we
23 often hear is a little under 100 percent of the union
24 contracts are currently out of-- are expired. What
25 is the current status of those labor negotiations,

1
2 and do you feel that we can expect to see additions
3 to the labor reserve in the Prelim?

4 CHAIRPERSON BRANNAN: I'm not going to
5 talk about our labor negotiations here. We are in
6 discussions. We've been having collective bargaining
7 sessions with several of our major unions. Those
8 talks are progressing. You know, what the outcome of
9 our settlement will be will be determined at the
10 table. Clearly we will-- whatever the City agrees to
11 will have to be funded, and to the extent that's
12 above what's in the current wage assumption of 1.25,
13 we will have to add funds at that time.

14 CHAIRPERSON BRANNAN: And is it 98
15 percent of the labor contracts that are currently
16 expired?

17 FIRST DEPUTY DIRECTOR GODINER: That
18 sounds about right, yeah.

19 CHAIRPERSON BRANNAN: And have you costed
20 [sic] out the possibility of providing signing
21 bonuses?

22 FIRST DEPUTY DIRECTOR GODINER: Again, you
23 know, we're in the process of negotiating and I'm not
24 going to comment on, you know, what's going on
25 exactly in those discussions. Clearly, you know, the

1
2 City isn't going to agree to anything in a labor
3 contract that we haven't priced.

4 CHAIRPERSON BRANNAN: So, what does OMB
5 estimate would be the cost of each additional
6 percentage increase and wage increases above the one
7 and a quarter?

8 FIRST DEPUTY DIRECTOR GODINER: Roughly
9 speaking the cost of each one percent, fully loaded
10 including their pension costs which are, you know,
11 assessed on a lag [sic] basis is about-- let's say
12 between 425 and 450 million dollars per one percent.

13 CHAIRPERSON BRANNAN: So four-- say it
14 again, 400 and--

15 FIRST DEPUTY DIRECTOR GODINER: 425 to
16 450.

17 CHAIRPERSON BRANNAN: Per one percent.

18 FIRST DEPUTY DIRECTOR GODINER: Per one
19 percent.

20 CHAIRPERSON BRANNAN: Okay. The retiree
21 health costs, so Health Insurance Stabilization Fund
22 was created to provide City employees with premium
23 free health insurance coverage. Over many years, the
24 funds balance ballooned as a result of the PIP [sic]
25 rate, which the City is mandated to pay for each of

1
2 its employees being greater than the rate for GHI
3 coverage. Over the last few years, as the cost of
4 GHI exceed that of PIP, the Health Insurance
5 Stabilization Fund's balance dwindled, and according
6 to OMB, the fund's balance is essentially zero at
7 this time as the fund currently has an accrued
8 liability to the City. What is the current balance
9 of the Stabilization Fund?

10 FIRST DEPUTY DIRECTOR GODINER: so, the
11 short-term cash balance of the fund is approximately
12 \$127 million.

13 CHAIRPERSON BRANNAN: And what is the
14 current amount of the accrued liability to-- that the
15 Stabilization Fund owes to the City?

16 FIRST DEPUTY DIRECTOR GODINER: So, the
17 funds at this moment owes the City approximately \$1.9
18 billion dollars.

19 CHAIRPERSON BRANNAN: Can you provide us
20 with the value of the expenses accrued against the
21 fund in the current Fiscal Year by month?

22 FIRST DEPUTY DIRECTOR GODINER: Generally
23 speaking, the expenses aren't done on a month-by-
24 month basis. There are certain-- there are certain
25 transactions which do take place on month-by-month.

1
2 Those includes hospital care management, Weight
3 Watchers, TeleDoc, the Pika [sic] Drug Program for
4 non-CBP members, and contributions to the new welfare
5 funds, and there are a few other similar types of
6 agreements, but mostly these transactions are not
7 month-by-month, and they vary month to month.

8 CHAIRPERSON BRANNAN: Could you provide
9 us with a history of the fund's balance, including
10 all the deposits and withdrawals?

11 FIRST DEPUTY DIRECTOR GODINER: We can
12 give you the historic balance. I don't have the
13 numbers to provide you right now, but we'll be happy
14 to send that to you.

15 CHAIRPERSON BRANNAN: Okay, do you have
16 someone who's taking note of all the stuff you have
17 to follow up with us? Okay.

18 FIRST DEPUTY DIRECTOR GODINER: Yes.

19 CHAIRPERSON BRANNAN: I don't envy you
20 guys. Make sure you get it to our Committee Counsel
21 Mike Toome [sp?]. I want to also acknowledge we've
22 been joined by Council Member Brooks-Powers, and
23 Council Member Ayala. [inaudible] you're here,
24 you're also still here. Okay, Medicare Advantage, at
25 the end of 2021 the City reached an agreement with

1
2 the Municipal Labor Committee to make changes to
3 health insurance for Medicare-eligible city retirees.
4 Implementation of this agreement is currently blocked
5 by court order. Savings from this agreement has been
6 calculated by the City and the MLC is \$600 million a
7 year. Can you explain how the savings fit into the
8 Financial Plan?

9 FIRST DEPUTY DIRECTOR GODINER: Current
10 Financial Plan assumes that the City-- that the
11 transition to Medicare Advantage will take place.
12 The savings are assumed as part of the-- as part of
13 the Financial Plan. Thea assumption is that \$600
14 million dollars would flow into the stabilization
15 fund, which--

16 CHAIRPERSON BRANNAN: [interposing] How
17 much?

18 FIRST DEPUTY DIRECTOR GODINER: \$600
19 million dollars per year would flow into the fund,
20 \$50 million dollars a month.

21 CHAIRPERSON BRANNAN: Was savings assumed
22 for FY23?

23 FIRST DEPUTY DIRECTOR GODINER: Savings
24 is assumed for-- yes, for FY23, yes.
25

1
2 CHAIRPERSON BRANNAN: And what is the
3 savings for FY24?

4 FIRST DEPUTY DIRECTOR GODINER: The
5 savings built into the plan is \$600 million dollars.

6 CHAIRPERSON BRANNAN: If the MLC, the
7 City and the MLC Savings Plan is not adopted, how and
8 when will this impact on the City's budget?

9 FIRST DEPUTY DIRECTOR GODINER: To the
10 extent that the-- that we don't reach the-- anything
11 that provides the savings, eventually the City will
12 have to either incur the cost or find another way
13 through our collective bargaining process to cover
14 those expenses.

15 CHAIRPERSON BRANNAN: Okay. Moving to
16 the PEGs. The original letter sent by OMB regarding
17 the PEGs for the November Plan required all agencies
18 without any exceptions to provide OMB with PEGs
19 equaling three percent of the agency's FY23 city-
20 funded expense, and 4.75 percent of their city-funded
21 expense in the out-years of the plan period. The
22 PEGs included as part of the November Plan includes
23 an additional \$916 million in resources in FY23 and
24 \$1.6 billion in FY24. Yet, a number of agencies were
25 given exemptions from achieving the PEG targets

1 including DSNY, NYPD, and DHS. So, in general, what
2 was the rationale for exempting agencies from their
3 PEG targets?
4

5 FIRST DEPUTY DIRECTOR GODINER: So, the
6 PEG exercise was, you know, remarkably successful.
7 We did save \$2.5 billion dollars. The Administration
8 placed an emphasis and places an emphasis on public
9 safety and cleanliness. We found very significant
10 savings in NYPD, DSNY, FDNY, but in some-- and we're
11 going to continue to work with those agencies to
12 identify further savings that don't compromise those
13 priorities as we move forward. Overall, you know, we
14 achieve very significant savings in those areas.
15 They're particularly challenging in NYPD and DSNY as
16 such a huge percentage of their costs are for PS
17 costs for direct service providers.

18 CHAIRPERSON BRANNAN: So, NYPD was not
19 required to meet the target because so much of their
20 budget is on personnel services?

21 FIRST DEPUTY DIRECTOR GODINER: That made
22 it more challenging to do so. The reason that they
23 weren't made to do the full target was that we had
24 not been able to identify cuts that they could take
25 that would not impact public safety. You know, as I

1
2 said, we are going to continue to pursue those with
3 them as we roll from here to January and throughout
4 the year.

5 CHAIRPERSON BRANNAN: A couple more, then
6 I want to hand it over to my colleagues. The Vacancy
7 Reduction Plan: November 21st, your office notified
8 city agencies regarding the implementation of a
9 citywide vacancy reduction plan. The plan required
10 agencies to reduce their vacant city-funded fulltime
11 civilian positions along with associated funding by
12 half, by 50 percent. A number of agencies and
13 positions were exempted from the program including
14 uniformed pedagogical public safety-related revenue-
15 generating and legally mandated positions. What is
16 the current number of city-funded vacancies citywide?

17 FIRST DEPUTY DIRECTOR GODINER: The
18 current citywide vacancy rate is about eight percent
19 as of October, as of the end of October.

20 CHAIRPERSON BRANNAN: Eight percent.

21 FIRST DEPUTY DIRECTOR GODINER: Eight
22 percent, yes.

23 CHAIRPERSON BRANNAN: And how many
24 vacancies does OMB expect will be reduced under the
25 plan?

1
2 FIRST DEPUTY DIRECTOR GODINER: We're
3 still working with the agencies on this. As you
4 know, as you said there were exemptions for certain
5 revenue-generating and other mandated positions who
6 were working with the agencies to identify exactly
7 which of the positions are exempted and which are
8 not.

9 CHAIRPERSON BRANNAN: What's the
10 estimated value of the annual savings from the
11 Reduction Plan?

12 FIRST DEPUTY DIRECTOR GODINER: We're
13 still working with the agencies on this. You know,
14 the Vacancy Reduction Plan is part of the-- part of
15 the January Preliminary Budget, and we'll have all
16 those figures for you at that time.

17 CHAIRPERSON BRANNAN: The Council
18 estimates that the City's current vacancy rate is
19 about four times greater than it was just two years
20 ago. What's the rationale for these high vacancy
21 rates?

22 FIRST DEPUTY DIRECTOR GODINER: I mean,
23 first, I would like to thank you for the question.
24 Secondly, I'd just like to point out that with most
25 of these questions about the hiring and vacancies,

1
2 you know, we all have to bear in mind that there is
3 an incredibly tight labor market both nationally and
4 locally, that employers of all types are having
5 difficulties filling jobs. To expedite hiring needs,
6 we are lifting the two-for-one hiring restrictions,
7 and we're committed to reviewing new hire requests
8 quickly and efficiently. You know, at OMB we've
9 taken steps to improve communication with agencies
10 about what we need for them in order to grant
11 approval so that they're better able to do that, and
12 expedite the process. We're trying to have more
13 formulaic reviews. Additionally, we've used-- we use
14 to require that requests for hire were batched. So,
15 they-- I think it was once or twice a month, and now
16 we go through them individually as they come in.

17 CHAIRPERSON BRANNAN: Okay. I want to
18 hand it over to my colleagues for some questions
19 starting with Council Members Ayala and then Carr.

20 COUNCIL MEMBER AYALA: I mean, I just
21 have a question related to that I want to kind of
22 just piggy back off of what Council Member Brannan
23 was asking. My concern is that if we're implementing
24 these PEGs based on vacancies, that these jobs will
25 not come back, and that is completely unacceptable.

1
2 It also concerns me that there are agencies right now
3 that are really suffering, right, they're struggling.
4 HRA is struggling because they don't have the number
5 of personnel needed to process applications that are
6 getting food and rental assistance to families in
7 need, and so that concerns me, and I don't know how
8 much-- you know, so as opposed to cutting, and I get
9 it-- like, we're facing a fiscal, you know, cliff
10 here and we have to be fiscally responsible. How do
11 we balance that with the basic needs of New Yorkers?
12 How do we say, you know, to families that are
13 waiting, well, you know, we have 20 jobs here that we
14 haven't been able to fill. Well, why haven't we been
15 able to fill those positions? People are in need of
16 work, right? Is it because of the working
17 conditions? Is it because those jobs don't pair up
18 with the cost of living, right? We're not making
19 adjustments, and so people are no longer able to
20 afford to live in New York City based on the pay
21 rates. But you know, primarily my concern is how do
22 we ensure those jobs don't disappear in perpetuity?

23 FIRST DEPUTY DIRECTOR GODINER: So, right
24 now, the Vacancy Reduction exercise is designed only
25 to eliminate vacant positions and still leaving the

1
2 agencies, right-- even if you're-- if you take 50
3 percent reduction, that means half the vacancies are
4 still there. The agencies, I think, have actually
5 found that's why if you take half of something it's
6 because it was a bigger group there-- that they're
7 having difficulty recruiting. I think that, as I said
8 just when I was answering the earlier question, that
9 the national private and public sector labor market
10 is just very, very tight, and that every employer of
11 every stripe is having, you know, significant
12 difficulty filling vacancies. We did lift the two-
13 for-one. We're improving the process at OMB,
14 speeding that up. We've, you know, gone away from
15 the batching of it, just to speed up the timeline
16 because agencies were saying that that was a problem
17 for them. So we're doing everything we can to
18 support them filling the vacancies they have, and you
19 know, we're going to continue to do that.

20 COUNCIL MEMBER AYALA: What is the
21 commitment that the jobs will come back?

22 FIRST DEPUTY DIRECTOR GODINER: The-- you
23 know, we're looking to have these jobs filled. If
24 agencies fill all their vacancies and come to us and
25 say, you know, we have new-- we need to add people

1
2 for-- to operate, but we would certainly consider
3 that at that time.

4 COUNCIL MEMBER AYALA: Okay. With all
5 due respect that is the same explanation that we
6 received during the preliminary, and it didn't prove
7 to be fruitful. Agencies continue to be seriously
8 understaffed. And one of the ways-- and I never
9 thought that I would be quoting this, but this summer
10 we had an issue with lifeguards, for instance, right?
11 We couldn't staff the City Park's pools because we
12 didn't have enough life guards, and then we realized
13 that if we significant-- if we increase, you know,
14 slightly increase the pay rate and made some changes
15 to the requirement, that we were able to attract a
16 workforce and I haven't really seen a lot-- you know,
17 we've held-- you know, a credit to DCAS, they've been
18 excellent partners in hosting job fairs throughout
19 the City and I know that, you know, each agency is
20 trying. Again, my concern is if I have 40 vacancies
21 in an agency, which you know, I'm just throwing that
22 number out there, and I'm not making any attempt to
23 try to figure out why it is that people are just not--
24 - you know, I don't believe that we don't have
25 workers. We have a workforce out there. I just think

1
2 that people are no longer willing to accept something
3 that, you know, where they will still qualify for
4 public benefits, where they're still struggling
5 financially, and I don't know that the city's really
6 looking at it from that angle. And again, my concern
7 is that those-- those jobs will disappear and they
8 will not come back. That is problematic.

9 FIRST DEPUTY DIRECTOR GODINER: Thank
10 you, Council Member. I appreciate your concern, and
11 we look forward to working on these issues together.

12 COUNCIL MEMBER AYALA: thank you.

13 CHAIRPERSON BRANNAN: Council Member
14 Carr?

15 COUNCIL MEMBER CARR: Thank you, Chair.
16 Good afternoon. Good to see you both. I want to get
17 more into detail about the federal funding that you
18 referenced in your testimony for asylum-seekers and
19 the related services and shelter costs. You
20 referenced one billion in the plan to cover those
21 costs. Can you give us more detail about the
22 breakdown of that funding? Is it repurposing of
23 existing funds that were already coming to the City?
24 Are there new funds? Are there-- is any of it

1 contingent on subsequent approvals from Washington?

2 Can you just give us some more color to that?

3
4 SENIOR DEPUTY DIRECTOR MCKINNEY: The one
5 million dollars that we submitted to FEMA on November
6 28th, we have in the November Plan as revenue, as
7 federal revenue. We are working diligently with our
8 federal partners to secure as much funding as we can
9 before the end of session this year. Once we know
10 what we receive then, we will also talk to our state
11 partners to see what funding we can get and reflect
12 costs in subsequent plans as we know more. So, the
13 one billion dollars breaks down into several costs.
14 \$600 million for DSS, \$310 million for H+H, \$50
15 million for NYSUM [sic], \$30 million for OTI, and \$10
16 million for DCAS. So this is our projection through
17 the end of the Fiscal Year. As we move further in
18 the process, as we see how many more asylum-seekers
19 continue to come, we'll do adjustments, but the one
20 billion dollar push is our projection, and at this
21 time, we are still processing invoice and
22 expenditure, and we will be able to give you an
23 update at the hearing on December 19th and in the
24 future plans.

1
2 COUNCIL MEMBER CARR: so, the whole one
3 billion at this point is more of a hope. It's a
4 pursuit of monies rather than monies that we know for
5 certain that are coming to the City, is that
6 accurate?

7 SENIOR DEPUTY DIRECTOR MCKINNEY: Right,
8 that's our projection based on the cost, the shelter
9 cost, the food cost and additional services, but
10 we'll have a better idea of where we are come the
11 January plan and subsequent plans.

