

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 1

2
3 CITY COUNCIL
CITY OF NEW YORK

4 ----- X

5 TRANSCRIPT OF THE MINUTES

6 Of the

7 COMMITTEE ON FINANCE JOINTLY
8 WITH THE SUBCOMMITTEE ON
CAPITAL BUDGET AND THE
COMMITTEE ON CONTRACTS

9 ----- X

10 March 2, 2021

11 Start: 10:09 a.m.

12 Recess: 4:38 p.m.

13 HELD AT: REMOTE HEARING (VIRTUAL ROOM 1)

14 B E F O R E: Daniel Dromm,
Chairperson of Committee on
15 Finance

16 Helen Rosenthal,
Chairperson of Subcommittee on the
17 Capital Budget

18 Ben Kallos,
Chairperson of Committee on
19 Contracts

20 COUNCIL MEMBERS:

21 Speaker Corey Johnson
Adrienne E. Adams
22 Alicka Ampry-Samuel
Diana Ayala
23 Robert E. Cornegy, Jr.
Laurie A. Cumbo
24 Darma V. Diaz
Vanessa L. Gibson
25 Barry S. Grodenchik

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3 COUNCIL MEMBERS: (CONT.)

4 Karen Koslowitz
5 Farah N. Louis
6 Steven Matteo
7 Francisco P. Moya
8 Keith Powers
9 Helen K. Rosenthal
10 Peter Koo
11 Brad S. Lander
12 Carlina Rivera
13 Margaret Chin
14 Mark Gjonaj
15 Karen Koslowitz
16 I. Daneek Miller
17 Inez D. Barron
18 Kevin C. Riley
19 Stephen T. Levin
20 James F. Gennaro
21 Bill Perkins
22 Kalman Yeger
23
24
25

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3 A P P E A R A N C E S

4 Jacques Jiha
5 OMB's Budget Director

6 Ken Godiner
7 First Deputy Director

8 Scott Stringer
9 City Comptroller

10 Preston Niblack
11 Deputy Comptroller for Budget

12 Ronnie Lowenstein
13 Director of the Independent Budget Office

14 George Sweeting
15 IBO's Deputy Director

16 Jonathan Rosenberg
17 IBO's Director of Budget Review

18 MJ Okma
19 Human Services Council

20 Ralph Palladino
21 Local 1549

22 Nora Moran
23 Director of Policy and Advocacy at United
24 Neighborhood Houses

25 Gerson Fernandez
Taxi Driver and Owner of the Yellow Taxi

Mohammad Hawk
Taxi Driver, a Medallion Owner driving since 2007

Wain H. Chin
Driver and also a member of New York City Worker
Alliance

Mouhamadou Aliyu
New York City yellow cab driver and a member of
New York Taxi Worker Alliance

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2 A P P E A R A N C E S (CONT.)

3 Roshni Ahmed
4 Advocacy and Outreach Coordinator for Women for
Afghan Women

5 Phoebe Flaherty
6 Organizer at ALIGN

7 Dipal Shah
Director of Strategic Partnerships

8 Tierra Labrada
9 Senior Policy Analyst at the Supportive Housing
Network of New York

10 Jane Seldon
11 350 NYC

12 Katelyn Andrews
Director of Public Policy LiveOn New York

13 Cristobal Gutierrez
14 Staff Attorney from Make the Road New York

15 Towaki Komatsu

16 Dana Altneu
Assistant Director of Government Contracts at
17 Good Shepherd Services

18 Beverly Tilery
Executive Director of the New York City Anti-
19 Violence Project or AVP

20 Andrea Bowen
Principal of Bowen Public Affairs Consulting

21 Veronica Wong
22 Advocacy Director for University Settlement

23 Chicago Crosby
Canner

24 Eileen V.
25 Resident of Astoria Queens and a Member of New
York City DSA, the Democratic Socialists of
America

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3 A P P E A R A N C E S (CONT.)

4 Lakshmi Sammuganathan
5 Policy Fellow from the Coalition of Asian
6 American Children and Families

7 Basia Osowski
8 Medallion Owner
9
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2 SERGEANT LUGO: PC recording rolling.

3 SERGEANT SADOWSKY: Cloud recording rolling.

4 SERGEANT PEREZ: Backup is rolling.

5 SERGEANT BIONDO: Thank you. Good morning
6 everyone and welcome to today's Remote New York City
7 FY22 Fiscal Budget, Preliminary Budget Committee on
8 Finance jointly with the Subcommittee on Capital
9 Budget and the Committee on Contracts.

10 At this time, would all panelists please turn on
11 their video. Once again, all panelists please turn
12 on your video for verification. To minimize any
13 disruptions, please place all electronic devices to
14 vibrate or silent mode. If you wish to submit
15 testimony, we ask you to do so at
16 testimony@council.nyc.gov. Again, that is
17 testimony@council.nyc.gov. Thank you for your
18 cooperation. Speaker and Chairs, we are ready to
19 begin.

20 CHAIRPERSON DROMM: Okay, good morning and
21 welcome to today's hearing of the Committee on
22 Finance on the Fiscal 2022 Preliminary Budget. I am
23 Council Member Daniel Dromm and I am the Chair of the
24 Committee. We are joined by the Subcommittee on the
25 Capital Budget, Chaired by Council Member Helen

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2 Rosenthal and by the Committee on Contracts Chaired
3 by Council Member Ben Kallos. We will hear from the
4 Office of Management and Budget, the Comptroller, the
5 Independent Budget Office and the public.

6 I would like to now introduce our colleagues who
7 are here with us today. Of course we are joined by
8 Speaker Johnson, Chair Rosenthal and Kallos, Council
9 Members Darma Diaz, Grodenchik, Koo, Louis, Matteo,
10 Chin, Gjonaj, Koslowitz, Rivera, Powers, Ampry-Samuel
11 and I think that others will be joining us shortly.

12 I would like to begin with a few brief thank
13 you's. First, I would like to thank Council Member
14 Vanessa Gibson who was the former Chair of the
15 Subcommittee on the Capital Budget. Vanessa, it was
16 a pleasure working with you on the Budget over these
17 past three years. You were great and I really
18 appreciate all your love and support.

19 I would also like to welcome Council Member Helen
20 Rosenthal, the great Helen Rosenthal to the role of
21 Subcommittee Chair. Helen, I know we will do great
22 work on this budget this year together.
23 Congratulations to Helen Rosenthal.

24 I would also like to give a well-deserved public
25 thank you to the entire finance division of the City

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1
2 Council. Your knowledge and expertise are invaluable
3 to this Council as a whole and to me as the Finance
4 Chair. Starting with the Director Latonia McKinney
5 and to all the Deputy Directors, the Assistant
6 Director, the Counsel's Unit Head, Financial Analyst,
7 Economist and Support staff, thank you, thank you,
8 thank you. It could not be done without you and you
9 are my rock and I deeply appreciate everything that
10 you have done to bolster me and to support me and to
11 educate me on what finance does over these last three
12 years.

13 So, thank you to everyone for the fantastic work
14 that you do. And of course, I would like to turn it
15 over to my favorite Speaker, Speaker Corey Johnson
16 for his remarks now. Corey Johnson.

17 SPEAKER JOHNSON: Am I unmuted, yes, okay. Good
18 morning. Thank you Chair Dromm. I want to thank the
19 Chairs for holding this hearing. Council Member's
20 Dromm, Rosenthal and Kallos. Thank you to all of you
21 and I want to thank the Finance division at the City
22 Council as well for all of their hard work in
23 preparing for today's hearing.

24 We are here today to open our preliminary budget
25 hearings for the Fiscal 2022 budget cycle. This is

1
2 also the first budget hearing for the new OMB
3 Director Jacques Jiha. Jacque, this is certainly not
4 the easiest moment to step into a role like this, so
5 I want to thank you for taking this on and I look
6 forward to working with you.

7 Before I get into the details in this budget, I
8 want to take a moment to look beyond the numbers.
9 Even in the darkest hours of this pandemic, city
10 government never stops serving New Yorkers and that's
11 because of the dedication and hard work of city
12 employees.

13 I know it has taken a tremendous toll on them.
14 They have struggled just like the rest of us with
15 supporting their families. They have lost loved ones
16 and many of them have lost their lives to COVID-19
17 during this pandemic. Thankfully, we are finally
18 seeing some light at the end of this dark tunnel.
19 But I hope that throughout these hearings, we
20 remember that we are not just talking about dollars,
21 we are talking about policies that impact our workers
22 and the New Yorkers they serve and that without the
23 tremendous effort and sacrifices of those city
24 employees, we would not be on the road to recovery.

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2 So, I just want to say thank you to all of them.
3 None of the good work that we are going to talk about
4 during these budget processes would be possible
5 without you.

6 I am happy to say that we are finally on that
7 road to recovery. This budget isn't nearly as grim
8 as I thought it would be. After the CARES Act, the
9 second stimulus package and now with the Biden
10 Administration in the White House and Democrats
11 controlling the house and senate, it looks like we
12 will be getting some of the help that we need. But I
13 am also concerned that this budget is going to take
14 advantage of new federal money to just do the bare
15 minimum. Yes, the Mayor presented a balanced budget
16 but there are still some very, very worrying signs.
17 We are not out of the woods yet. We are seeing
18 declines in tax collections for every major tax of
19 the property taxes. And that's only up because the
20 assessments are based on pre-COVID values. With next
21 year, we are in for trouble. Property taxes are set
22 for the biggest decline since 1998. Worse than after
23 the great recession or 911, tax revenue projections
24 for Fiscal 2022 are down by \$5.4 billion. OMB is
25 projecting out year gaps of more than \$4 billion.