12 COUNCIL MEMBER CARR: So, the Independent
13 Budget Office responded to an inquiry for the Borough
14 President and the Borough Council delegation saying
15 that in total for the Fiscal Year they expected \$600
16 million to be the total cost to the city for services
17 and shelter provider to asylum-seekers that have
18 entered the City not just the shelter cost. So do you
19 think that that's an under-estimate of what it will
20 ultimately be, and if it turns out that that's
21 accurate and you get the billion, are you going to be
22 constrained to spend that money this Fiscal Year or
23 will you be able to roll it into FY24 for shelter
24 costs and other services that I assume will continue
25 past June 30th.

1
2 SENIOR DEPUTY DIRECTOR MCKINNEY: Well,
3 we'll continue the conversation with the fiscal
4 monitors. Funding comes in on a reimbursement basis,
5 so we have to-- we've already been incurring costs
6 since April of last year when we first had the first
7 asylum-seekers arrive, and so we are processing those
8 costs, and we will get them back as we make
9 application and continue to work with federal
10 partners. So we'll make adjustments then, but we're
11 happy to talk with all fiscal monitors on cost moving
12 forward and what they see as well.

13 COUNCIL MEMBER CARR: And you referenced
14 the flow of individuals into the City, and that's
15 really the X factor here in terms of cost to the
16 City. What's been the change in that flow over the
17 last several months, and is that basis for your
18 expectations moving forward? Like, are-- do you
19 expect that the flow will continue even or are you
20 anticipating that it's going to slow down? Has it
21 been slowing down? If you could give us some more
22 detail on that based on the numbers?

23 SENIOR DEPUTY DIRECTOR MCKINNEY: Council
24 Member, I don't know exactly what the flow will be.
25 Obviously, when we have the hearing, the agencies and

1
2 City Hall will be able to give you more details as to
3 what they project. Right now, we have about 20,000
4 families and individuals that are in the shelter
5 system or in the HERRCs, and so that's what we're
6 basing our numbers on at the moment. So we don't
7 know whether they will be a wave in the future
8 different parts of the year, but we're projecting the
9 one billion dollars based on what we see coming now,
10 and the numbers have dwindled, but folks are still
11 coming, so we'll be able to adjust as we move forward
12 in the next plan.

13 COUNCIL MEMBER CARR: Thank you. Thank
14 you, Chair.

15 CHAIRPERSON BRANNAN: For the hearing on
16 the 19th and 20th, you'll have all that granular
17 information ready?

18 SENIOR DEPUTY DIRECTOR MCKINNEY: We'll
19 give you the point-- point-in-time information that
20 we have and we're gathering now and reviewing. But
21 right now, we just have the one billion dollar
22 request that we're making to our federal partners.

23 CHAIRPERSON BRANNAN: Okay. We've also
24 been joined by Council Members Restler and Louis.

25

1
2 Now, we're going to go to questions from Brooks-
3 Powers followed by Brewer.

4 COUNCIL MEMBER BROOKS-POWERS: Thank you.
5 Couple questions. The Mayor asked that all agencies
6 make cuts of three percent for Fiscal Year 2023 in
7 the November Plan. However, some agencies fell
8 significantly short of the three percent target, but
9 I'm interested in understanding why the Admin has not
10 included mental health services alongside NYPD, FDNY,
11 and DSNY in light of the mental health crisis that
12 we're seeing right now.

13 FIRST DEPUTY DIRECTOR GODINER: So,
14 obviously, the Mayor recognizes and places great
15 priority on addressing people who are experiencing
16 severe mental illness. We work with each of the
17 agencies to make sure that the cuts that they did
18 take would not impact services. We found that to be
19 especially challenging in the case of DSNY and NYPD,
20 because such a very large portion of their budgets
21 are dedicated to personnel services for direct
22 service providers. When we worked with DOHMH we were
23 able to find savings there that would not impact
24 public safety, nor would impact the mental health
25 crisis.

1
2 COUNCIL MEMBER BROOKS-POWERS: The
3 November Plan shows that over the next four Fiscal
4 Years we expect to see an average decrease of 15
5 percent in federal aid as much of money provided to
6 the City during COVID runs out. How does this plan
7 specifically address this massive decrease in the
8 amount of available federal aid in the coming years?

9 FIRST DEPUTY DIRECTOR GODINER: Our plan
10 is to address the decreases in federal aid as
11 stimulus runs out by prioritizing programs that are
12 successful, but looking for other forms of funding to
13 make sure that we're prioritizing the-- you know,
14 both-- not just the programs that were currently
15 federally funded. They may not be the programs where
16 there's extra money, but if there's savings in the
17 agencies, there are operations to make them more
18 efficient to preserve those services that are
19 currently funded by federal dollars, we will also be
20 doing that. And you know, it's part of our overall
21 attempts to make the City government be more
22 efficient. We will to try to find ways in which to
23 pay for those continual services.

24 COUNCIL MEMBER BROOKS-POWERS: Also,
25 under the PEGs identified for the Department of

1
2 Transportation, the Mayor's plan-- excuse me-- the
3 Mayor's plan includes increases in revenue from speed
4 cameras in the out-years. Could you talk about what
5 led to the projected increase in revenue?

6 FIRST DEPUTY DIRECTOR GODINER: I don't
7 have numbers on how we're-- you know, the exact the
8 projections, but the expectation is with greater
9 enforcement and quicker processing, that we're going
10 to be able to grow those revenues.

11 COUNCIL MEMBER BROOKS-POWERS: And then,
12 I remember reading in one of the recent articles that
13 the Mayor was looking into-- I think, he may have
14 already paused the City's broadband plan, but then in
15 the proposal-- in the November Plan it speaks about
16 an increase to OTI. Can you explain if there's going
17 to be a pause, or if there has been a pause, why we
18 see the need for the increase?

19 FIRST DEPUTY DIRECTOR GODINER: So,
20 you're saying the increased funding for OTI? You
21 know, I think there are some areas where OTI is
22 seeing increased costs on either systems maintenance
23 or continuation of some of their-- of some of the
24 builds. There's also some funding in for providing
25 broadband access in NYCHA. We're going ahead with

1
2 that program. So I think those were the primary
3 drivers, but I don't have the new needs right in
4 front of me.

5 COUNCIL MEMBER BROOKS-POWERS: Just
6 expanding on that a little bit. Recognizing the need
7 to have greater access to broadband, especially in
8 communities right now that we see under-resourced,
9 would they be prioritized in this increase of funding
10 in terms of how OTI rolls out these programs?

11 FIRST DEPUTY DIRECTOR GODINER: Well, I
12 know that we're in the midst of rolling out the
13 program in NYCHA units, which are obviously situated
14 throughout many of the neighborhoods in the City, and
15 you know, the goal is to have ultimately a city-- a
16 NYCHA-wide roll out on broadband access.

17 COUNCIL MEMBER BROOKS-POWERS: And then
18 my last question is, it appears the Department of
19 Transportation is losing 638.9 million dollars for
20 construction, reconstruction of highways, and
21 resurfacing of street. I just want to understand
22 that a bit better, especially with the City having
23 goals as it pertains to resurfacing and what have
24 you.

1
2 FIRST DEPUTY DIRECTOR GODINER: Well,
3 we've made-- they participated in the PEG. The DOT
4 cuts won't impact the completion of meeting our goal
5 of making the improvements at a thousand
6 intersections. Obviously, we're-- I shouldn't say
7 obviously. We are also, you know, fully committed to
8 meeting our targets on the pedestrian ramp program
9 which is funded both expense and capital. Overall,
10 that-- you know, we have not reduced the lane mile
11 targets we expect to make.

12 COUNCIL MEMBER BROOKS-POWERS: Hopefully
13 that's not going to impact the much-needed
14 resurfacing in the streets that been happening in the
15 outer boroughs that have been really, like, delayed,
16 quite honestly, in happening. So hopefully those
17 proposed cuts through the PEGs are not going to
18 impact those types of communities.

19 FIRST DEPUTY DIRECTOR GODINER: Right.
20 Yeah, the street resurfacing program is almost
21 exclusively done through capital, and there's no plan
22 on slowing down that program.

23 COUNCIL MEMBER BROOKS-POWERS: Thank you.
24 Thank you, Chair.

25

1
2 CHAIRPERSON BRANNAN: I'm joined by
3 Council Member Fariás. Now we're going to Council
4 Member Powers then Council Member Brewer.

5 COUNCIL MEMBER POWERS: Do Gale and then
6 I'll come back.

7 CHAIRPERSON BRANNAN: Council Member
8 Brewer.

9 COUNCIL MEMBER BREWER: Thank you. I was
10 mortified to find out that after working hard with my
11 colleagues to come up with money for DOI, an agency
12 that is revenue-producing, brought in seven million
13 last year, two million already this year, that the 18
14 positions were not sanctioned by OMB because they
15 were not baselined. So the money went right back to
16 OMB. So, I have two questions. Because I
17 understand, you don't want to hire somebody and fire
18 them. I got it, but for God's sake when you have a
19 situation where these folks are bringing in money,
20 then I just think OMB should work out something so
21 that they continue. So that money-- I guess I have
22 two questions. Shouldn't that have been baselined?
23 Shouldn't that be baselined? Second, how much other
24 money went back to OMB because it's not baselined?
25 That was really, really frustrating. Eighteen

1
2 positions, bring in money, not baselined, so OMB said
3 forget it, you can't hire, you can't have the money.
4 Are there other situations like that, and what are
5 you going to do about DOI?

6 FIRST DEPUTY DIRECTOR GODINER: So, first
7 place, the idea that it goes back to OMB, I just like
8 to--

9 COUNCIL MEMBER BREWER: [interposing] It
10 goes back to the general fund, I know.

11 FIRST DEPUTY DIRECTOR GODINER: Back,
12 right, that we spend on other programs because it's
13 unspent like other programs.

14 COUNCIL MEMBER BREWER: I understand
15 that.

16 FIRST DEPUTY DIRECTOR GODINER: Okay. I
17 just wanted to make it clear. So, with regard to
18 revenue-producing positions, generally speaking, we
19 have-- we exempted them from the two-for-one freeze
20 in the past. We've exempted them, you know, in-- you
21 know, from almost all our programs. We talked about
22 how we exempting revenue-producers from our vacancy
23 reduction program. We're fully committed to not
24 reducing positions that in fact produce more revenue
25 than it costs to fill. With regard to the specific

1
2 18 positions at DOI, I don't have the level of
3 familiarity with that. I'm happy to--

4 COUNCIL MEMBER BREWER: [interposing] I'd
5 love to get back-- I'd like--

6 FIRST DEPUTY DIRECTOR GODINER:
7 [interposing] We'll look into that and get back to
8 you.

9 COUNCIL MEMBER BREWER: to have those
10 positions be baselined and otherwise it'd make-- it's
11 revenue-producing. Everything you said, and of
12 course they do good things and get rid of bad people.
13 So I do think that you should look very carefully of
14 this. I would also like to know are there other
15 situations where we allocated money and it's gone
16 back to the general fund in last year's budget.

17 FIRST DEPUTY DIRECTOR GODINER: Well, try
18 to get back to you with answers on that.

19 COUNCIL MEMBER BREWER: Okay. Number
20 two, vacant positions. I'm really concerned about
21 HPD. We just had a hearing on it, but in this
22 particular case, HPD as you know got a PEG, 2.4
23 million in FY23 and my understanding is that 77--
24 including the 77 new positions that were added at
25 that time. So there were supportive housing

1 positions in there, voucher appeals positions, and of
2 course, without this I don't know how you do lead
3 remediation, asset management, etcetera. So why did
4 OMB ask the agency not to hire these positions that
5 were added by the same administration, and you-- can
6 you commit to hiring the 77 new positions added in
7 exec? At the most recent hearing we learned-- we're
8 all trying to maintain current housing. So, in terms
9 of inspectors, if my memory is correct we have only
10 274 at HPD with a hundred vacancies. I remember it
11 was 700 inspections. That's what I remember. And
12 also the attorneys that help maintain housing. There
13 were 13 vacancies. HPD needs help along with all the
14 other agencies. So how are you going to deal with
15 the 77, because all of these ways, they provide. All
16 of these people I just mentioned provide housing
17 maintenance, which should be part of the Mayor's
18 plan.

19
20 FIRST DEPUTY DIRECTOR GODINER: So, the
21 PEG at HPD only took down accrued PS savings from
22 positions that are unfiled either because the
23 position is new, it hasn't been filled yet, or due to
24 attrition. We did not reduce HPD's headcount during
25 the November Plan.

1
2 COUNCIL MEMBER BREWER: [inaudible] I
3 don't know what that means, except something from a
4 piece of paper.

5 FIRST DEPUTY DIRECTOR GODINER: Well, I'll
6 tell you--

7 COUNCIL MEMBER BREWER: [interposing] what
8 I'm trying to say to you--

9 FIRST DEPUTY DIRECTOR GODINER:
10 [interposing] I'll tell you--

11 COUNCIL MEMBER BREWER: I am livid about
12 this issue that we have nobody inspecting anything,
13 no HPD, no DOB, no Fire Department, no Health
14 Department, and we learned today there's nobody at
15 the Commission on Human Rights. Nobody is doing
16 inspections in this city. And I've been around a
17 long time. I don't mean to get upset, but this city
18 is not going to function if you don't have these
19 vacancies filled and people doing in the inspection.
20 We'll have no supportive housing, no opening of
21 restaurants, no opening of new business, nothing.

22 FIRST DEPUTY DIRECTOR GODINER: I
23 appreciate that. The-- I was just speaking to the
24 PEG. With regard to the vacancy reduction, we
25 exempted all of the inspector titles from that. We

1
2 exempted them from two-for-one. We've been giving
3 them support in terms of trying to hire. I know DCAS
4 has been working with them and trying to get
5 inspectors on board, and I also know that quite
6 frankly, the shortage of inspectors, especially on--
7 mostly on the building side, you know, has been a
8 long-standing problem as when the construction
9 industry is doing well. Most of the people that we
10 hire requires the licenses, the same licenses they
11 require in the construction business, and we tend to
12 lose those people to those jobs.

13 COUNCIL MEMBER BREWER: Okay. I will also
14 add, you have a salary issue, and you have-- we do
15 not allow anybody to be virtual. So the Mayor has got
16 to change that position, and OMB should push him to
17 do so. I should not be the only one complaining about
18 that. Thank you.

19 CHAIRPERSON BRANNAN: Council Member
20 Powers?

21 COUNCIL MEMBER POWERS: I maybe regret
22 going after Council Member Brewer now, but I-- but I
23 will say everything she said is completely correct.
24 On a day where we are talking about housing in the
25 chamber next door and the Mayor's giving a big speech

1
2 on housing. HPD, DOB, and all the agencies that are
3 so critical so to making sure that we're having a
4 functioning city, supportive housing, all those
5 things are essential to this. But I'm going to let
6 other folks also talk about that. I want to talk
7 about CUNY for a second and the PEGs to CUNY. The
8 November Plan reduces CUNY's budget by 3.4 million in
9 FY23 and 5.1 million in the out-years. Can you tell
10 us what efficiencies, "efficiencies" you're
11 implementing at CUNY? Can you confirm these
12 reductions will not reduce programming or resources
13 for students? Will they effect headcount, wages,
14 salaries of CUNY staff members?

15 SENIOR DEPUTY DIRECTOR MCKINNEY: Thank
16 you for the question.

17 COUNCIL MEMBER POWERS: And nice to see
18 you.

19 SENIOR DEPUTY DIRECTOR MCKINNEY: Nice
20 to see you, too, Council Member. The programmatic
21 savings in CUNY will not result to any changes in
22 service. CUNY's enrollment has dropped
23 substantially, and so that produces OTPS savings that
24 will not impact service. So we're working with CUNY
25 on the programmatic savings there, but the additional

1
2 \$2.2 million in programmatic savings will come from
3 OTPS efficiencies and the 5.1 million dollars in 24
4 and the out-years are programmatic savings that are a
5 result of the enrollment drop. So, there are no--

6 COUNCIL MEMBER POWERS: [interposing] Can
7 you just-- what is the enrollment drop numbers?

8 SENIOR DEPUTY DIRECTOR MCKINNEY: I don't
9 have that in front of me.

10 COUNCIL MEMBER POWERS: Okay.

11 SENIOR DEPUTY DIRECTOR MCKINNEY: Yes,
12 I'll get that for you.

13 COUNCIL MEMBER POWERS: Just quick
14 follow-up questions. The plan also introduces PEGs
15 to CUNY's budget for vacancy reductions, in
16 particular headcount decreases by 64 in FY23 and 79
17 in the out-years. And you're-- as you talk about low
18 enrollment and hybrid courses not needing more
19 professors as stated reason. Are you certain-- is
20 there a certainty that CUNY will not need those
21 positions in the future? And what certainty do we
22 have about that, and are there other reasons that you
23 are looking to achieve headcount reductions based on
24 low-- besides you talked about low enrollment and
25

1
2 attrition and remote classes. Are there other
3 reasons contributing to that?

4 SENIOR DEPUTY DIRECTOR MCKINNEY: As Ken
5 said earlier, we'll continue to engage with CUNY on
6 its needs, but they were not exempted from the
7 targets we have when we released the January plan.
8 We'll give you more detail as to what we see with
9 CUNY but the conversations are ongoing.

10 COUNCIL MEMBER POWERS: Good, and I'll
11 just-- I'll-- I don't want to take up too much time,
12 but I will say this. I know that the kind of
13 approach here is sort of to look across the board.
14 Some agencies are not taking the same exact cuts as
15 other agencies or asked to do different targets, and
16 certainly I understand and recognize the fiscal
17 challenges that could like head, pressures from
18 Federal Government, Albany, things like that, and the
19 changing financial forecast. I do think when we talk
20 about some of our housing agencies we talk about
21 CUNY, we talk about agencies that are really
22 essential to the-- sort of the roots of New York
23 City, it is hard to ask them to take the same or less
24 of a cut than some other agencies here that are not
25 being asked to do that. And that's because this is a

1
2 foundational part of our city and they are critical
3 to ensuring the financial success of the City and the
4 future as well and the stability of the City. so
5 I'll reserve my statements and questions beyond that,
6 but I think that this Council should certainly take a
7 hard look at where those cuts are coming from and
8 exactly whether they should be asked to do more than
9 some other agencies and also certainly whether they
10 are being asked to do a lot more with a lot less in
11 the coming years. Thanks.

12 CHAIRPERSON BRANNAN: Just quickly to
13 follow-up on what Council Member Brewer was saying. I
14 think we'd be interesting to-- it'd be important for
15 us to understand I'd say over the past-- some more
16 follow-up work over the past five years. The revenue
17 collection positions and the tax collector positions
18 versus how much revenue that generated versus those
19 vacancy cuts. So the cuts that are happening, what's
20 the impact going to be on that revenue collection,
21 tax collection.

22 FIRST DEPUTY DIRECTOR GODINER: Just to
23 reiterate, Council Member, that we have exempted
24 revenue-producing positions from the Vacancy
25 Reduction Plan.

1
2 CHAIRPERSON BRANNAN: Okay. Yeah, I'm
3 going to move to Council Members Restler and then
4 Council Member Kagan.

5 COUNCIL MEMBER RESTLER: thank you very
6 much, Chair Brannan for your leadership and for
7 helping convene this hearing today, and it's good to
8 see you Ken and Latonia. Thank you for joining us.
9 I just firstly want to strongly endorse the very
10 compelling statement that Speaker Adams put out
11 earlier today on-- as it relates to the budget and
12 the Mayor's insistence of slashing and burning city
13 government and dramatically reducing the scale and
14 scope of our city. When we reduce tens upon tens
15 upon tens of thousands of government jobs, we cannot
16 fulfill our basic functions. We cannot create the
17 affordable housing that we need. We cannot connect
18 people to the benefits that they deserve. We cannot
19 change 111 housing policies, because we don't have
20 the staff to do it. And I am deeply concerned about
21 this Administration's commitment to austerity, and
22 this Council has an alternative vision. And I want to
23 just echo Majority Leader Powers and his sentiments
24 on CUNY, but I'll just be a one-trick pony today and
25 focus on the issue of 3K, which I am deeply concerned

1
2 about. To be very plain, over the next three years,
3 you all are planning to cut a billion dollars from
4 3K, a billion dollars are being cut from Universal--
5 from what was intended to be Universal 3K, but by my
6 accounts, you all have determined that a third of the
7 three-year-olds in New York City have disappeared in
8 the last year since we were looking at this last. Is
9 that right? We've gone down from 55,000-- 61,000
10 seats to then it was 55,000 seats, and now you're
11 only planning to have a third less, about 35,000-
12 36,000 seats in perpetuity. Is that true?

13 SENIOR DEPUTY DIRECTOR MCKINNEY: No,
14 that's not correct.

15 COUNCIL MEMBER RESTLER: Okay.

16 SENIOR DEPUTY DIRECTOR MCKINNEY: Council
17 Member, thank you for the question. So we are
18 maintaining 55,000 seats. That's the current number
19 in 3K.

20 COUNCIL MEMBER RESTLER: How can you
21 maintain 55,000 seats if you cut a billion dollars in
22 funding over the next three years?

23 SENIOR DEPUTY DIRECTOR MCKINNEY: That's
24 what the funding supports right now which is 712

25

1 million dollars for 55,000 seats. So that's the
2 current level for--

3 COUNCIL MEMBER RESTLER: [interposing] But
4 the funding was cut for those seats. You're only
5 funding the 36,000 seats.

6 SENIOR DEPUTY DIRECTOR MCKINNEY: No,
7 there are 36,000 children in the seats, but--

8 COUNCIL MEMBER RESTLER: [interposing]
9 Right.

10 SENIOR DEPUTY DIRECTOR MCKINNEY: we are
11 maintaining 55--

12 COUNCIL MEMBER RESTLER: [interposing] Oh,
13 so you're funding 55,000. So the 300 million dollar
14 reduction for next year, and the billion dollars over
15 these three years that you're cutting is only for
16 6,000 seats a year from 61 to 55?

17 SENIOR DEPUTY DIRECTOR MCKINNEY: Yes.

18 COUNCIL MEMBER RESTLER: So, these are
19 \$100,000-- yeah. I'm not very perfect-- I'm not great
20 at math. I'll look at the Council Finance team for
21 help. I'm sorry, Latonia, we don't have you here
22 anymore, but that puts it at about \$95,000 a seat.
23 That's a-- are they gold-plated seats? Help me out
24

1 here. How do we get 3K seats that cost a gazillion
2 dollars a year?
3

4 SENIOR DEPUTY DIRECTOR MCKINNEY: In
5 Fiscal 2024, the projection was for 3K to expand to
6 61,000 seats.

7 COUNCIL MEMBER RESTLER: Right.

8 SENIOR DEPUTY DIRECTOR MCKINNEY: We are
9 keeping 3K at 55,000 seats--

10 COUNCIL MEMBER RESTLER: [interposing] I
11 get it.

12 SENIOR DEPUTY DIRECTOR MCKINNEY: in FY24.

13 COUNCIL MEMBER RESTLER: But you're
14 cutting 300 million dollars next year and claiming
15 that's a 6,000 seat reduction. That's \$95,000 a
16 seat. Something is not fitting in the math. I think
17 that what you're actually doing is funding it at the
18 36,000 seat level in perpetuity, and the notion of
19 Universal 3k is not just off the table now, it's off
20 the table forever, because you've just cut a billion
21 dollars in 3K funding over the next three years.
22 Unless I'm misunderstanding how expensive a 3K seat
23 is, I can't believe \$95,000 a seat for 3K. Is that
24 real?

1
2 SENIOR DEPUTY DIRECTOR MCKINNEY: Council
3 Member, what we're doing is continuing our commitment
4 to Early Childhood Education. We're looking at all
5 programs and services for newborns through five-year-
6 olds. 3K is a part of that. There was a projection
7 of increasing 3k seats in Fiscal 2024 to 61,000. We
8 looked at those numbers along with all other services
9 for Early Childhood Education and we are going to
10 maintain 55,000 seats--

11 COUNCIL MEMBER RESTLER: [interposing] But
12 by this reduction--

13 SENIOR DEPUTY DIRECTOR MCKINNEY: into the
14 future.

15 COUNCIL MEMBER RESTLER: of a billion
16 dollars over these years in Early Childhood
17 Education, you're not saying, oh, well 3K's under-
18 enrolled we're going to shift it to zero to two.
19 You're just cutting the money. It's disappearing. So
20 it's hard for me to believe that this Mayor and this
21 Administration and this Chancellor are committed to
22 Early Childhood Education, because you have cut a
23 billion dollars in the November Plan in funding for
24 Early Childhood Education over the next three years,
25 and I'd like confirmation. You all believe that a 3K

1
2 costs \$95,000 a year? Because if I look at the
3 revenue add that you made of I think it \$283 million
4 dollars and the 580, I believe it was, that you were
5 cutting for this year ahead, the net figure it was
6 around 300 million dollars. Again, I don't claim to
7 be the best at math, but I can do some simple stuff.
8 \$95,000 a seat for 3K is that what the Administration
9 is anticipating?

10 SENIOR DEPUTY DIRECTOR MCKINNEY: 3K was
11 to-- was to increase the-- by \$284 million dollars in
12 stimulus funds in 2024, and so we are using those
13 funds and reviewing those funds with DOE. We're going
14 to do several realignments with DOE, but we thought
15 it appropriate to keep 3K seats at 55,000. Moving
16 forward, there are 36,000-- over 36,000 children
17 enrolled now, and--

18 COUNCIL MEMBER RESTLER: [interposing]
19 Latonia, I have an enormous amount of respect for you
20 and you are in-- you know this stuff inside and out,
21 but the math that you all are articulating doesn't
22 make any sense. And so to say that we're doing a
23 6,000 seat decline next year and it's \$300 million
24 dollars taken out of the budget, and it's a billion
25 dollars that you've taken out of 3K over the next

1
2 three years, but it's only a 6,000 seat decline per
3 year, something in that math is severely out of
4 whack, and that's why I think this is being wildly
5 misleading in slashing and burning the 3K program,
6 and any intention to go to universal 3K is entirely
7 off the table now and it seems like forever, and I
8 think that is a major, major, major problem for
9 working families in New York City, because working
10 parents can't go to work if they don't have a take
11 place to take their kids. And Early Childhood
12 Education is something that really can level the
13 playing field and create opportunity and equity in
14 low and moderate income communities. We're not doing
15 it, and I hope this council will be able to push back
16 and find the resources, because clearly it's not a
17 priority at this point. Thank you.

18 SENIOR DEPUTY DIRECTOR MCKINNEY: I'll
19 just say this. The Mayor continues through the
20 Childcare Blueprint to express his commitment to
21 Early Childhood Education. We will continue the
22 conversation with you. The DOE is committed to
23 working with all Council Members on programs in their
24 district to fill seats and continue that
25 conversation, but we are looking at all programs in

1
2 Early Childhood Education, including 3K, moving
3 forward. Thank you.

4 COUNCIL MEMBER RESTLER: Thank you very
5 much.

6 CHAIRPERSON BRANNAN: I want to ask a
7 question just on behalf of Council Member Hanks who
8 had to leave related to DYCD. November Plan includes
9 savings resulted from under-spending in the SYEP and
10 the adult literacy programs. What was the cause of
11 the under-spending on these programs?

12 FIRST DEPUTY DIRECTOR GODINER: I think
13 the-- the under-spending here is just caused by
14 delays in implementation. I think there's a
15 procurement that's delayed from original
16 expectations. I'll get the-- we'll come back with
17 more details and we'll send them to you.

18 CHAIRPERSON BRANNAN: Okay. It's
19 important for us to understand how this PEG would
20 impact summer employment, obviously, and if there's
21 an impact--

22 FIRST DEPUTY DIRECTOR GODINER:
23 [interposing] We are going to maintain the level of
24 summer employment opportunities for New York's youth.

1
2 CHAIRPERSON BRANNAN: So then what-- is
3 there an impact on headcount then due to these
4 reductions?

5 FIRST DEPUTY DIRECTOR GODINER: I'll get
6 back to you on whether there was a headcount, but it--
7 - I believe this is an underspending, so they may
8 have been under headcount, and therefore we're not
9 paying salaries for people who we hadn't been able to
10 bring on board. Yeah, I'm sorry the-- one other
11 fact-- thank you-- is that because some people didn't
12 stay for some of the summer youth employment--
13 participants didn't stay for the whole summer, there
14 was a reduction in spending on wages for the
15 participants.

16 CHAIRPERSON BRANNAN: Okay. Now, Council
17 Member Kagan followed by Council Member Fariás.

18 COUNCIL MEMBER KAGAN: Thank you, Chair.
19 My question is about \$600 million dollar savings that
20 you're planning for switching [inaudible] to Medicare
21 Advantage program. So, if City Council will not
22 approve this change, because we are bombarded by our
23 constituents left and right, phone calls, emails
24 saying don't approve this change. Do you have a plan
25 B of what you're planning to do?

1
2 FIRST DEPUTY DIRECTOR GODINER: So, if we
3 don't-- if we don't get the savings from the \$600
4 million dollars, you know-- you know, we are
5 currently, you know, in discussion with the MLC and
6 the arbitrator about options here about how to
7 proceed going forward. You know, this is a
8 fundamental building block of getting our health
9 spending back in line with budgeted levels. You
10 know, it's our expectation that this change will take
11 place or an alternative will be found.

12 COUNCIL MEMBER KAGAN: So you don't have
13 plan B right now?

14 FIRST DEPUTY DIRECTOR GODINER: We're
15 working, like I said, with the MLC and the
16 arbitrator. I think there's been a lot of public
17 communication about that, but you know, I don't want
18 to get into what's going on, you know, with the
19 unions, but there is a discussion there about finding
20 an alternative. There are only a few options left to
21 try to maintain this level of savings, and you know,
22 we're still-- you know, this-- the outcome of any of
23 those alternatives I think will be less positive
24 overall than plan A, and we, you know, really see
25 that the Council make the change to allow the MLC and

1
2 the city to bargain over outcomes that are best to
3 support our retirees.

4 COUNCIL MEMBER KAGAN: I would urge you
5 to look for alternative funding just in case, because
6 I'm not alone, I know that many of my colleagues are
7 receiving same emails and phone calls from panicking
8 retirees that are afraid of the huge increase of
9 their healthcare cost for their health insurance.
10 Thank you.

11 FIRST DEPUTY DIRECTOR GODINER: I
12 appreciate that. Thank you.

13 CHAIRPERSON BRANNAN: Council Member
14 Farías?

15 COUNCIL MEMBER FARIÁS: Hi folks, good
16 afternoon. I will-- I came into this kind of
17 prepared to ask quite a different grouping of
18 questions, but I'm going to stick to my Chair of
19 Economic Development and get those out of the way
20 preliminarily. So, last year, the NYCDC commenced
21 with the Hospital Loan fund which was to provide
22 loans to safety-net hospitals. The loans will
23 provide support to hospitals that serve low-income
24 New Yorkers and communities of color, communities
25 that were disproportionately impacted by the

1
2 pandemic. In the November Plan, there was a 31.7
3 decrease in FY23 for the Hospital Loan Fund as part
4 of SBS' PEG. What's the rationale for the FY25 PEG
5 and what is the value of the loans dispersed by the
6 fund today?

7 FIRST DEPUTY DIRECTOR GODINER: so, you
8 know, this-- that's a great question. Thank you so
9 much. This is an active fund, right, where we--
10 through a partnership with Goldman Sachs, the City
11 asks the guarantor to assist those hospitals in
12 securing loans. Our obligations under this agreement
13 won't materialize until FY25. It was determined that
14 the funding was not required currently to present in
15 the out-years. We'll assess the funding that we
16 needed based on the obligations that arise at that
17 time and thereafter. Remember the City cost only
18 exists as the guarantor and I believe there are no
19 defaults to-date. So, you know, that's how we were
20 able to take that funding down. I don't have a
21 figure on how much the loans to date have been. We
22 can try to get that and get back to you on it.

23 COUNCIL MEMBER FARÍAS: That'd be great.
24 And then after implementation of the PEG, do we know
25 how much money will remain for the fund?

1
2 FIRST DEPUTY DIRECTOR GODINER: Well,
3 the-- after the PEG-- the PEG doesn't affect the
4 amount of the guarantee that's available.

5 COUNCIL MEMBER FARIÁS: Okay.

6 FIRST DEPUTY DIRECTOR GODINER: It's
7 simply the amount of expense that we anticipate.

8 COUNCIL MEMBER FARIÁS: Okay, so
9 currently right now the loans that were approved and
10 dispersed have already been given out and we're not
11 anticipating additional--

12 FIRST DEPUTY DIRECTOR GODINER:
13 [interposing] There may--

14 COUNCIL MEMBER FARIÁS: [interposing]
15 Either grants have been given out.

16 FIRST DEPUTY DIRECTOR GODINER: There may
17 or may not be additional loans, but the PEG doesn't
18 reduce the-- inherently reduce the capacity to make
19 those loans or guarantee them.

20 COUNCIL MEMBER FARIÁS: Okay, thank you.

21 FIRST DEPUTY DIRECTOR GODINER: Yeah,
22 it's about, you know, anticipated losses and we took
23 those down. We don't-- as of present we aren't
24 seeing that.

1
2 COUNCIL MEMBER FARIÁS: Great, thank you
3 for that. I'd like to ask some economy questions if
4 possible. So this pandemic and the recession that
5 ensued from it is likely to cause long-term
6 structural changes to the City's economy, as we've
7 already I think all seen. Businesses, especially
8 retailers and restaurants are being forced to change
9 how they conduct business in order to survive and
10 maintain in this city. Firms that have allow-- that
11 have had to allow their employees to work from home
12 may be inclined to continue to do so after the
13 pandemic is over. Those changes could pose a
14 significant threat to the economy's ability to
15 recover from the pandemic. Has your office assessed
16 how these structural changes would affect the City's
17 economy in the long-run and especially our tax
18 revenues beyond this financial plan?