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1
2 So, I know we have got to get through this budget
3 but we can't just squeak by here. There are a lot of
4 questions that I have and the Council has about how
5 we are even getting to a balanced budget. We need to
6 know about the labor savings that the Mayor has
7 discussed. How we will deal with potential cuts from
8 the state and what happens if the economic recovery
9 slows. We also need to discuss how we are
10 prioritizing dollars in this budget for the programs
11 that will preserve our social safety net to ensure
12 that our youth, our seniors and working families
13 receive critical services during these trying times.

14 And that we are placing not only our economy but
15 all New Yorkers on the path to recovery. I know we
16 are seeing some positive signs that the economy might
17 be rebounding but we have got a long way to go.

18 Between February and December, we have lost more
19 than 600,000 jobs. Our unemployment rate is still
20 over 11 percent and those losses like almost
21 everything else associated with this pandemic, were
22 not felt equality. 68 percent of those lost jobs
23 were held by workers of color. The city has been
24 through too much for us to just do the bare minimum
25 here. I don't want us to just go back to normal, I

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1
2 want us to build and work towards a new, more
3 equitable future.

4 If the senate passes the stimulus bill with
5 significant funding for the city, we will have an
6 incredible opportunity. Not just to restore cuts
7 that have been so devastating to communities across the
8 city but to get a budget in place where the city
9 isn't forced to make some of those difficult
10 decisions.

11 So, I look forward to hearing from the
12 Administration and to getting to work. Again, I want
13 to thank all of the members of the Council that are
14 here today and I especially of course again, want to
15 thank Chairs Dromm, Rosenthal, Kallos and the entire
16 finance division and I turn it back to you Chair
17 Dromm.

18 Thank you very much Mr. Speaker and I want to
19 thank you personally because you were the first
20 person about a year ago, I think it was on March 11th
21 when we were in the members lounge at a democratic
22 conference to have the foresight to know what was
23 coming and to understand the seriousness of this
24 pandemic. And you alerted us all. You alerted the
25

1
2 city and for that, I think you saved many lives. So,
3 we are most grateful to you for that.

4 I want to also announce now that we have been
5 joined by Council Members Cornegy, Ayala, Lander, Van
6 Bramer. And now, I will continue with the program,
7 with the hearing.

8 The Fiscal 2022 Preliminary Budget totaled \$92.3
9 billion. The financial plan is conservative given
10 the uncertainty about the length and depth of the
11 pandemic induced recession. Although the city's
12 financial position isn't as dire as projected last
13 June, there remains several concerning risks and
14 unknowns that will impact the Fiscal '22 Preliminary
15 Budget.

16 First, is the uncertainty of federal stimulus
17 funding. As the Speaker noted, there is reason to be
18 hopeful that \$5.6 billion could come to the city but
19 we cannot count our chickens before they hatch.

20 Second, is the risk of unaccounted for potential
21 reduction in state aid. The Fiscal 2022 Preliminary
22 plan does not reflect the proposed cuts in the state
23 executive budget, which OMB estimates \$2.4 billion
24 across Fiscal '21 and Fiscal '22. Most of the cuts
25 or \$1.9 billion over those two years, would hit the

1
2 Department of Education just when our schools and our
3 students need more funding than ever to overcome the
4 challenges imposed by COVID-19 and remote learning.
5 Support for public health programs and social
6 services would drop by another \$577.4 million.

7 Third, is the risk that the Administration has
8 underfunded several areas of the budget. These
9 include spending projections for pandemic related
10 costs. The NYPD's overtime and the DOE Special
11 Education and pupil transportation spending. The
12 ongoing cost associated with busing and special
13 education should be funded across the financial plan.

14 And lastly, is the fact that the Preliminary
15 Budget doesn't include any of the Council's Fiscal
16 2022 discretionary funding or any one-time paid
17 restorations and programmatic additions included in
18 Fiscal '21 at the Council's urging.

19 Altogether, that adds up to another approximately
20 \$730.5 million. As a result of all of these risks
21 and uncertainties, there is clearly a lot for the
22 Administration to address in the Executive Budget and
23 we look forward to hearing from the OMB today about
24 how they plan to get it done.

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At this time, I would now like to hand it over to
Chair Rosenthal for her remarks. Chair Rosenthal.

SERGEANT AT ARMS: Chair Rosenthal, you are mute.

CHAIRPERSON ROSENTHAL: Okay, am in unmuted now?

SERGEANT AT ARMS: You are good now.

CHAIRPERSON ROSENTHAL: Okay, great, thanks so
much. Thank you Chair Dromm and thank you very much
for the kind words. I am Council Member Helen
Rosenthal, Chair of the Subcommittee on the Capital
Budget.

When we talk about the need to make strategic
investments in these uncertain times. We are of
course speaking about not only the city's expense
budget but its long term investment in capital
infrastructure. The streets, sewers, parks,
libraries and schools that will both lift the city's
economic recovery and sustain its future.