19 FIRST DEPUTY DIRECTOR GODINER: So, thank
20 you for that question. The impact of hybrid work if
21 it becomes the new normal is-- clearly creates
22 challenges for the New York City real estate market,
23 the taxes collected on them, and for our retail
24 sector. We continue to review and evaluate and look
25 at the long-term trends. You know, we have seen some

1
2 which are [inaudible] to-- we saw the subway
3 ridership ticking up, but we still have a long way to
4 go. The Adopted Budget continues to reflect
5 conservative outlook for the City's office, you know,
6 real estate market and that's partly to account for
7 that uncertainty about, you know, will be people be
8 renewing space in a-- you know, at the same level in
9 the hybrid future if that's where we are. It's part
10 of the reason that we need to be conservative about
11 making estimates on the property tax and on business
12 taxes, and I think that's reflected in the Adopted
13 and part of the reason we're holding on revenues in
14 plan.

15 COUNCIL MEMBER FARIÁS: Thank you. So,
16 another part that I'm kind of-- I'm mostly interested
17 in is too like we-- the City, the State, everyone
18 loves to do economic forecasting. We love to look
19 ahead and try to figure out what we can put in place
20 right now or in the future to mitigate some of the
21 impacts of the structural changes, and primarily I'd
22 like to also see are we thinking about the trickle
23 down in an industry itself to the worker, right? We
24 can always think about property taxes, other items
25 that will impact the industry at a macro level, but

1
2 realistically when we increase fines or increase
3 penalties or increase taxes, anything like that, that
4 does trickle down to the worker, to the individual
5 that's there in that industry. So for me, I would
6 urge us to also consider outside of just looking at,
7 for use of example, the restaurant owner, what that
8 also means for the worker and for that title and for
9 that industry and how those fees and increases or how
10 the inflation right now is impacting all of those and
11 how we can find mitigates in the in-between.

12 FIRST DEPUTY DIRECTOR GODINER: Thank you.

13 COUNCIL MEMBER FARIÁS: Thank you.

14 CHAIRPERSON BRANNAN: Okay, we've been
15 joined by Council Member Barron. Now we have some
16 questions from Ayala followed by Brewer.

17 COUNCIL MEMBER AYALA: Sorry. I have--
18 okay, so regarding the NYCHA plan, the November Plan
19 includes PEGs for NYCHA's total-- for NYCHA totaling
20 \$7.4 million in Fiscal Year 23, \$9.6 in 24, and \$9.5
21 in 25, \$9.4 in 26 for OTPS of which approximately 85
22 percent is associated with the staffing and
23 operational issues with NYCHA's Vacant Unit Readiness
24 Program. This program is intended to help repair and
25 rehabilitate NYCHA units for turnover and placement

1
2 from DHS shelter, emergency transfers, and NYCHA's
3 general wait list. However, the program has been
4 challenged by limits to NYCHA's in-house staff
5 capacity. Why has the Vacant Unit Readiness Program
6 had such serious issues, and what action is the
7 Administration taking to improve the Vacancy Unit
8 Readiness Program?

9 FIRST DEPUTY DIRECTOR GODINER: Thank you
10 for that. You know, the Mayor is clearly committed to
11 helping NYCHA and the residents including getting the
12 vacant apartments ready for occupancy as soon as
13 possible. He's taken a number of steps by
14 implementing the Preservation Trust, by getting units
15 ready through the PACT program, by restructuring the
16 NYCHA leadership, allocating substantial capital
17 resources to the Authority, and you know, our-- we
18 share your desire to get vacant units at NYCHA
19 occupied as soon as possible. We all, you know, are
20 aware of the housing shortage in New York City and
21 how that impacts people and to have, you know, vacant
22 units in public housing. That's just a resource we
23 don't have to waste like that, so we are doing
24 everything we can to have them speed up that process.

1
2 COUNCIL MEMBER AYALA: Yeah I mean, I'm
3 not sure if you're aware but we have families that
4 are waiting up to a year after having signed a lease
5 and paid security and rent deposits for an apartment
6 to become ready. So I'm not sure that this is an
7 area of the budget that can absorb any level of cut.
8 At this point if we're really truly, you know,
9 intentional about meeting our housing mandates, and--

10 FIRST DEPUTY DIRECTOR GODINER:

11 [interposing] Yeah, I mean, the PEG that you're
12 seeing was for prior year under-spending, and that
13 was really due to low turnover during COVID. So
14 that's not an ongoing cut to this program as we go
15 forward.

16 COUNCIL MEMBER AYALA: well, according to
17 the plan there are cuts all across, you know, the
18 Fiscal Years stretching to 2026.

19 FIRST DEPUTY DIRECTOR GODINER: There are
20 other reductions that are being taken, but I don't
21 think that directly impacts the speed and timing of
22 those units becoming available.

23 COUNCIL MEMBER AYALA: Regarding the
24 Department of Homeless Services Medicaid waiver, the
25 November Plan reflects that 11-- \$119.6 million in

1
2 City-funded savings in DHS budget for Fiscal Year
3 2025 and Fiscal Year 2026. I am aware that this
4 relates to the Medicaid waiver that the city is
5 working on with the State which will allow the City
6 to fund DHS services currently funded with City funds
7 with federal Medicaid revenue. What is the current
8 status of the waiver process and what is anticipate--
9 what is the anticipated timeline?

10 FIRST DEPUTY DIRECTOR GODINER: I don't
11 have that information right in front of me. I don't
12 know if that question is better answered by the
13 agency, but we will certainly try to get you some
14 information on those.

15 COUNCIL MEMBER AYALA: Okay. Could you
16 also have them share with us why were no savings
17 reflected in Fiscal Year 2023 or Fiscal Year 2024?

18 FIRST DEPUTY DIRECTOR GODINER: I'm
19 sorry, I'm having trouble hearing you.

20 COUNCIL MEMBER AYALA: There were no--
21 could you ask them, you know, to also share why were
22 there no savings reflected in Fiscal Year 2023 and
23 2024?

24 FIRST DEPUTY DIRECTOR GODINER:
25 Certainly, we'll get that for you.

1
2 COUNCIL MEMBER AYALA: And then I have a
3 final question regarding DFTA. So in the November
4 Plan, DFTA had a total of \$10.5 million reduction in
5 Fiscal Year 2023. Case Management Services are
6 reduced by \$4.3 million, the result of delaying a
7 Case Management expansion plan in Fiscal Year 2023
8 Executive Budget by three months and eliminating \$3
9 million added in Fiscal Year 2023's abortion. The
10 Council has regularly identified persistent wait
11 lists for full case management assessments as
12 barriers for older adults such as those needing home
13 care services. There are over 2,000 older adults on
14 the case management wait list. Why did OMB target
15 case management for reductions when the wait list is
16 continuously growing?

17 FIRST DEPUTY DIRECTOR GODINER: So, we
18 added funding at Exec to provide case management to
19 eligible seniors who are transitioning from the Get
20 Food Program to home delivered meals. So we added
21 about \$14.8 million dollars in FY23 and out. As that
22 transition from Get Food to home delivered meals has
23 been completed, it's been determined that the amount
24 of funding needed to provide case management services
25 to that population was less than projected and there

1
2 were associated savings. So that-- the reduction you
3 see is not against the general Case Management budget
4 but instead is that we created a dedicated group that
5 was helping people transition from Get Food to home
6 delivered meals, people who moved from that old Get
7 Food program, that pandemic Get Food Program, to the
8 Home-delivered Meals Program, and we took down the
9 size of the spend for that group of individuals.

10 COUNCIL MEMBER AYALA: Thank you.

11 Council Member Brewer?

12 COUNCIL MEMBER BREWER: thank you. I
13 know libraries are not income producing, but they are
14 very important to our city. I was at the New York
15 Public Library over the weekend, and I think they are
16 concerned about their reduction of \$5 million in 23
17 and \$7.5 in 24. It's 60 positions, and of course, it
18 impacts vacancies, obviously. The real concern is
19 less hours and, you know, digital library service,
20 etcetera. Libraries are the backbone along with
21 others like CUNY in our city. So I'm wondering what
22 was the factor in determining these particular
23 accruals. It know you're going to say it is the
24 library that makes that decision. But I think what I
25 want to say to you is we can't afford to have library

1
2 services cut. This would have been one of the held
3 harmless agencies that I would have suggested. I'm
4 just wondering how you could comment on the libraries
5 and why we have baseline reductions in the libraries
6 when in fact they are a place where people go more
7 than any other service, perhaps, in the City of New
8 York, even-- and a public/private basis [sic] offers.

9 FIRST DEPUTY DIRECTOR GODINER: We took
10 reductions at the library systems as part of the PEG
11 exercise. As you know, the libraries are funded as
12 lump-sum agencies. So the way in which they're
13 implementing those cuts are up to them. We worked
14 with them. My understanding was that they were not
15 going to be cutting back on hours. And I don't think
16 they've posted that they are cutting back on hours at
17 this point.

18 COUNCIL MEMBER BREWER: But if I was in
19 charge, I would want to fund them so they had more
20 hours. That's what libraries should be doing, and
21 that's what the Mayor should be doing. Libraries are
22 important, so I do not agree with that cut.

23 FIRST DEPUTY DIRECTOR GODINER: We agree
24 with you.

1
2 COUNCIL MEMBER BREWER: That should be
3 just similar to others, no cut to the libraries.
4 Also, I am confused, and probably it's just me, in
5 terms of mid-year funding for students in our public
6 schools. I know the Mayor did allocate more funding.
7 I'd like to know how much, how that was implemented.
8 And then we may differ on the current trend in
9 enrollment. I will tell you, I've checked with all
10 my schools, district three, and they're all either
11 flat or up. Obviously, they were not last year, but
12 they are this year, even in addition to the ones from
13 these, I don't know, about 100 asylum, or maybe 150.
14 So I want to know what is the status of the funding
15 for increase enrollment and holding schools harmless?
16 Thank you.

17 SENIOR DEPUTY DIRECTOR MCKINNEY: Thank
18 you, Council Member. With regards to schools, once
19 we receive the information based on the October 31st
20 numbers on enrollment, all schools that had increased
21 enrollment received additional funding and we held
22 schools harmless that had a decrease in enrollment.
23 That was a commitment made by the Mayor when we
24 adopted the budget a few months ago. So, where we
25 are now, \$200 million dollars was added for that

1
2 purpose within DOE's budget. We are currently
3 working with them on realignment of the use of
4 stimulus dollars throughout the agency, and we'll
5 update that in future plans, but \$200 million dollars
6 is dedicated towards enrollment for those that
7 increased enrollment as well as holding harmless
8 those that had a decrease in enrollment.

9 COUNCIL MEMBER BREWER: thank you.

10 CHAIRPERSON BRANNAN: Council Member
11 Barron?

12 COUNCIL MEMBER BARRON: Let me just start
13 with the education piece. You know-- you know that
14 even if the enrollment figures are accurate, and even
15 if you funded education programs based upon say
16 everybody had a flat or increased enrollment. It's
17 not enough for all the programs in our districts. So
18 when you use the enrollment thing-- this is what the
19 Mayor tried to do to justify cuts. And the fact of
20 the matter is that none of that money was enough for
21 our districts, even if you didn't do this little
22 enrollment game that he was playing. So, I think
23 that the amount was-- some say \$400 and something
24 million, and you're putting back \$200 million, we
25 need to restore all the cuts to education regardless

1
2 of enrollment, because enrollment is not the only
3 factor in determining what's needed in education.
4 This is a game. This is a political game the Mayor's
5 playing and it needs to stop. Our districts are
6 hurting, and especially when you throw in PEGs where
7 you can't fill vacancies, and you call them savings.
8 They are cuts that are making us bleed. So this
9 austerity budget that we keep presenting, let me just
10 get some of the-- to the macro stuff. Wasn't true
11 that we had an unexpected revenue of \$3.5 billion
12 this year and \$1.5 billion for next year? Was that
13 accurate? Because that was said at several hearings.

14 FIRST DEPUTY DIRECTOR GODINER: Well, we
15 certainly don't have additional revenue from adoption
16 for FY24. We haven't had collections. In FY23, we
17 have seen collections come in above the initial
18 projections. We are looking at those because we're
19 concerned about whether or not those reflect-- will
20 be reflected--

21 COUNCIL MEMBER BARRON: [interposing] I'm
22 only going to cut you because I-- my time--

23 FIRST DEPUTY DIRECTOR GODINER:
24 [interposing] Okay.

25 COUNCIL MEMBER BARRON: is [inaudible]

1
2 FIRST DEPUTY DIRECTOR GODINER: I'm
3 happy, go ahead.

4 COUNCIL MEMBER BARRON: I don't want to
5 hear all of that. The bottom line is that Wall
6 Street profited by 50 some-odd billion and an
7 unexpected revenue of \$4.5 billion over the next two
8 years was projected in the budget. When we were
9 talking about a savings or a reserve budget of \$6.5
10 billion, it went up to \$8.3 billion in savings, isn't
11 that correct?

12 FIRST DEPUTY DIRECTOR GODINER: The
13 current reserves are \$8.3 billion.

14 COUNCIL MEMBER BARRON: \$8.3 billion, and
15 how did it get there? Because of the extra
16 unexpected revenue that came in from Wall Street,
17 part of it. And that's the other reason why they was
18 able to resolve things with the City Council and say,
19 oh, you're not going to have \$400 million for you
20 programs. You can \$1.2 billion, because of that
21 unexpected revenue. So I'm saying that there is
22 money there so that we really don't have to do PEGs.
23 PEGs are hurting us, and we call it savings. Those
24 are cut from every agency, and I'm telling you it's
25 hurting poor people in particular, working-class

1 families in general. In the City, when you PEG when
2 you don't have to, the overall budget gap was
3 supposed to what \$2.9 billion, something like that?

4 FIRST DEPUTY DIRECTOR GODINER: The FY24
5 gap is \$2.9 million.

6 COUNCIL MEMBER BARRON: Right, \$2.9
7 billion, we sitting there with \$8.3 billion in the
8 reserve, and then when we say well use some of the
9 reserve, no because the further year budget deficits
10 might be greater so we might need it for then. We
11 don't even have enough for that. So then we justify
12 saving for a rainy day when it's raining today, and
13 then every time we get to a present moment, we don't
14 do right by this budget. This budget is friendly to
15 the Police Department. They didn't do their three
16 percent PEGs. I think they did half of it maybe.

17 NYPD?

18 FIRST DEPUTY DIRECTOR GODINER: They did
19 a little bit less than half.

20 COUNCIL MEMBER BARRON: A little bit less
21 than half, but we in this crisis. We don't have
22 money for education, but we have money for them to do
23 less than half. And their capital budget is \$2.9
24 billion, correct, for NYPD?
25

1
2 FIRST DEPUTY DIRECTOR GODINER: I don't
3 have that in front of me.

4 COUNCIL MEMBER BARRON: Well, you should
5 have it in front of you. This is a budget hearing.
6 We should have capital information and we should have
7 expense information, and from stuff I've been
8 reading, the NYPD budget-- we listed at \$5.6 billion,
9 but it's really more toward \$11 billion when you put
10 in fringe benefits and all of that other stuff. Isn't
11 that correct?

12 FIRST DEPUTY DIRECTOR GODINER: I don't
13 have that number again, but--

14 COUNCIL MEMBER BARRON: [interposing]
15 well, you should have that number. This is a budget
16 hearing, but it's \$11 billion plus \$2.9 billion in
17 the capital. Let me ask you, what is the overall
18 capital budget? Just give me just a moment. What's
19 the overall capital budget?

20 FIRST DEPUTY DIRECTOR GODINER: It's
21 about \$100 billion.

22 COUNCIL MEMBER BARRON: \$100 billion
23 dollars for how many years?

24 FIRST DEPUTY DIRECTOR GODINER: That's
25 the 10-year capital strategy [sic].

1
2 COUNCIL MEMBER BARRON: Ten years. So
3 \$100 billion dollars, like \$10 billion a year for
4 capital.

5 FIRST DEPUTY DIRECTOR GODINER: It's
6 doesn't lay out evenly--

7 COUNCIL MEMBER BARRON: I know.
8 [inaudible] not evenly.

9 FIRST DEPUTY DIRECTOR GODINER: dividing
10 by 10.

11 COUNCIL MEMBER BARRON: But when we look
12 at programs like NYCHA and all of these privatizing
13 of NYCHA with RAD/PACT and the Trust that we
14 shouldn't trust, they-- when you look at that, that
15 money in the capital budget that can be used for some
16 of the-- that's only representing what 23,000? Those
17 privatized programs is not dealing with the whole
18 400,000 residents of NYCHA. It's a portion of NYCHA,
19 correct?

20 FIRST DEPUTY DIRECTOR GODINER: You're
21 talking about RAD?

22 COUNCIL MEMBER BARRON: RAD and PACT.

23 FIRST DEPUTY DIRECTOR GODINER: It's not
24 every single unit, no.
25

1
2 COUNCIL MEMBER BARRON: Right, it's a
3 portion and the Mayor is only giving capital money to
4 those who privatize who use those programs.

5 FIRST DEPUTY DIRECTOR GODINER: I don't
6 believe that's correct, no.

7 COUNCIL MEMBER BARRON: Say it again.

8 FIRST DEPUTY DIRECTOR GODINER: I don't
9 believe that's correct.

10 COUNCIL MEMBER BARRON: You don't believe?
11 Okay. Well, maybe do some more research, 'cause from
12 what I read when y'all presented, those monies was
13 going to those who privatize. I'm saying all of this
14 not to put you on the spot, not to make you
15 uncomfortable, and I really don't care whether you
16 are or not. But the bottom line is that this budget
17 hurts the people of New York, and we need to do
18 something about it, especially when we come to budget
19 mod time when some things can happen. Now's the time
20 to do it, not to give us the same story that we got
21 in June and just make an addendum to that story.
22 Perhaps some of that \$8.3 billion needs to be looked
23 at, because the City is really hurting in our local
24 neighborhoods, and we can't see that when you're
25 looking at numbers up here, but when you go to these

1 local neighborhoods it's really hurting. So, I just
2 think this is an austerity budget. I would expect a
3 budget like this from Republicans, and it's hurting
4 our city and we need to do something about it and
5 look at the real fiscal situation of the City as
6 revenue and expenses, because I think even expenses
7 were a little less than anticipated. Yes? No?

9 FIRST DEPUTY DIRECTOR GODINER: the
10 budget grew to \$1.4-- \$104 billion dollars.

11 COUNCIL MEMBER BARRON: Oh, so it's not
12 less expensive.

13 FIRST DEPUTY DIRECTOR GODINER: No.

14 COUNCIL MEMBER BARRON: In some areas?

15 FIRST DEPUTY DIRECTOR GODINER: Clearly
16 in some areas there are less expenses in [inaudible].

17 COUNCIL MEMBER BARRON: Thank you,
18 Chairman.

19 CHAIRPERSON BRANNAN: Can you tell us in
20 order for the November Plan to proceed, the Council
21 needs to vote to approve it, correct?

22 FIRST DEPUTY DIRECTOR GODINER: That's
23 correct.

24 CHAIRPERSON BRANNAN: What would happen
25 if the Council didn't approve?

1
2 FIRST DEPUTY DIRECTOR GODINER: If the
3 mod were not to pass, none of the new needs, for
4 example the Taxi Medallion Fund, the Get stuff Clean
5 initiative, the CityFHEPS and the asylum-seeker money
6 could be put up. In addition, we'd be unable to
7 execute any of the transparency resolution
8 designation to the Council discretionary funds to
9 organizations and agencies, which I think there 480
10 groups that would not be receiving about \$15 million
11 dollars. So, in addition, you know, without
12 implementing the gaps, we would-- without
13 implementing the PEGs, we would see the gaps grow
14 considerably. We're using some of those, the savings
15 in 23, right, to help balance not only 24 but also
16 balance 23. So there's very significant
17 repercussions to not having the mod get passed.

18 CHAIRPERSON BRANNAN: Okay. I want to
19 follow up on some of my 3K questions. So, the DOE has
20 stated that the 3K has currently nearly 20,000
21 unfilled seats. Is that right?

22 SENIOR DEPUTY DIRECTOR MCKINNEY: We have
23 closer to 18,000, yes, but that's close, Chair.

24 CHAIRPERSON BRANNAN: Okay,
25 approximately. So, can you provide us with

1
2 information as to how this under-enrollment breaks
3 down across the boroughs?

4 SENIOR DEPUTY DIRECTOR MCKINNEY: We
5 could give you that detail. I don't have it in front
6 of me.

7 CHAIRPERSON BRANNAN: I think it would be
8 good to know if there's specific areas of the City
9 where 3K is at near capacity versus the opposite.

10 SENIOR DEPUTY DIRECTOR MCKINNEY: Yes,
11 we'll get you that information.

12 CHAIRPERSON BRANNAN: Knowing, you know,
13 knowing which parts of the City are seeing the
14 highest levels of 3K enrollment versus the lowest
15 levels, and then the way we see the world is through
16 our Council District.

17 SENIOR DEPUTY DIRECTOR MCKINNEY: Right.

18 CHAIRPERSON BRANNAN: So, if you could
19 show us district by district.

20 SENIOR DEPUTY DIRECTOR MCKINNEY: Yes, we
21 will get you that. There's vacancies citywide in all
22 districts, but we'll get you the breakdown by
23 district.

24 CHAIRPERSON BRANNAN: Yeah. Okay. And
25 then staying on education, so I think a lot of this

1
2 is going to be follow-up for your team, but you know,
3 in order for us to appropriately monitor and analyze
4 DOE school budgets that are implemented as part of
5 the overall budget and make sure that we're aware of
6 changes, there's some information that would be very
7 useful to us, the initial school budgets for the
8 current Fiscal Year. So, include a breakdown of the
9 initial FSF allocations, SAMS [sic] and projected
10 enrollment by school. I'm making a list, because I
11 assume you don't have this now, right? Okay. The
12 mid-year adjustment school budget for the current
13 Fiscal Year, so include a breakdown of the final FSF
14 allocations, SAMS, and school register. And then the
15 initial school budget for the upcoming Fiscal Year,
16 same thing, initial FSF, SAMS, and projected
17 enrollment. Could you get that to us?

18 SENIOR DEPUTY DIRECTOR MCKINNEY: Yes,
19 thank you, Chair. I'll defer to the agency and work
20 with them in getting that information.

21 CHAIRPERSON BRANNAN: Okay. And then the
22 last thing for me would be as far as our budget, the
23 Council's budget is concerned, of course, we're in
24 power to create our own budget without authorization
25 from OMB, but unlike other agencies and other elected

1 officials, our budget-- the Council's baselined
2 amount in the out-years of the plan period is not in
3 line with its current budget. And similarly, the
4 budget head-- the budget headcount for the Council in
5 the out-years of the plan is baselined at a number
6 much lower than our current year actual headcount.
7 In the November Plan, the Council's budgeted
8 headcount in the current year is 837, but the
9 headcount budget drops to 563 in each of the
10 remaining years of the plan period. So, each of the
11 Borough President Office's headcounts are the same
12 for all four years of the plan. Would OMB be willing
13 to set the Council's out-year budget and budgeted
14 headcount to the current year level? If not, why
15 not?
16

17 FIRST DEPUTY DIRECTOR GODINER: We're
18 here really to talk about the current year and the
19 November Plan. That being said, we're happy to
20 discuss after the hearing and figure out how we can
21 look into the possibility of addressing that in one
22 of the upcoming plans.

23 CHAIRPERSON BRANNAN: Okay. Where did we
24 end on that? I didn't hear what you said.
25

1
2 FIRST DEPUTY DIRECTOR GODINER: I said
3 that we'd be happy to discuss with you all after the
4 hearing and figure out how we can talk about the
5 possibility of addressing this in one of the upcoming
6 plans.

7 CHAIRPERSON BRANNAN: Something I'm
8 interested in is tax breaks. We have about almost
9 \$14 billion dollars in tax breaks in FY22, is that
10 right?

11 FIRST DEPUTY DIRECTOR GODINER: I don't
12 have a total amount of the tax breaks, I'm sorry.
13 You--

14 CHAIRPERSON BRANNAN: [interposing] You
15 have about \$14 billion dollars in tax breaks. So,
16 \$4.4 billion of that is for economic development
17 programs. Has there ever been a consideration to do
18 a PEG for all of our tax breaks to see where we're
19 at, if they're still necessary?

20 FIRST DEPUTY DIRECTOR GODINER: Yeah, we--
21 - we're always looking at these things. We consider
22 tax expenditures to be, you know, a use of resources
23 just like the expenditures are. We review these to
24 try to make sure that they're all efficient, that
25 they're promoting the goals we want. Obviously,

1
2 we've looked at-- in this plan, I think we have a tax
3 expenditure to help small businesses, and that's you
4 know, directed towards retail businesses coming and
5 smaller businesses coming out of the pandemic. We're
6 always looking at making sure that we're spending
7 these in an efficient way, and to the extent we could
8 find tax expenditures that are no longer serving the
9 purpose or are inefficient, we would look at cutting
10 those as well.

11 CHAIRPERSON BRANNAN: Is there a reason
12 why there wasn't a PEG, there wasn't a PEG exercise
13 for those?

14 FIRST DEPUTY DIRECTOR GODINER: Well,
15 it's not a separate PEG exercise, but clearly if
16 agencies had surfaced tax expenditure programs that
17 they didn't think were working for them anymore, we
18 would certainly have taken those as PEGs if we
19 thought they were viable.

20 CHAIRPERSON BRANNAN: Thank you. We have
21 a bunch of other follow-ups and we'll submit them to
22 you in writing, and we'll get-- hopefully get that
23 back as soon as possible. Thank you so much.

24 SENIOR DEPUTY DIRECTOR MCKINNEY: Thank
25 you.

1
2 FIRST DEPUTY DIRECTOR GODINER: Thank
3 you.

4 CHAIRPERSON BRANNAN: Okay, now we have
5 George Sweeting and Logan Clark from IBO.

6 COMMITTEE COUNSEL: Good afternoon.
7 Could you raise your right hand please? Do you
8 affirm to tell the truth, the whole truth and nothing
9 but the truth before this committee and to respond
10 honestly to Council Member questions? George
11 Sweeting?

12 ACTING DIRECTOR SWEETING: Yes, I do.

13 COMMITTEE COUNSEL: Logan Clark?

14 ASSISTANT DIRECTOR CLARK: I do.

15 COMMITTEE COUNSEL: Please proceed.

16 ACTING DIRECTOR SWEETING: Good
17 afternoon, Chair Brannan and members of the Finance
18 Committee. I'm George Sweeting, Acting Director of
19 the New York City Independent Budget Office. With me
20 is Logan Clark, who is IBO's Assistant Director for
21 Budget Review. Thank you for the opportunity to be
22 part of today's hearing. My testimony will focus on
23 some of the-- some, not all, of the key issues that
24 were raised through our analysis of the financial
25 plan. It's based on work that is still underway for

1
2 our Fiscal Outlook Report, which we expect to release
3 in about 10 days. Although I don't anticipate
4 changes in our economic and revenue forecasts before
5 the report is released, there may still be some
6 changes on the spending side as we continue to work
7 with OMB and other agencies to shore up our
8 understanding of the plan. Tables presenting our
9 projections that I will discuss today are attached to
10 the testimony. Let me start with the bottom line
11 first. IBO's Fiscal Outlook finds that the city will
12 have a budget surplus for 2023 of \$2.2 billion, a
13 negligible deficit in 2024, and then followed by
14 deficits of \$3.5 billion in 2025 and \$4.5 billion in
15 2026. Here on in, anytime I refer to a year, that's
16 referring to a Fiscal Year unless I otherwise note.
17 This forecast incorporates our expectations of weak
18 revenue growth, particularly tax revenue, albeit
19 higher than what the Mayor estimates, offset somewhat
20 by expenses that we expect the City will incur, which
21 are not included in OMB's spending plan. The out-year
22 gaps, although smaller than those estimated by OMB,
23 are substantial and will require action by the Mayor
24 and the City Council, unless revenues recover faster
25 than expected. Our economic forecast is premised on

1
2 slowing growth in the both the national and local
3 economies over the next 12 months, although we do not
4 anticipate negative growth for a sustained period.

5 We assume the Federal Reserve's use of monetary
6 policy to fight inflation will succeed without
7 tipping the economy into recession. Inflation is
8 expected to return to near the Federal Reserve's
9 target during calendar year 2024. For calendar year
10 2022, we expect the New York City economy to be
11 adding about 205,000 jobs as our recovery from the
12 unprecedented job losses in the 2020 recession
13 continues, although IBO projects that the City will
14 still be 105,000 or 2.3 percent jobs below the 2019
15 or the pre-pandemic level at the end of this year.

16 For calendar year 2023, job growth slows
17 significantly down to 44,000 before bouncing back
18 somewhat to 90,500 in 2024, about 86,000 in 2025, and
19 82,000 in 2026. The employment recovery remains
20 uneven among the sectors. Industries such as
21 construction, retail trade, and leisure and
22 hospitality are all estimated to be at less than 90
23 percent of their 2019 levels, even by the end of this
24 year. Others such as information, professional
25 services, and health care have already fully

1 recovered to their 2019 levels. We also expect
2 personal income in the City to bounce back from
3 slowed growth in calendar year 2022, to average
4 annual growth of nearly five percent in 2023 through
5 2026. As for real estate values, IBO projects 9.6
6 percent growth in the aggregate estimated market
7 value on the new assessment roll due next month.
8 This reflects the current strength in the real estate
9 market. Class one is expected to show the largest
10 increase at 12.5 percent in market value. After
11 double-digit growth in many of the City's main tax
12 sources in 2022, tax revenue growth is expected to
13 slow in 2023, turning negative in some cases, with
14 aggregate tax revenue growth of only 0.8 percent--
15 extremely low, compared to the 2022 level. The
16 declines are particularly large in percentage terms
17 for the income taxes, both personal and business, and
18 property transfer taxes. Sales tax had 3.2 percent
19 positive growth and real property tax at 7.1 percent
20 growth are the exceptions among the City's main tax
21 sources. This weakness continues into 2024, with
22 total revenue expected to shrink by 0.2 percent.
23 Growth is expected to remain weak for most tax
24 revenue sources in 25 and 2026, averaging only 2.7

1
2 percent annually in those two years. IBO has raised
3 its tax revenue forecasts by about one billion
4 dollars from last spring for each year of the
5 financial plan. That's a relatively small adjustment
6 by our standards. Because OMB chose not to raise its
7 tax forecast, even though collections have exceeded
8 expectations since this year's budget was adopted,
9 the differences between IBO's and OMB's tax forecasts
10 have grown and now stand at \$2.4 billion in the
11 current year, \$1.6 billion for next year, \$1.9
12 billion in 2025, and finally, \$2.3 billion in 2026.
13 Turning to the spending side, I'll just highlight a
14 few key issues that have emerged. First of all,
15 there's already been some discussions that the
16 savings plan came up short. This past September, the
17 Administration issued savings targets to all mayoral
18 agencies of three percent cut in fiscal year 2023,
19 and a program to generate savings of 4.75 percent in
20 fiscal years 2024 through 2026. The targets, known as
21 the Program to Eliminate the Gap or PEG, were set to
22 yield savings of \$1.4 billion in 2023 and \$2.2
23 billion-- I'm sorry-- and \$2.2 billion in fiscal
24 years 2024 and later. However, the Administration did
25 not meet these goals. OMB's November Financial Plan

1 includes PEG savings equaling \$821 million from
2 mayoral agencies, plus an additional \$94 million from
3 centrally managed costs and non-mayoral agencies, for
4 a total of \$916 million dollars in 2023. In 2024,
5 2025, and 2026 the plan does identify at least \$1.3
6 billion in recurring savings. It's not uncommon to
7 have the recurring savings later in a financial plan,
8 as it's often easier for agencies to make the cuts
9 when they've had more time to plan and implement
10 recurring savings. After accounting for new needs,
11 other adjustments, and PEG reversals, the
12 Administration only achieved reductions of \$705
13 million by our calculation and \$554 million in fiscal
14 years 2023 and 2024. Out of roughly 55 mayoral
15 agencies, we believe only 18 achieved their PEG
16 targets in each year of the November plan. Along
17 with not fully achieving the original PEG target, the
18 Administration's PEG plan is offset in several cases
19 by dollar for dollar increases to the very same
20 budget lines targeted by the PEGs. These actions
21 effectively negate these budget cuts with an equal
22 increase outside of the PEG category that are
23 labelled Cost Avoidances Offsets. This pattern is
24 present in the PEG program of three of the four
25

1 uniformed agencies: Correction, Fire, and Sanitation.

2 While none of the Police Department's PEGs were
3 reversed, some prior civilianization initiatives
4 aimed at reducing uniformed overtime costs were.