Less than two weeks ago, my Subcommittee held a
hearing with the Department of Design and
Construction on the challenges of restarting the
capital process in light of COVID-19. We learned
that the city's process to build out this critical
infrastructure has largely been stalled since the
onset of the pandemic. And I will be curious to know

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1 from the Budget Director when the certificates to
2 proceed will really get back to flowing as we need
3 them to be. Because for the Preliminary Capital
4 Commitment Plan for Fiscal Year 2022, it only
5 reflects partially the current reality.
6

7 The plan shows significant movement of plan
8 commitments from Fiscal Year '23 and '24 into the
9 last year of the plan but it shows small increase in
10 the current year in Fiscal '22. While I am hopeful
11 that the city will be able to execute its capital
12 plan at pre-COVID levels as soon as possible, Fiscal
13 Year 2021 \$17 billion plan maybe too ambitious,
14 especially because we have learned from many agencies
15 that their projects are simply being held up at OMB.

16 I am anxious to hear how OMB intends to help
17 agencies achieve at this level. The city has
18 steadily increased its capital commitments over the
19 last several years reaching a high water mark of
20 \$12.6 billion in Fiscal Year '19. In Fiscal Year
21 2020, commitments were on pace to exceed this amount
22 when the pandemic hit causing commitments to stall at
23 \$8.1 billion. Which is very respectable given all
24 things considered and the Governor's pause but in the
25

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1 first half of Fiscal Year 2021, actual commitments
2 were just at \$2.4 billion through December.

3
4 While this pandemic's impact has been devastating,
5 the progress that the city has made in executing its
6 capital plan over the last few years is equally
7 encouraging. With the city's financial health on the
8 mend and plans to ramp up the capital process
9 beginning to take shape, the challenge will be how to
10 restart the capital pipeline in the most efficient
11 and effective way possible.

12 As the new Chair of the Subcommittee on Capital
13 Budget, I look forward to working with this
14 Administration to make it happen. I am so excited to
15 hear about OMB's strategy for the capital restart and
16 how it will provide guidance in technical assistance
17 to agencies navigating these challenges.

18 Thank you and with that, I will turn it back to
19 Chair Dromm.

20 CHAIRPERSON DROMM: Thank you very much. I would
21 like to say that we have also been joined by Council
22 Members Miller, Gibson and let me just double check
23 and Miller as well. Thank you very much for joining
24 us and thank you Chair Rosenthal for your remarks. I
25 would now like to turn it over to Chair Ben Kallos

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1
2 for his remarks and thank you Ben for joining us and
3 lending us your expertise on Contracts.

4 CHAIRPERSON KALLOS: Thank you. Good morning, I
5 am Ben Kallos and it is my honor to join Speaker
6 Corey Johnson who saved countless lives by being the
7 first to sound alarms when the pandemic began. My
8 good friend and Finance Chair Danny Dromm as well as
9 my predecessor on the Contracts Committee Chair Helen
10 Rosenthal at this virtual hearing. The Fiscal 2022
11 Preliminary Budget at the current Chair of the
12 Contracts Committee.

13 For those of you who are watching online or on
14 TV, please feel free to make your voice heard in this
15 hearing by Tweeting me, that's at Ben Kallos.

16 As Chair of Contracts, I am interested in
17 correcting the drastic cuts made to the Indirect Cost
18 Rate Funding Initiative. This initiative debuted in
19 late 2019 as a joint accomplishment led by Chair
20 Rosenthal, Speaker Johnson, the City Council and the
21 Administration. However, cuts to the initiative in
22 2020 are compounding problems for our nonprofits
23 providing human services on the frontlines and we are
24 already hurting as a result of the pandemic.

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3 While the pandemic has cost our city billions, we
4 can't balance our budget on the backs of our neediest
5 New Yorkers. I look forward to discussing proposed
6 contracts budget, the proposed reduction to the
7 city's workforce and the proposed three to one hiring
8 freeze. I understand that there needs to be savings
9 on the city's budget, especially at this critical
10 point and time but I question the actual value of
11 these labor savings will provide and I am concerned
12 about positions being outsourced through contracted
13 consultants.

14 Before we begin, I would like to take a moment to
15 thank the Contracts Committee Staff Finance Unit Head
16 John Russell, Finance Analyst Frank Scarno,
17 Legislative Counsel Josh Kingsley and Policy Analyst
18 Leah Scrupiac[SP?] for all their hard work.

19 I will now turn it back to Chair Dromm. Thank
20 you.

21 CHAIRPERSON DROMM: Thank you Chair Kallos and I
22 wanted to say that we have also been joined by
23 Council Member Moya.

24 So, now we will hear from OMB's Budget Director
25 Jacques Jiha and the First Deputy Director Ken
Godiner after they are sworn in by Counsel. I will

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now turn it over to the Committee Counsel for some
procedural announcements and to swear in the
witnesses. Counsel.

COMMITTEE COUNSEL: Thank you Chair Dromm. My
name is Stephanie Ruiz and I am Counsel to the New
York City's Council Committee on Finance. Before we
begin, I want to remind everyone that you will be on
mute until you are recognized to speak. At which
time, you will be unmuted by the Zoom host.

If you mute yourself after you have ben unmuted,
you will need to be unmuted again by the host. I
will now administer the affirmation and our witnesses
will be called on to affirm at the end.

Do you affirm that your testimony will be
truthful to the best of your knowledge, information
and belief? Director Jiha?

JACQUES JIHA: Yes, I do.

COMMITTEE COUNSEL: Thank you and Deputy Director
Godiner?

KEN GODINER: I do.

COMMITTEE COUNSEL: Thank you. Director Jiha,
you may begin when ready.

JACQUES JIHA: Well, thank you. Thank you,
Speaker Johnson, Chairs Dromm and Kallos and

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3 Subcommittee Chair Rosenthal and members of the
4 Finance Committee for the opportunity to testify
5 today concerning the Fiscal Year 2022 Preliminary
6 Budget.

7 My name is Jacques Jiha and I am the Director of
8 the New York City's Mayor's Office of Management and
9 Budget. I am joined today by OMB First Deputy
10 Director, Kenneth Godiner. Before I discuss the
11 budget, I want to thank you for your partnership in
12 renewing the City's tax lien sale. None of us wanted
13 to add to the challenges that homeowners have faced
14 over the last year. The bill supported by the
15 Administration and passed by the Council created a
16 new, fairer program for property owners and at the
17 same time, ensures that we are able to collect
18 revenues that support vital services citywide.

19 We look forward to working with you throughout
20 the year on many more issues that reflect our shared
21 goals, which include rebuilding this city and forging
22 a recovery for all of us. In crafting this
23 Preliminary Budget, we have remained focused on
24 strong fiscal management. This is critical in light
25 of the fiscal impact of COVID-19 and State cuts and
cost shifts.

1
2 First, I would like to discuss the state of our
3 economy and its impact on the budget. We have
4 recovered nearly one-third of the jobs lost since we
5 became the epicenter of the pandemic. This is
6 slightly faster than we projected in November.
7 However, the City's real estate markets are still
8 down. Residential sales and rental prices have
9 softened substantially.

10 On the commercial side, demand for office space
11 was weak last year, with shrinking new leasing
12 volume. Tourism, one of the New York City's greatest
13 assets, remained anemic. We hosted two-thirds fewer
14 visitors last year, which drove hotel occupancy down
15 by half. Growth will be weak this quarter because of
16 the pandemic's second wave. However, we expect the
17 economy will gradually pick up as vaccination
18 coverage expands, the second wave eases, COVID
19 restrictions are carefully lifted and the economy
20 benefits from new federal stimulus that will put
21 money directly into New Yorkers' hands. So, what
22 does this mean for the City's budget?

23 Because the value of commercial and rental
24 properties has decreased, we lowered the Fiscal Year
25 2022 property tax forecast by \$2.5 billion. This

1
2 reduction drove the overall tax revenue forecast for
3 that year down by \$1.5 billion and substantially
4 increased the budget gap from \$3.8 billion in
5 November to over \$5.0 billion in January.

6 To close the newly widened budget gap, we leaned
7 aggressively into our savings program and balanced
8 the Fiscal Year 2022 Preliminary Budget without
9 deficit borrowing or assuming fiscal stimulus. In
10 the Preliminary Budget we achieved more than \$2.0
11 billion in savings across Fiscal Years 2021 and 2022,
12 which includes more than \$1 billion in PEG savings.
13 Nearly \$600 million will recur annually beginning in
14 Fiscal Year 2023. This brings total savings across
15 the two fiscal years to \$3.6 billion since June.

16 As part of our continuing effort to reduce
17 headcount, our savings plan includes a strict hiring
18 and attrition management initiative. Going forward,
19 agencies can only add a new employee after three step
20 down. This will reduce planned headcount by 5,000 in
21 Fiscal Year 2022, which saves nearly \$350 million
22 over two fiscal years. In total, we have taken
23 actions since January 2020 that reduced next fiscal
24 year's headcount by 12,000. On top of our efforts,
25 the City's Actuary has proposed a package of changes

1
2 to strengthen the pension system that will save \$730
3 million over two years. We will remain focused on
4 savings throughout the budget process, as it is
5 critical to our fiscal recovery.