5 Most of the Police Department's PEG come under-- come
6 from unspecified personal service reductions. Since
7 the release of the November plan the Adams
8 Administration has ordered an additional round of

9 cuts, this time targeted at slowing hiring and
10 eliminating vacant positions. These PEGs, has been

11 discussed, are expected to be incorporated in the
12 January Financial Plan. Another area of concern in
13 looking at the spending side is the fact that the

14 Administration has included \$1 billion in federal
15 assistance in the financial plan for 2023 with the
16 expectations that it will be used to reimburse the
17 City for costs associated with the flow of asylum-

18 seekers being transported from the southern border to

19 New York City. The Administration has not provided
20 details about which federal program could be tapped

21 to provide this funding. IBO's analysis of existing
22 authority for the Federal Emergency Management

23 Agency, FEMA, suggests it is unlikely to be the
24 source of more than a very small portion of the \$1

25

1 billion. Without a federal funding source
2 identified, IBO assumes that the City would be
3 required to cover the costs associated with the
4 newly-arrived asylum-seekers. Building off our
5 recently published analysis of the cost of providing
6 services to this population, and including some
7 additional costs outlined in the Mayor's November
8 Financial Plan, IBO estimates that another-- excuse
9 me. IBO estimates that the City will require \$373
10 million in additional city funds to cover these costs
11 in 2023. For 2024, IBO estimates that another \$628
12 million in City funds, specifically for shelter costs
13 will be necessary, under the assumption that the new
14 asylum seekers continue to arrive in the coming
15 months. OMB, just for references, budgeted all of--
16 the use of all this billion dollar aid in 2023. We
17 think it has to be spread out over-- if it were to
18 occur, it's going to have to be spread out over
19 multiple years. IBO has made other adjustments,
20 where we refer to them as repricings, to OMB's
21 spending projections. Police, fire, and correction
22 overtime account for most of the \$318 million in
23 additional public safety spending projected by IBO
24 for 23 and \$232 million in 2024. The Department of
25

1
2 Education is expected to need \$764 million in 2025
3 and \$966 million in 2026 above what the Mayor has
4 currently budgeted for programmatic costs. This
5 includes \$678 million in 2025 and \$881 million in
6 2026 if it wants to maintain the services launched
7 with federal COVID relief funds that will run out
8 during fiscal years 2024 and 2025. These include
9 expanded 3K. In total, these repricings result in
10 IBO estimating higher City-funded expenditures in
11 each of the financial plans: \$228 million in 23, \$1.1
12 billion in 24, \$829 million in 2025, and \$928 million
13 in 2026. Finally, we should note that the financial
14 plan includes a reserve for future collective
15 bargaining settlements as contracts with most of the
16 City's unions having either already expired or
17 scheduled to do so by the end of this-- by the end of
18 calendar year 2023. The amount in the reserve is
19 sufficient to provide for a settlement with a raise
20 of-- that should say 1.5 percent annually. However,
21 given the steep rise in inflation over the past year,
22 it is unlikely the unions will hold out-- it is
23 likely the unions will hold out for higher
24 settlements which would add to the budget gaps. So,

1
2 thank you again, and we're happy to answer your
3 questions.

4 CHAIRPERSON BRANNAN: Thank you, George.
5 What is driving IBO's more optimistic revenue
6 forecast?

7 ACTING DIRECTOR SWEETING: First of all,
8 I'd say it's-- well, it's relatively optimistic
9 compared to OMB's. It's actually, by my experience,
10 probably our weakest revenue forecast in terms of
11 growth over the course of the financial plan. 2022
12 was a-- was quite strong on revenues, including
13 almost a billion dollars that came in between-- when
14 the 23 budget was adopted in June. That included a
15 project of what 22 would be, how 22 would finish.
16 Twenty-- the collections for the remaining months of
17 the accrual period for 2022 actually came in to
18 almost a billion dollars higher than had been
19 anticipated back in June of this year. So, 22, you
20 know, was a-- Fiscal Year 22 was quite strong.
21 Fiscal 23, you know, is-- it's slowing. There's
22 growth slowing there, but you know, there are some
23 areas of, you know, using your term optimism,
24 particularly in the property tax which in the year
25 immediately after the pandemic-- the start of the

1
2 pandemic took a big dive. It went down, and you
3 actually had negative property tax growth which
4 hadn't happened in quite some time. Then that
5 bounced back for 2023, but that's-- we are not
6 expecting that to continue at that same level of 24,
7 25, and 26. So, it's optimistic relative to OMB's,
8 but it's actually not that much of an optimistic
9 story. I think we're actually below the City
10 Council's projections that I was taking a look at
11 earlier in the hearing.

12 CHAIRPERSON BRANNAN: Why do you think
13 typically IBO's forecasts are higher than OMB?

14 ACTING DIRECTOR SWEETING: I think, you
15 know, one reason is, you know, their-- I think they
16 have somewhat of a responsibility to be conservative.
17 I mean, it's-- the best thing is it is a-- you know,
18 is a good forecast. But what you really don't want to
19 be is overly optimistic, because then you're setting
20 the City up for problems. So, I think, you know, in-
21 - you know, our job is to do the very best we can do
22 in a non-partisan, non-biased way, just letting the
23 numbers play out as they do. And you know, I think
24 that's generally get you a number higher. Not in all
25 cases, but in many cases higher than if you're doing

1
2 the forecast under an obligation to be sort of
3 fiscally prudent.

4 CHAIRPERSON BRANNAN: Does OMB have any
5 analysis or information's to add to the discussion
6 around the high vacancy rates?

7 ACTING DIRECTOR SWEETING: Does IBO? We
8 actually have some work underway on that.

9 ASSISTANT DIRECTOR CLARK: Yeah, I think
10 broadly speaking right now we're taking a look at the
11 number of separations of hires that have been
12 occurring. Basically, using the start of the
13 pandemic as an index point. We're anticipating
14 releasing something relatively soon on the front.
15 We've been a little bit busy trying to pull together
16 numbers on this, but we have seen titles decrease
17 significantly, and so I think one of the things that
18 we continually talk about when we're talking about
19 city headcount is the vacancy rate, and the vacancy
20 rate is a moving number at all the time-- or at all
21 times, rather. You know, if you're reducing your new
22 rate and your denominator, you know, your vacancy
23 rate is going to change that much, but I think if you
24 look at the absolute loss of positions we've
25 definitely seen a large downturn in active city

1
2 headcount since the beginning of the pandemic. And
3 you know, I don't think that we're in a position
4 right now to attribute a cause to all of that, but I
5 think that there are several explanations out there
6 that have sort of already been discussed in-- by
7 several of the Council Members today.

8 CHAIRPERSON BRANNAN: Do you have an
9 opinion on the Comptroller's report on this topic?

10 ASSISTANT DIRECTOR CLARK: We're-- the
11 State Comptroller's report?

12 CHAIRPERSON BRANNAN: No, city, the city,
13 yeah.

14 ASSISTANT DIRECTOR CLARK: Not as of this
15 moment that we're ready to comment on, but we can go
16 ahead and discuss that at some point.

17 CHAIRPERSON BRANNAN: Gale?

18 COUNCIL MEMBER BREWER: Thank you. You
19 know I'm upset about this notion that you have money
20 and then OMB says you can't spend it because it is
21 not baselined. And so my question is two-fold. One
22 is, do you have a position? I know baseline costs
23 money because it's over time. But for God's sake if
24 baseline means you're going to bring in funding, it
25 seems to me it makes sense. So my question is, do

1
2 you look at this issue, and then-- that's question
3 number one. Question number two is it seems to me
4 that in the-- do you see as you-- the Chair asked
5 about more positive projections. The OMB talked
6 about tourism. Are there other places that maybe
7 cause us for hope in the future? Obviously, we're
8 looking for industries, technology, probably not the
9 Federal Government, but something else that you think
10 would be hopeful for the future, any bright lights
11 along those lines? So one is the baseline and the
12 other is the future.

13 ACTING DIRECTOR SWEETING: First of all,
14 on the baseline, I mean, one of the things that-- you
15 know, baseline is sort of a term of art in New York,
16 because there are-- you know, I've been around long
17 enough to have seen the libraries cut and then
18 they're restored and supposedly baselined, and then
19 it goes back down. You know, it works different in
20 the Federal Government where you sort of put into
21 statute a program that's going to be doing these
22 things, and then you have a discussion each year
23 about the appropriations to it, but the program
24 exists and that creates some obligations for you
25 know, making sure it's provided with the resources

1
2 needed to make the program work. In terms of, you
3 know, places to look in the City for, you know,-- I'm
4 generally an optimist about where things can go in
5 the City. I think, you know, we-- we've actually seen
6 a bit of a-- at least an acceleration in the
7 recovery, and these are in hospitality in the last
8 maybe half a year. And you know, so that's a good
9 sign because those-- that also-- that industry
10 provides jobs that, you know, are-- they're good
11 entry-level jobs for people maybe who don't have a
12 college degree, and you know, having some strength
13 there is certainly a good thing. I think some of
14 the, you know, the industries the City has relied on
15 at least for the last 30 or 40 years particularly
16 finance, it's not clear where that, you know, where
17 that's going. And the-- you know, the information
18 sector which is sort of the big tech to speak of it
19 colloquially, you know, right now it's-- there are
20 some sharp cut-backs going on in a number of those
21 industries in the-- you know, that have a presence in
22 the City. It's not clear whether all of those job
23 cuts that have been announced at the national level,
24 you know, how many of them are actually going to
25 occurring the City. But you know, that I think--

1
2 it's hard to think that this New York cannot continue
3 to-- you know, New York should be able to continue to
4 be place that attracts smart, talented people that
5 want to work in tech. I think that's a place for
6 optimism.

7 COUNCIL MEMBER BREWER: Thank you.

8 CHAIRPERSON BRANNAN: Council Member
9 Ossé.

10 COUNCIL MEMBER OSSÉ: Thank you. Sorry I
11 missed your testimony. So, excuse me if I repeat any
12 questions. The first question that I have is-- you
13 know, I'm very elated to see that there were no PEGs
14 for DCLA. The question I have is why. Was there an
15 indicator that the Administration saw from DCLA that
16 yielded to the lack of PEGs?

17 CHAIRPERSON BRANNAN: This is IBO.

18 ACTING DIRECTOR SWEETING: I'm not sure.
19 I don't know what they were looking at.

20 COUNCIL MEMBER OSSÉ: My apologies.
21 Thank you.

22 CHAIRPERSON BRANNAN: You got the second
23 two [sic]. Okay, thank you very much, appreciate it.
24 Now I have Ana Champeny from Citizen's Budget. Okay,
25 you can go when you're ready.

VICE PRESIDENT CHAMPENY: Thank you.

Good afternoon, Chair Brannan and members of the City Council Committee on Finance. I submitted the full testimony online, so I won't read all of it at this point. I'm Ana Champeny, the Vice President for Research at the Citizen's Budget Commission, a nonprofit, nonpartisan think tank and watchdog devoted to constructive change in the finances and services of New York City and New York State governments. The November Plan demonstrated that while New York City short-term budget challenges are manageable, its long-term fiscal outlook is precarious. While the City's programs to eliminate the gap provided some ongoing budget relief, which is needed and welcomed. Increased pension costs due to poor market returns last year swamped those savings and widened future budget gaps to \$4.6 billion in 2025 and \$5.9 billion in Fiscal Year 2026. I want to make a couple points on the PEG. One is that our analysis finds that roughly 80 percent of the savings were from re-estimates and that there was less than \$100 million dollars in savings annually from efficiencies or efforts to restructure and make government more productive. Furthermore, what some

1 have already alluded, we call out as illusory
2 savings, these savings that were put into the PEG but
3 also had new spending that was added to the budget at
4 the same time. Our analysis finds that these savings
5 totaled \$57 million in Fiscal Year 23, \$92 million in
6 Fiscal Year 24, and \$376 million in Fiscal 25 and 26.
7 So in other words, the actual PEG savings that reduce
8 the budget gap were lower by those amounts. In terms
9 of vacant positions, there are significant vacant
10 positions that still remain and these do offer an
11 opportunity for the savings as the Administration is
12 pursuing while also leaving agencies with ample
13 vacant positions which they can fill to provide
14 critical services. What is critical is flexibility
15 to shift vacant positions across and within agencies
16 to units and titles that have critical staffing
17 needs. While the Fiscal Year 24 budget gap is
18 relatively manageable, out-year gaps are wider. As I
19 said, they already were increased by \$866 million and
20 \$1.9 billion compared to the June financial plan.
21 The fiscal risks abound in budget gaps even absent a
22 recession could reach \$8 billion and \$10 billion in
23 Fiscal Years 2025 and 2026. We've been consistently
24 warning of three risks: collective bargaining costs,
25

1 city and federally-funded fiscal cliffs, and the
2 potential revenue shortfall from a recession. These
3 risks all remain. Employee raises of three percent
4 annually compared to what is in the budget in the
5 Labor Reserve would increase gaps by \$800 million in
6 the first year, increasing to \$2.5 billion in the
7 third year. There's a city-funded fiscal cliff of
8 about \$865 million in Fiscal Year 24. These are
9 city-funded programs in Fiscal Year 23 that do not
10 have funding next year. And so it would either need
11 to be discontinued or have resources identified. In
12 a typical recession based on prior recessions, we
13 estimate could cause revenue shortfalls of \$4.3
14 billion in the first year and \$10 to \$16 billion over
15 three years. So these are all very significant
16 risks. As IBO mentioned, we also are concerned
17 about the inclusion of \$1 billion in federal funding
18 for services for asylum-seekers. While concur that
19 the federal and state government should shoulder some
20 of these costs, they have not been secured and this
21 could be-- put additional pressure on the city
22 budget. in terms of looking forward to the
23 Preliminary Budget, we identify some action the City
24 is likely to take to reduce the-- or to close the
25

1
2 Fiscal Year 24 gap including reducing budgetary
3 reserves and identifying other technical adjustment
4 as well as the vacancy savings they have identified.
5 But we do want to say while there is a clear path to
6 balancing Fiscal Year 24, it would be a mistake to
7 conclude that the City's fiscal situation is brighter
8 and that it can therefore afford more recurring
9 spending on programs. There are significant fiscal
10 challenges ahead. The best way to preserve services
11 for New Yorkers when they need them most is to
12 improve the quality and efficiency of the City's
13 operation today. More transformative changes are
14 needed to ensure future stability. Thank you, and I
15 look forward to answering your questions.

16 CHAIRPERSON BRANNAN: Colleagues have
17 questions? Okay.

18 COUNCIL MEMBER BREWER: Thank you as
19 always. One question I had, maybe I misunderstood,
20 but there was some discussion about programs that are
21 funded and maybe not in the future or they're not
22 funded now and they should be in the future, that
23 piece. The reason is there are some city agencies
24 people know that I'd love to get rid of, but I'm
25

1
2 told, you know, hard to do. So I'm wondering if you
3 have that list.

4 VICE PRESIDENT CHAMPENY: Excuse me?

5 COUNCIL MEMBER BREWER: I'm trying to--
6 there's some agencies that I would like to get rid
7 of. People know that I have such a list, but I am
8 told I'm not supposed to do that. So my-- do you
9 have such a list?

10 VICE PRESIDENT CHAMPENY: No, we do not
11 have a list.

12 COUNCIL MEMBER BREWER: Because you
13 mentioned something about something being funded and
14 not funded in-- what was that? There was something
15 that you mentioned that go me very excited that there
16 might be such a list.

17 VICE PRESIDENT CHAMPENY: I think what
18 you're talking about is what's similar to your
19 questions earlier about baselining costs. That we in
20 reviewing budget in city funding for programs have
21 identified across many agencies. Nearly \$900 million
22 dollars in spending this year that is not in the
23 baseline. But these are programs that are arguably
24 recurring and we would expect to continue. So we
25 refer to that as a fiscal cliff, and that the gap is

1
2 really \$900 million dollars higher than reported if
3 you want to continue these services.

4 COUNCIL MEMBER BREWER: Thank you.

5 CHAIRPERSON BRANNAN: Do you have any
6 analysis or opinion on the vacancy issue?

7 VICE PRESIDENT CHAMPENY: We've been
8 tracking city headcount and vacancy closely during
9 the pandemic. Total headcount from the peak, full-
10 time and full-time equivalent is down about 22,000
11 positions. I think we ended Fiscal Year 22 with about
12 304,000 full-time and full-time equivalent on board.
13 The authorized level as you know is about 333,000
14 this year. So there are a lot of vacant positions,
15 and I think we're seeing a point where the vacancies
16 are impacting services has been identified. We have-
17 - you know, we have said that there are both
18 vacancies that need to be cut as well as managerial
19 changes that need to be made to increase hiring.
20 Part of the challenge is that we have separations
21 that are exceeding new hires. So your on-board staff
22 continues to decrease because we're not-- the City
23 hasn't been able to hire at the speed that it needs
24 to. Some of that is outside of their control. It
25 is, in fact, a very tight labor market. There are

1 civil service rules that they are constrained by, but
2 I think other procedural changes within OMB, some of
3 which they appear to be implementing could speed up
4 and allow agencies. I mean, part-- one part is
5 allowing agencies to post and search for all of their
6 vacancies which they were not allowed to do when
7 there was a two-for-one hiring freeze that's now
8 being eliminated. So, one is allowing agencies to
9 post and fill their vacancies, but also speeding up
10 the internal review processes so when they find
11 qualified candidates they can bring them on.