6 However, cuts alone are not enough. It is
7 important to make strategic investments that will
8 strengthen the economy and help bring the city back.
9 We must grow ourselves out of this crisis. That is
10 why in the Preliminary Budget we have deepened our
11 commitment to the test and trace program and the New
12 York City Vaccine For All campaign, which are
13 essential to our recovery. We have increased social
14 and emotional learning programming for students who
15 need the help. We have funded 70,000 Summer Youth
16 Employment slots to offer opportunities for young
17 adults. We have established the Learning Bridges
18 program which provides free child care and learning
19 options for young students on days they are scheduled
20 for remote learning. We have prevented hunger with
21 GetFood NYC. We have expanded Wi-Fi in shelters to
22 promote broadband equity and made sure that the 311
23 call service, which has helped millions of New
24 Yorkers navigate this crisis, continues to operate
25 efficiently.

1
2 These initiatives are included within the new
3 agency spending of \$885 million over Fiscal Years
4 2021 and 2022. Now, I would like to discuss capital
5 planning and the status of the City's infrastructure
6 projects. Every other fiscal year, we outline our
7 long-term capital outlook. The Fiscal Year 2022
8 Preliminary Ten-Year Capital Strategy is \$118.8
9 billion. This reflects a nearly two percent increase
10 over the 2020 Ten-Year Capital Strategy. The bulk of
11 the investments are in education, environmental
12 protection, transportation and housing. They include:
13 building and improving school facilities; Improving
14 wastewater treatment facilities and sewage control
15 measures; Expanding resilient infrastructure that
16 addresses the impacts and risks of climate change;
17 Enhancing pedestrian and cyclist safety; Improving
18 roadways and traffic flow; Building and preserving
19 record levels of affordable housing and investing in
20 repairs and improvements to NYCHA developments.

21 To improve capital planning and smooth project
22 funding we redistributed \$3.8 billion in projects to
23 out years of the plan. We also continue to make sure
24 that the capital plan is affordable by cautiously
25 estimating debt service and making sure it does not

1
2 exceed 15 percent of the City's tax revenue, a
3 hallmark for responsible debt financing.

4 Restarting capital projects, like vaccinations,
5 is essential to our recovery. On January 25th, the
6 Administration lifted capital restart restrictions
7 that were imposed in conjunction with the Governor's
8 Pause Order and in response to concerns about cash
9 flow and access to financial markets. We have
10 authorized a gradual return to the pre-COVID capital
11 approval process that will be completed by the end of
12 this month.

13 In the interest of transparency, my team has
14 prepared a list of projects and restart dates to
15 share with the Council. Because of cautious and
16 prudent planning, expanding vaccine access, investing
17 in the safe reopening of schools and the economy and
18 restarting the capital process, we can now see the
19 light at the end of the tunnel. However, strong
20 headwinds from Albany threaten our progress. The
21 Governor presented his Executive Budget five days
22 after we released our January Financial Plan. As in
23 previous years, it contains substantial cuts and
24 shifts to education and programs that serve some of
25 the most vulnerable New Yorkers.

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3 You may remember last year when the State
4 shortchanged New York City of more than \$700 million
5 in Education Aid. It is happening again. The
6 State's proposed budget supplants \$800 million of the
7 \$2.15 billion in federal aid that was set aside for
8 New York City in the second stimulus package last
9 December.

10 This leaves us with substantially less education
11 funding than we expected and need. This aid would
12 help keep schools open, increase academic opportunity
13 across the five boroughs, restore critical programs
14 and more. Like the Mayor said in his recent
15 appearance before the State legislature, our
16 students, their families and educators have
17 experienced a challenging year like no other in the
18 city's history. Our one million school children
19 deserve better. The State budget also makes more
20 than \$600 million in cuts and cost shifts to our
21 financial plan over Fiscal Years 2021 and 2022. This
22 includes shifting approximately \$280 million in
23 mandated charter school costs to New York City. And
24 even though we are just in the very beginning stages
25 of a recovery, the State wants to cut over \$50
million from core public health services in Fiscal

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1
2 Year 2022, which is less than four months away. This
3 includes reducing our Article 6 Public Health aid
4 reimbursement level by 50 percent. We will lose \$35
5 million that could be invested in school-based health
6 centers, protect New Yorkers from outbreaks of
7 contagious disease and more. Programs funded through
8 other sources suffer too. Support was reduced for
9 mental healthcare and the Nurse Family Partnership,
10 which provides care and assistance to first-time
11 mothers.

12 Social Service programs were not spared either.
13 The proposed budget cuts more than \$70 million over
14 two years from domestic violence services, resources
15 for youth in foster care, shelter operations,
16 protection for seniors and other vital programs. On
17 top of cuts to our budget that I just discussed, the
18 State Executive Budget threatens to slash nearly \$500
19 million from the City's Health + Hospitals system
20 across Fiscal Years 2021 and 2022.

21 I want to emphasize that the State wants to cut
22 resources in the midst of the pandemic from a
23 hospital system that has led the fight to save lives
24 and protect New Yorkers from COVID-19 since last
25 Spring. As the Mayor recently highlighted for the

1 legislature, these cuts could mean closing 19 H+H
2 clinics, which treat 140,000 patients a year and
3 losing 900 doctors and nurses, resulting in longer
4 wait times for patients. We will work with our
5 partners in the legislature to fight all cuts that
6 hurt New Yorkers, especially the most vulnerable. I
7 also want to thank the Speaker and the Council for
8 your help in opposing State supplantation.
9

10 While we have faced an avalanche of challenges
11 over the last year because of COVID-19 and the State
12 has put roadblocks in our path, there is some good
13 news from Washington, D.C. For months we have been
14 clear that the federal government must provide a
15 stimulus that makes up for the revenues we have lost.
16 Without additional help we would have to make truly
17 awful choices, including cuts to vital programs.

18 Now, in light of new leadership in the Senate and
19 the White House, we are optimistic that Congress will
20 pass a new stimulus package that includes \$350
21 billion in relief for states and localities, in
22 addition to funding for other programs and needs.
23 And thanks to the tireless advocacy of Senator
24 Schumer and others in the New York congressional
25 delegation, FEMA announced in January that it will

1
2 increase its reimbursement rate to 100 percent of
3 eligible costs. This puts more than \$1 billion in the
4 city's coffers. While this is a very welcome change,
5 nearly \$700 million of the \$6.2 billion we have spent
6 to date on COVID relief still may not be eligible for
7 reimbursement. These costs will be paid from the
8 City's resources.

9 Though I have finished on a somewhat positive
10 note, there are good reasons to remain concerned. We
11 balanced the Preliminary Budget despite unprecedented
12 economic disruption and diminished revenues. Looking
13 forward, we face billions of dollars in budget cuts
14 and shifts from the State and we are still the midst
15 of an unprecedented health and fiscal crisis.

16 However, we firmly believe New York City will
17 recover faster than many people expect as social
18 distancing requirements ease, as the stimulus impacts
19 are felt and as consumers unleash pent up demand. As
20 this happens, workers will return to their offices,
21 Broadway shows will sell out again, tourism will
22 flourish and hotels will fill with guests. This is a
23 resilient city and we will be back better and
24 stronger than before.

1
2 Thank you again for the opportunity to testify
3 today.

4 CHAIRPERSON DROMM: Thank you Director Jiha.
5 Before we go to the Speaker for questions, let me
6 announce that we have been joined by Council Members
7 Barron, Cumbo and Riley. Mr. Speaker.

8 SPEAKER JOHNSON: Thank you Mr. Chair. Thank you
9 Director Jiha. At the end of your testimony just
10 now, you mentioned the President and congresses a
11 \$1.9 trillion stimulus package and as you said, the
12 package includes a \$350 billion in aid to state and
13 local governments. Majority Leader Schumer's office
14 estimates that roughly \$12.7 billion of that \$350
15 billion will flow to the state with \$5.6 million
16 separately in direct aid to New York City.

17 Now, hopefully it gets through the senate without
18 any changes or cuts to local aid but assuming that it
19 goes through, what is our budget strategy if that is
20 delayed or spread out over two or three years? And I
21 want to know, does your economic or tax forecast
22 include the impact of the stimulus package?

23 JACQUES JIHA: The Preliminary Budget as you
24 know, is balanced without any assumption of federal
25 aid. Okay and so, we are fortunate, so it's

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1
2 basically what you would call the worst case scenario
3 but we manage to balance it without any aid from the
4 federal government.

5 So, uh, if there is no aid coming from the
6 federal government, we will continue to do what we
7 have been doing which is continue aggressive savings
8 programs basically, we have as much as possible to
9 make sure that the city's budget is balanced. But if
10 on the other hand, we are fortunate enough to receive
11 the aid, we are basically just beginning to phase of
12 the planning process for the Executive Budget. We
13 haven't made a decision one way or another and I am
14 assuming as part of a budget negotiation and at least
15 those allocation decisions, we will definitely work
16 with the Council to make the best decisions that I
17 believe would be in the best interest of the city in
18 the long run.

19 SPEAKER JOHNSON: But my question Director Jiha
20 is assuming we get that \$5.6 billion, which it looks
21 pretty likely we are going to get some amount close
22 to that. Do you have any sense at this point, you
23 are Deputy Director Godiner on if we should be
24 spreading that aid out over multiple fiscal years or
25

1
2 using it all on a single fiscal year this upcoming
3 fiscal year?

4 JACQUES JIHA: As I said, you know, we have not
5 made any decisions. We are you know in the pending
6 phase and we have not received anything at this point
7 and time, so we don't know for sure. But as I said,
8 any budget allocation decisions will be made as we
9 negotiate the budget and at that point and time we
10 will decide in terms of what to do and what to do
11 with the resources that we have and places to
12 allocate those resources that we have. But at this
13 point and time, we have not made a decision one way
14 or another. This is the beginning phase of the
15 planning process for the Executive Budget.