13 CHAIRPERSON BRANNAN: Are there agencies
14 who've identified where the vacancies matter more or
15 impact services more?

16 VICE PRESIDENT CHAMPENY: I mean, the
17 vacancy rates do vary in some agencies, like the
18 Department of Buildings which has come up-- have
19 significantly higher vacancy rates than the citywide
20 average. DOB, for example, is at 24 percent compared
21 to eight percent. I think part of what is a factor
22 is agencies where their staff are very attractive to
23 the private sector as well, and so I think positions
24 like inspectors, engineers, architects have
25 significant opportunities in the private sector, and

1
2 that may be in fact part of why the City has
3 difficulty recruiting in those titles.

4 CHAIRPERSON BRANNAN: I don't have
5 anything else. [inaudible] Thank you so much.
6 Thank you. Next we have Penny Lewis and Azar Nasir
7 [sp?]

8 COMMITTEE COUNSEL: When you're ready you
9 can begin in the order of preference.

10 CHAIRPERSON BRANNAN: Make sure that's
11 on.

12 PENNY LEWIS: Okay, is that-- it's
13 working? Okay, great. Hi. My name is Penny Lewis.
14 I'm the Secretary of the Professional Staff Congress
15 CUNY and I'm also a faculty member at the school of
16 Labor and Urban Studies. We represent 30,000 faculty
17 and professional staff at CUNY, as I'm sure you're
18 aware, and I want to thank you Chairman Brannan and
19 the Committee Members for the opportunity to testify
20 here today. We're really appreciative that the
21 Committee is holding this hearing. We're here today
22 because as you know, CUNY is central to the
23 advancement of New York City residents and our
24 economy. This is especially true of the community
25 colleges which receive about half of their funding

1 from the City. However, CUNY's capacity is eroding.
2 And I handed in testimony that you all can maybe look
3 at and it has more details, but I wanted to respond a
4 little bit to what we heard earlier today from the
5 representatives from OMB, because they were asked by
6 Committee Member Powers about the effects that the
7 PEGs have already had on CUNY and the future possible
8 effects. And we heard that there's been no impact on
9 service, that CUNY-- and that there will be no impact
10 on service, that CUNY can absorb these cuts because
11 of low enrollment, there's no effect on staffing.
12 And I mean, I'll say from the union perspective and
13 from what we hear from our thousands of members and
14 what we understand from the students who are going to
15 CUNY every day that those really seem like
16 fantastical statements to make, like kind of magical.
17 As you all know, CUNY has been underfunded for
18 decades. We didn't have enough before we are facing
19 the enrollment situation that we're in. Our members
20 talk about having vacant positions next to them. the
21 last round of cuts of \$14.7 million that we absorbed
22 which has contributed to the loss of 146 professional
23 staff and faculty over this most recent period, and
24 the \$13.7 million dollar cut that we're facing is
25

1
2 going to continue to create a situation for our
3 members where they are working, you know, twice as
4 hard because they don't have people doing the jobs
5 alongside them that used to be there. Our students
6 are facing extraordinary crises at this moment, you
7 know, mental health crises, crises of staying in
8 school, of needing-- of getting the supports that
9 they need, and you know, this would be a time to
10 invest in our students and invest in the future of
11 New York, not to continue to make these kinds of
12 cuts. We know from the 2021 report from the New York
13 City comptroller that CUNY graduates provide \$4.2
14 billion dollars a year annually to New York City. We
15 have multiple studies from-- if I can finish up my
16 statement very quickly-- Raj Chedi [sp?], the
17 Brookings Institute, all of these things that show
18 the worth that CUNY has and we very much hope that
19 the Council will oppose the PEG cuts to CUNY. And
20 frankly, you know, these cuts in general because we
21 think that it looks like the Mayor is possibly making
22 these kinds of across-the-board cuts as a kind of
23 negotiating position towards next year's budget, and
24 we oppose these austerity budgets and hope you do as
25 well. Thank you.

CHAIRPERSON BRANNAN: Thank you. Zara?

ZARA NASIR: Good afternoon, Chair

[inaudible] Okay, let me start over. Good afternoon
Committee Chair Brannan, Council Members Ayala,
Brewer and others. My name is Zara Nasir. I'm a
part of a coalition called the People's Plan that
consists of base building organizations that
represent working-class workers. PS CUNY actually
just joined. And I'm also a New Yorker and a
Brooklynite who supports care [sic] not cuts in the
people's budget, and I oppose the deep cuts proposed
by the Mayor in the November Plan financial plan. I
like many New Yorkers am worried about the Mayor's
misaligned budget priorities. The Mayor's budget in
June was the largest in New York City history despite
cutting the Department of Education budget by at
least half a billion dollars. And now cuts to
positions and programs at CUNY and 3K seats and the
degradation of social and housing services through
high vacancy rates and planned vacancy reductions are
most concerning to us at a time when New Yorkers need
these supports the most. As you know, the
Comptroller put out a report this week that delves
into how under Mayor Adam's direction and leadership,

1
2 New York City's government has double digit vacancy
3 rates and mission critical programs and workforces.
4 Thirty-five Mayoral agencies and offices that provide
5 vital functions and services have high vacancy rates.
6 This includes agencies and offices providing social
7 safety net services, 20 percent vacancy rate,
8 enforcing building codes, 23 percent vacancy rate,
9 creating affordable housing, 18 percent, enforcing
10 the City's human rights laws, 32 percent, and running
11 programs and administering programs for low-income
12 and adult children 47 percent. The Mayor's hiring
13 freezes and vacancies are even impacting revenue
14 collection. This is appalling considering that the
15 Mayor has been using the revenue to expenditure gap
16 to justify a wide swath of deep cuts to caregiving
17 agencies and workforces. These key housing and
18 health services are being degraded at a time when the
19 Mayor has vowed to use force and violence against
20 unhoused people on the street as people were rallying
21 around today with Communities United for Police
22 Reform under the guise of safety. This degradation
23 of services comes at a time when immigrant New
24 Yorkers need legal language and housing support as
25 they seek refuge in our city. BCC spent a month

1 without heat, so there's like deep infrastructure
2 needs at CUNY. 3K seats, obviously we can talk about
3 the early education and the benefits for working-
4 class New Yorkers. So to end, working-class New
5 Yorkers, all New Yorkers need a functioning well-run
6 city government and city services and social safety-
7 net now more than ever. Members of the New York City
8 Council, we especially need you to stand up against
9 this in the upcoming budget modifications. Thank
10 you.
11

12 CHAIRPERSON BRANNAN: Thank you guys.
13 Thank you very much. Now we're going to Zoom and we
14 have Heather James.

15 HEATHER JAMES: I'm not able to turn on
16 my video. The host has stopped it, so I don't know
17 if that's a technical issue you all can solve?

18 CHAIRPERSON BRANNAN: It's okay, you can
19 go ahead.

20 HEATHER JAMES: Awesome. Alright, hi--

21 CHAIRPERSON BRANNAN: [interposing] I know
22 what you look like.

23 HEATHER JAMES: True. Alright, well I
24 won't torture you with too much repetition here at
25 3:40, but thank you so much, Chairman Brannan and to

1 the rest of the Council Members, for your time today.
2 I'm here as a professor at the Borough of Manhattan
3 Community College, CUNY, a city employee like you and
4 a proud PSC CUNY member. Penny mentioned that we had
5 to absorb quite a large number of cuts to full-time
6 community college faculty in FY23, and of course, the
7 November Plan would eliminate more positions. You
8 know, maybe to you these numbers don't sound huge,
9 but if you look at long-term hiring trends at CUNY
10 they paint a different picture. We've lost 845 full-
11 time faculty between 2014 and 2022, and 70 percent of
12 all courses taught at CUNY's community colleges are
13 taught by underpaid contingent faculty commonly known
14 as adjuncts. Last budget cycle, the state made some
15 efforts to bring back full-time faculty, but we are
16 currently undermining that long fight, and the last
17 thing we want to do is create a two-tiered system of
18 higher education that disadvantages poor students and
19 students of color. We're in danger of doing that.
20 Studies show that students of color like those served
21 by our community colleges have less access to full-
22 time faculty than their white peers. As Penny noted,
23 the idea that eliminating more full-time faculty
24 positions won't impact our students, that's a
25

1
2 fantasy. It's a fantasy that more full-time faculty
3 are not needed due to enrollment drops. Even when
4 enrollment was at its lowest level at the height of
5 the pandemic, we didn't have close to enough full-
6 time faculty. As I mentioned, our adjuncts are paid
7 poverty wages. They don't have their own offices.
8 They're running from campus to campus. This is not
9 to disparage my colleagues. They're trying to
10 survive. Full-time faculty are required to provide
11 additional services such as advising. Our students
12 need this more than ever. Since COVID they need more
13 attention. We're actively trying to bring people
14 back. We have the Speaker's Reconnect initiative. We
15 have and we need more retention efforts. We
16 desperately need to educate more mental health
17 professionals.

18 SERGEANT AT ARMS: Time has expired.

19 HEATHER JAMES: Okay, so we can't bring
20 people back without faculty and staff. Thank you.

21 CHAIRPERSON BRANNAN: Thank you, Heather.

22 HEATHER JAMES: Thank you.

23 CHAIRPERSON BRANNAN: Now we have Lynn
24 Yellen on Zoom.

25 SERGEANT AT ARMS: Time has begun.

1
2 LYNN YELLEN: Thank you. I also can't
3 start my video. My name is Lynn Yellen, and I am a
4 New Yorker living in Brooklyn. I support Cares not--
5 Care Not Cuts and the People's Budget. I want to
6 oppose the deep cuts proposed by Mayor Adams. As a
7 retired New York City public school teacher, I am
8 deeply concerned that the budget was so large even
9 though the cuts to the DOE were about half a billion
10 dollars. I appreciated Council Member Restler's
11 query about 3K. It is unconscionable to talk about
12 cutting seats from Early Childhood Education when
13 these programs not only improve a child's educational
14 outcomes, but will increase their lifetime earnings.
15 Pre-K programs are an investment in the future. They
16 can change the trajectory of an entire family over
17 time. I taught high school for over 30 years, and I
18 continue to work with public school students as a
19 teaching artist. Vacancies in city agencies that
20 provide vital city functions translate into
21 incredible hardship for children and families. Right
22 now the City has a 20 percent vacancy rate for
23 agencies providing social safety-net services
24 including the Department of Social Services which
25 provides for unhoused New Yorkers. Offices that

1
2 administer programs for low-income adults and
3 children have a vacancy rate approaching 50 percent.
4 As Council Member Brewer pointed out, some of those
5 vacancies were avoidable. The Mayor's insistence
6 that city employees return to offices is misguided.
7 The City is again seeing increasing COVID cases.
8 Moreover, the lack of childcare options has also
9 placed municipal workers under pressure. In my work,
10 I am accustomed to seeing children who are exhausted
11 in school because their families are unhoused and
12 dealing with late-night moves within the shelter
13 system. I have prepared meals and brought home-made
14 snacks for children whose families lack access to a
15 kitchen. There is a human toll when systems fail.
16 New Yorkers need a fully-staffed well-run city
17 government. Shorting educational programs and those
18 that affect children is a way of shorting the future.
19 Thank you.

20 CHAIRPERSON BRANNAN: Thank you, Lynn.
21 Now we have Jen Gaboury.

22 SERGEANT AT ARMS: Time has begun.

23 JEN GABOURY: Hi, I too cannot start my
24 camera, but I'm in my classroom right now at CUNY and
25 my students are watching me testify, so it's a good

1
2 lesson for them and I'm trying to encourage them to
3 come out to public hearings and make their voices be
4 heard. I'm really happy today to see testimony that's
5 considering alternatives to the Medicare Advantage
6 changes and also looking for different ways to
7 consider revenue. I would be really discouraged to
8 see this particular City Council sort of fall for
9 arguments around false austerity, and that's what
10 some of these budgets are. We have heard-- you know,
11 when we looked at what CUNY has been thinking about
12 in terms of like how to modify these cuts, in terms
13 of the testimony that Council Member Powers said, we
14 didn't hear simply that it would be OTPS funding and
15 not personnel, and that we did hear it would be
16 personnel. And just like my colleagues Penny and
17 Heather have said earlier is that we can sustain cuts
18 to full-time faculty and staff at CUNY. We're
19 fighting at the state to increase more full-time
20 faculty and staff right now, and then it would be a
21 tragedy to lose those positions locally at the city.
22 Just as Penny Lewis just said a few minutes ago, pre-
23 pandemic we could not afford to lose full-time
24 positions out of our system. The enrollment drop,
25 right, that sort of discussion is sort of hinging on,

1 that CUNY can somehow sustain these cuts. The
2 numbers were 274,000 in 2011 and 243,000 now in 2012.
3 If you look at the staffing and faculty and mental
4 health resources and other things that we have
5 available, we don't have enough right now for 243,000
6 students, right? And especially at the community
7 college level when those students are the most
8 vulnerable, the most affected by the pandemic. that
9 is where we need full-time faculty and staff pulling
10 people out, and it's going to be not only the kind of
11 revenue that is re-investing for recovery for the
12 pandemic, but helping those families, helping those
13 people, right, like re-establish lives that have been
14 devastated. And even if it is OTPS funding, right,
15 my library-- like, so what is OTPS funding do? It
16 buys lab equipment--

17
18 SERGEANT AT ARMS: [interposing] Time
19 expired.

20 JEN GABOURY: lab equipment that we don't
21 have right, right? It supplies library
22 subscriptions. My-- my library does not cover
23 critical like subscriptions to journals in my field
24 right now, like, before these cuts. Right? So even
25 if it is OTPS, we don't have enough. Most city

1 agencies do not rely upon cadres of part-time staff
2 and part-time faculty, and that is what you have
3 asked CUNY to do decades after decade after decade,
4 and it is inadequate, and we want to see this turned
5 around. It's not even just enough to say that we
6 can't sustain these cuts. We need a major u-turn in
7 the ways in which CUNY functions. Thank you.

8 CHAIRPERSON BRANNAN: Thank you, Jen.
9 Thank you, Jen.

10 JEN GABOURY: Thank you, Justin.

11 CHAIRPERSON BRANNAN: We have Tanisha
12 Grant.

13 SERGEANT AT ARMS: Time has begun.

14 CHAIRPERSON BRANNAN: Tanisha, are you
15 there? Then we have Ashley Conrad.

16 ASHLEY CONRAD: Hi, good afternoon. Thank
17 you, Chair and Committee on Finance. My name is
18 Ashley Conrad. I'm a community organizer with Freedom
19 Agenda and a long life-time New Yorker. I want to
20 thank you for the opportunity to be able to testify
21 today. My nephew has a diagnosis of DMDD which is
22 Disruptive Mood Dysregulation Disorder, and he is
23 also on the autism spectrum. Unfortunately, my
24 nephew was not diagnosed until the age of 14 which
25

1
2 created challenges for treatment, and my nephew is a
3 perfect example of everything wrong with our city's
4 budget priorities. Coming from a low-income Latina
5 neighborhood in Queens it created a lot of barriers
6 to adequate treatment, and due to those many years of
7 no substantial help, his symptoms progressed and
8 became severe which led to interactions with law
9 enforcement and several psychiatric hospitalizations.
10 [inaudible] what would have helped my nephew then
11 which would help many New Yorkers now and what makes
12 community safe, and the quality and accessible care,
13 not cops and not incarceration. Instead, the City
14 has spent hundreds and thousands of dollars to keep
15 him at Rikers Island. Earlier this year, the Mayor
16 was looking to add more money to the most corrupt and
17 under-funded jail system in the country, Rikers
18 Island. now in this budget modification, the
19 Mayor's proposing cuts to funding for housing,
20 childcare, and education, but somehow found over 12
21 million dollars to add to DOC's budget, which was
22 only described as other adjustments. I don't know
23 what that means. But for DOC, Mayor Adams seems like
24 he's willing to continuously write a blank check, and
25 the Mayor seems to have looked for every opportunity

1
2 to cut vacancies in education institutions and social
3 service agencies, but not for DOC. DOC currently has
4 about 70 vacancies among uniformed staff. They
5 should be trimming their bloated headcount by much
6 more--

7 SERGEANT AT ARMS: [interposing] Time
8 expired.

9 ASHLEY CONRAD: than that. But 70
10 positions would be a start. Instead, the only jail
11 system in the language with more guards than people
12 in custody is getting a pass when the Mayor says we
13 need to find savings wherever possible. Sometimes
14 the Mayor talks like he's with us when he says he
15 wants to go upstream to help our young people. He
16 talks about breaking the cycle of incarceration with
17 education, support and opportunity. If that's truly
18 where the mayor val-- where his values are, he needs
19 to show us a budget that reflects that. And his
20 November budget proposal is not that. This council
21 rightly rejected the Mayor's attempt to increase
22 DOC's budget this spring, but we urge City Council to
23 reject this new attempt to add unexplained and
24 unjustified millions to their budget. Please insist
25

1
2 on a budget that really meets the needs of our
3 communities. Thank you.

4 CHAIRPERSON BRANNAN: Thank you Ashley.
5 We have Devora Cafaro.

6 SERGEANT AT ARMS: Begun.

7 DEVORA CAFARO: Hello. Please excuse me,
8 I can't give the original statement that I wanted to
9 give because I'm one of those parents that works for
10 New York City, and-- bear with me, sorry. I work for
11 New York City and I'm 3K mother, but I lost my
12 childcare for this afternoon and because I can't
13 afford to keep my child in the extended day program
14 for extra hours, I had to leave where I was
15 positioned to do a more authentic speech, but I'm
16 speaking on behalf of everybody else that's here of
17 the realities. I'm showing you right now how I can't
18 give you my authenticity because I'm a struggling
19 parent, but according to the staff, I'm middle-class
20 and I should be able to afford this, when everything
21 is skewed. Everyone here has spoken so highly of how
22 budget cuts are going across the board against
23 education and so many other areas. I'm sorry, like I
24 said, I can't give you what I was hoping to give you
25 blood I have to pick up my daughter. But please, as

1
2 a working mother who wants to stay in the City and is
3 trying so hard to even advocate that my friends and
4 family stay in the city we love. Show that you are
5 fighting for us and that you're doing everything in
6 your power to not approve this budget that they're
7 saying is justifiable when there are countless people
8 here who are showing you all the cracks and all the
9 skews that are going on. Thank you so much, but like
10 I said gotta go pick up my daughter.

11 CHAIRPERSON BRANNAN: Thank you Devora.
12 We'll go back to Tanesha Grant now.

13 SERGEANT AT ARMS: Time has begun.

14 TANESHA GRANT: Yes, can you hear me?

15 CHAIRPERSON BRANNAN: Yes, go ahead.

16 TANESHA GRANT: Thank you for this
17 hearing on finance. My name is Tanesha Grant. I am
18 the Executive Director of Parents Supporting Parents
19 New York. I want to talk about mental health. I want
20 to talk about the fact that I had a client last week
21 whose granddaughter was being sexually assaulted by
22 someone in her family and when she took her to the
23 doctor to get her some help, some mental health
24 services, some culturally-relevant mental health
25 services, which we don't talk about, they put this

1
2 little girl on a waiting list. When we talk about
3 mental health services, we have to have access to
4 mental health services and they have to be
5 culturally-relevant to the people that we are and the
6 communities that we live in. Most of the time,
7 mental health service providers have no identity with
8 the community that they're serving, and in this time
9 and age, we can't even get mental health services.
10 If we're talking about a budget and we're sitting
11 here and we're hearing the administrators, the
12 Administration, Mayor, talk about all of these things
13 that they want to do for mental health services, the
14 first thing they need to do is hire qualified mental
15 health service providers, and there is no reason why
16 low-income people such as I, low-income people in my
17 community who work hard cannot get the mental health
18 services that they need, which is a part of these
19 cuts and these budgets. How are you providing mental
20 health services when everyone who requests mental
21 health services goes on a waiting list because there
22 are no providers? This has everything to do with
23 public safety, literally making people crazy,
24 literally not providing the service that they need
25 and then saying that you are is totally disgusting,

1
2 and it's ruining our community, and it is a part of
3 why public safety is not safe. I suggest that this
4 budget is looked at again, that the City Council
5 members does not let anything pass that--

6 SERGEANT AT ARMS: [interposing] Time has
7 expired.

8 TANESHA GRANT: is continuing to hurt our
9 communities. Thank you.

10 CHAIRPERSON BRANNAN: Thank you, Tanesha.
11 Next we have Ana Perna Schriber [sp?].

12 ANA PERNA PUTLERY SCHRIBER: My name is
13 Ana Perna Putlery Schriber. My daughter is at Red
14 Balloon Preschool in Harlem which is now in danger of
15 being closed by Columbia University, and my son is a
16 first grader at PS 125 in Harlem. PS 125 is located
17 in a racially diverse low income district. Children
18 have suffered greatly during the pandemic with
19 indicators for healthy socialization, academic
20 benchmarks, and social/emotional wellness not where
21 they should be. Many parents-- many children have
22 lot parents, caregivers, and other loved ones to
23 COVID. Our extremely dedicated teachers and staff
24 have risked their own health and safety to provide
25 our children an education while also supporting their

1
2 mental health and nurturing our children to be good
3 citizens. They are literally being asked to take a
4 bullet for our children, and their reward is to strip
5 the school of significant funding. A study by the
6 Children's Hospital of Chicago states that pillars
7 for mental health including socializing, exercising,
8 eating well, sleeping well, various activities,
9 processing experiences have been compromised all at
10 once, and 64 percent believe the pandemic will have a
11 lasting effect on children's development. These
12 effects are likely to be seen more deeply in
13 community of color of low-income communities. It is
14 the responsibility of the City's officials to
15 alleviate this inequality, not to exacerbate it as
16 these budget cuts have already done. One can only
17 imagine how these budget cuts have made more
18 difficult the lives of our most vulnerable children
19 including those with special needs with difficult
20 home lives and whose parents are struggling to make
21 ends meet. I am reminded of the saying that the
22 opposite of poverty is not wealth, it is justice.
23 Given this, it's absolutely puzzling why you would
24 cut funding to schools when their budgets should be
25 augmented to ensure that the whole child is being

1
2 cared for, including programming for our youngest
3 learners, after school programs, and schools that are
4 robustly staffed with teachers and staff that are
5 fairly compensate and treated with respect. I have
6 personally purchased disinfectant wipes and sprays
7 for my son's classrooms. I am too ashamed to ask my
8 teachers how much they have personally spent on--

9 SERGEANT AT ARMS: [interposing] Time
10 expired.

11 ANA PERNA PUTLERY SCHRIBER: from their
12 own pocket. Our school already relies on parent
13 volunteers to serve lunches. Our community is deeply
14 committed to our school and to holding each other up,
15 but good will alone will not pay for teachers and
16 staff and a safe well-maintained school. Any budget
17 that isn't centered round the welfare of our most-
18 vulnerable citizens, our children, isn't one worth
19 considering. The parents and educators of this city
20 are fed up. We are exhausted and we vote. Reverse
21 the budget cuts now. We will be holding all elected
22 officials responsible from the Mayor to the City
23 Council Members who voted for this budget in the
24 first place. Thank you.

1
2 CHAIRPERSON BRANNAN: Thank you. Next is
3 Lupe Hernandez.

4 SERGEANT AT ARMS: Time has begun.

5 LUPE HERNANDEZ: Good afternoon,
6 Committee Chair Brannan and the rest of the Committee
7 Members. My name is Lupe Hernandez, and I am a New
8 Yorker that lives in Manhattan, and I support Care
9 Not Cuts, and I oppose the deep cuts proposed by the
10 Mayor in November Financial Plan. A little bit about
11 myself, I have spoken to you many times in regards to
12 this education budget that many Council Members
13 passed and then regretted, even after parent
14 advocates had been screaming about the impact on the
15 \$469 million, and that's on the low end of what these
16 cuts would look like. As Council Member Brannan said
17 earlier, these schools were not funded adequately or
18 equitably to begin with. But today, I'm here to talk
19 to you about the cuts to Universal Pre-K and early
20 education services and the impacts on the working-
21 class New Yorkers like myself. A half a billion in
22 cuts in the next Fiscal Year, that's \$1.5 billion
23 throughout Fiscal Year 2026. I want to reiterate how
24 important this program is, not just for the
25 educational outcomes of working-class families in New

1
2 York, cut to their long-term economic fortunes, as
3 well. This is a long-term investment. Kids who
4 enroll in Early Education programs not only do better
5 in their education pursuits, but their average
6 lifetime earnings actually increase. It is not an
7 over-statement to say that this program can change
8 the trajectory of an entire household over time. The
9 cancellation of 3K expansion and cuts to the
10 Department of Education severely impacts families who
11 do not currently have access to this vital education
12 program. Many New Yorkers like myself I've
13 complained that there's not enough seats in
14 particular neighborhoods. Yet, the Administration
15 failed to appropriately outreach to the families
16 across the City and is citing that as a reason to
17 curtail seats. This is outrageous and honestly a
18 betrayal of the public trust, me included. By fixing
19 the enrollment numbers, the Adams Administration is
20 saying they're purposely-- it seems like they're
21 purposely sabotaging--

22 SERGEANT AT ARMS: [interposing] Time
23 expired.

24 LUPE HERNANDEZ: this program. I would
25 just like to say to you as a parent of a soon-to-be

1 three-year-old, I was really anticipating being able
2 to get back in the work force. By able to utilize
3 the universal 3K program that was a full-day all-day
4 phase-in that was promised to have a seat for every
5 three-year-old in fall of 2023. Do you know how my
6 disappointment and just defeat after reading the
7 email this past week that received? As parents being
8 notified to apply for a 3K seat, it specifically said
9 we are not guaranteeing a seat for every student in
10 every district. New Yorkers were promised this, and
11 he's backtracking. This is a program that the rest
12 of the nation is trying to replicate because it was
13 the most successful thing that's happened to the DOE
14 in a long time. I advocate for students with
15 disabilities, and we've known for a long time how
16 these services that we can't get not only in the
17 school, but as previous speakers told you, I as
18 myself and my children have struggled--

19
20 SERGEANT AT ARMS: [interposing] Time has
21 expired.

22 LUPE HERNANDEZ: to get the help, mental
23 services they need because there's waiting lists. We
24 don't need these cuts. We need care. We need
25 support. Please do right form your previous votes

1
2 and do not-- like, this is not acceptable budget. It
3 needs to have the people's budget. I'm here in
4 support with the People's Plan. Thank you.

5 CHAIRPERSON BRANNAN: Lupe, could you
6 send us that email that you said you received?

7 LUPE HERNANDEZ: Yes, I will. I sent it
8 out to all of the advocates, and I was so
9 disappointed. I highlighted it with like a big red
10 circle saying, "Can you believe this?" It's not
11 guaranteed, and I was looking forward to being able
12 to go back to work. I-- it's next to impossible. I
13 live in Tribeca. I don't make Tribeca money. We were
14 here before the influx of the wealth, and it's \$20
15 grand up front for a preschool program in my
16 neighborhood, and they want it up front, and that's
17 two hours for three days out of the week. That's not
18 even three days or five days full day. That's two
19 hours, three days out of the week. For my three-
20 year-old to be a in program it's 20 grand up front.
21 I don't have that.

22 CHAIRPERSON BRANNAN: Thank you.

23 LUPE HERNANDEZ: Thank you.
24
25

1
2 CHAIRPERSON BRANNAN: Thank you very
3 much. Next we have Sarah Marie Knipel [sp?] or
4 Knispel.

5 SERGEANT AT ARMS: Time has begun.

6 SARAH KNISPEL: Hi. My name is Sarah
7 Knispel. I'm a Queens resident, a licensed social
8 worker, and [inaudible] member. I've worked as a
9 case manager, an elementary school social worker, and
10 a program manager at a psychosocial clubhouse, and at
11 all of those jobs we were short-staffed. I became a
12 social worker because I care deeply about people. I
13 form close, trusting relationships with my clients.
14 I support them through some of the biggest crises on
15 the lowest points of their lives through unimaginable
16 trauma and loss. They come to me sometimes worried
17 for their lives like in the case of an older homeless
18 woman being beaten and threatened by her intimate
19 partner. So often I would spend hours, days, even
20 months searching for desperately needed resources
21 only to have to tell these folks I've grown close to
22 that there was nothing I could do for them. there
23 were no Safe Haven beds available, no beds in the
24 domestic violence or youth or LGBTQ shelters, no way
25 to get identification for free, no psychiatrist or

1 therapist who take Medicaid with immediate
2 availability, no toilet paper or soap at the food
3 pantry, no affordable apartments, no free laptops or
4 internet for school, no shoes in their size in the
5 free closet, no children's coats in the coat drive,
6 no foods suitable for a diabetic at the soup kitchen,
7 and no food stamps won't pay for diapers. My
8 colleagues and I have to look our clients in the eye
9 and tell them there's nothing we can do for them
10 every day, and then we go on to also do the work of
11 two other people because we're under-staffed. It's
12 heartbreaking, exhausting and demoralizing. It made
13 me feel utterly helpless. I gave my clients false
14 hope by telling them I was there to help. I couldn't
15 actually offer assistance because the city and state
16 are not meeting the basic needs of their residents.
17 And as much as I love people and believe in the work
18 that I do--

19
20 SERGEANT AT ARMS: [interposing] Time
21 expired.

22 SARAH KNISPEL: I'm often on the cusp of
23 burning out. Our city is still reeling from the
24 effects of the pandemic. Now is not the time for
25 austerity. Cutting housing and social services is

1
2 dangerous and cruel. If you want to keep talented
3 and committed care workers in the field serving your
4 constituents and loved ones, don't just call us
5 heroes, fund our work. Thank you.

6 CHAIRPERSON BRANNAN: Thank you. Now we
7 have Leah Ali.

8 SERGEANT AT ARMS: Time has begun.

9 LEAH ALI: Good afternoon Committee Chair
10 Brannan. My name is Leah Ali and I'm a New York City
11 public high school student that attends Bard [sic]
12 High School in Manhattan, resides in Queens and
13 supports #carenotcuts and the People's Budget. I
14 oppose the deep cuts proposed by Mayor Adams in the
15 November Financial Plan. I'm here today to provide
16 testimony on behalf of and in solidarity with
17 students across New York City who are deeply impacted
18 by the cuts. Generations of students will be
19 impacted including the 3K students who potentially
20 won't have seats next year because Mayor Adams
21 decided to cut the expansion of Universal 3K, a
22 system that made childcare significantly more
23 accessible and affordable to low-income working
24 parents. Public school students like myself bear the
25 brunt of the budget cuts when the funds for our

1
2 extracurricular activities and clubs are drastically
3 decreased. The blatant lack of care for students and
4 communities is evident. Just in my neighborhood
5 alone, all three middle schools face the cut of two
6 million dollars and over. For the thousands of
7 students in unstable housing, these cuts are
8 depriving them of academic services critical to their
9 development. Funneling resources away from low-
10 income and unstably housed children will add more
11 barriers to their learning and hinder their academic
12 development. Instead of investing in CUNY [sic], a
13 university [sic] system dedicated to serving everyone
14 in the city regardless of documentation and financial
15 status, the city is contemplating cuts to thousands
16 of CUNY Community College students. This will
17 especially affect the City's most vulnerable
18 students. When a city like New York chooses not to
19 invest, nurture and cherish its youth, how can we the
20 students, the children of New York City, not feel as
21 if this mayor and city administration simply do not
22 care for us. DOE and CUNY funding is essential to
23 ensuring students can climb the rungs on the ladder
24 of academic opportunities. Adequate funding for our
25 schools shouldn't be up for discussion nor toyed with

1
2 as if our futures are insignificant. If the City
3 truly believed the youth are the future, then I
4 wouldn't have to testify today.

5 SERGEANT AT ARMS: Time has expired.

6 LEAH ALI: Education is the bedrock of
7 any thriving future. Are we not the future of New
8 York City? The children of New York City are
9 counting on you. Don't let us down. Thank you.

10 CHAIRPERSON BRANNAN: Thank you, Leah, I
11 appreciate you testifying. Okay, now we have Gregory
12 Brender from Daycare Council. Sure, just make sure
13 your mic's on.

14 GREGORY BRENDER: Hi, Council Member
15 Brannan. Thank you so much for the opportunity to
16 testify. My name's Gregory Brender. I'm here on
17 behalf of the Daycare Council of New York. We're the
18 membership organization of Early Childhood provider
19 organizations. And I just wanted to talk a little
20 bit and respond to some of the stuff said today about
21 the cuts to 3K. We are, of course, in opposition to
22 these cuts. We believe 3K is part of an important
23 promise to New York City's family that Early
24 Childhood education would move toward universality
25 and towards being affordable and accessible for all

1 families. A few of the points we really wanted to
2 highlight was one, even though these are cuts that in
3 the PEG plan take place in FY24, it's important to
4 take action now, because typically 3K programs-- 3K
5 contracts start in July with services opening in
6 September. So in order to make sure that programs
7 can actually start, you want to have them in the out-
8 year budgets early on. So we don't want to--
9 obviously, this may end up being restored. We
10 appreciate the strong support that we heard today and
11 many times over for 3K, but taking action now is very
12 important. The other thing is we heard a lot from
13 the Administration about the reallocation of seats,
14 and we acknowledge the great need for increased
15 infant/toddler care, even for three and four year
16 olds for extended day programs, but the way to fund
17 them isn't to start cutting 3k and to take these
18 massive cuts out of the budget now. So, we really
19 appreciate the Council's strong support for 3K and
20 hope to see we can move to stop these cuts, and thank
21 you so much for listening to my testimony late in the
22 day.

24 CHAIRPERSON BRANNAN: Thank you very
25 much. Okay, with that, this hearing is adjourned.

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 December 17, 2022