16 SPEAKER JOHNSON: The reason why I am asking is
17 of course the - and I don't think it was mentioned in
18 your opening testimony here today but the outyear
19 gaps that we are seeing are very, very significant.
20 One of the things that concerns me the most about
21 this budget is that we are staring down serious,
22 serious gaps in the outyears and there is still a
23 tremendous amount of uncertainty about our economy
24 but the budget proposal that we are seeing it seems
25 to be pretty short sided. And what I mean by that is

1 we are pulling from our reserves still, promising
2 labor savings, reducing debt service costs and hoping
3 that the feds come through. I hope they come through
4 as well but what I don't really think that we are
5 seeing are serious efforts at identifying
6 efficiencies or long term ways to reduce costs. And
7 I would love it if we got new tax revenue streams but
8 I don't think that we can bank on that right now.

9
10 So, I don't want us to be in a situation in a
11 year or two where social safety net programs and
12 essential services like trash pickup are on the
13 chopping block again. So, my first question in
14 following that, do you have any updates on the labor
15 savings that was identified by the administration and
16 that the Mayor had promised?

17 JACQUES JIHA: Well, I mean, we have always
18 focused on achieving both immediate and recurring
19 savings.

20 I mean, this is the plan that we presented to you
21 in the Preliminary Budget containing \$1.3 billion.
22 Okay, impact savings over two years. We have a rigid
23 three for one attrition hiring program that allows us
24 to reduce headcount without resorting to layoff and
25 this by itself would reduce headcount by 5,000 and it

1
2 will produce savings of about \$350 million over the
3 next two years.

4 So, we are never shy in terms of making tough
5 decisions with respect to savings. We continue to
6 look for savings but as you know, any savings program
7 that you see, any savings program that you
8 implemented, has to be implemented gradually.

9 Otherwise it could prove counterproductive. We
10 cannot make all the necessary adjustments all at
11 once. It's a process. It's a process. We have to
12 give agencies a little time to address the operations
13 to the new budgetary concerns that otherwise they
14 could end up making disruptive cuts to vital
15 services, which would be counterproductive through
16 the recovery.

17 So again, to process, we will continue to add
18 savings in the Executive Budget and in the Adopted
19 Budget. We will continue to always looking for
20 savings and working every day with all the agencies
21 to make sure that we could identify savings. So, we
22 are going to have a savings program as part of the
23 Executive Budget and also as part of the Adopted
24 Budget.

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2 SPEAKER JOHNSON: And do you have any updates on
3 the labor savings that the Mayor and –

4 JACQUES JIHA: We continue to work with the Labor
5 Unions to identify savings and as I said, as we go
6 forward, we will make a new announcement as we
7 schedule with the labor unions with respect to a
8 savings that we could identify.

9 SPEAKER JOHNSON: I mean, that's seems pretty
10 amorphous and we are going to need more specific
11 information about that moving forward.

12 JACQUES JIHA: Of course.

13 SPEAKER JOHNSON: As I said before, we are
14 staring down some very significant budget gaps in the
15 next few years, not just this year. Over \$4 billion
16 a year through Fiscal Year 2025 and now you are
17 calling for us to draw down our reserves. Sorry, I
18 am having allergies. And now you are calling for us
19 to draw down our reserves even more to close the gap
20 this year.

21 I'd rather be putting more back in. Do you think
22 it's a responsible state to leave the budget in,
23 given that we are seeing so large of outyear gaps?

24 JACQUES JIHA: Yeah, again listen, we have worked
25 in the past. The Council and the Administration

1
2 basically to build up a very strong reserve, rapid
3 reserve that we the 12 of us at the Administration
4 and the Council that worked together to create, to
5 build.

6 So, it is as part of the strategy. If we have
7 enough resources and when it comes time to make
8 discretionary allocation to reserve if necessary, we
9 will do so.

10 So, we understand your concern. We see the long
11 term outlook. We see all the risks out there and we
12 also know, fully aware of the gaps that we have and
13 that we basically expanded because of what have been
14 with the property tax revenues. So, we are fully
15 aware of the challenges and as I said, if needed, as
16 part of the budget negotiation process we will
17 discuss and if we have resources and enough
18 resources, because at the end of the day, right now,
19 the budget that we created was a budget created in
20 the worst case scenario. The budget assumes no
21 federal aid whatsoever.

22 And so, therefore, we have to tighten our belt
23 okay and use all the resources at our disposal to
24 graft this budget. But if we happen to be lucky
25 enough to – fortunate enough to receive significant

1
2 federal assistance, we will definitely work with the
3 Council as part of the budget allocation to see if
4 you know, when necessary, when necessary to add to
5 the reserves.

6 SPEAKER JOHNSON: I mean thank you Director Jiha
7 but you know, it's sort of a given that you will work
8 with us because you know, we are the ones that have
9 to adopt the budget and vote on the budget.

10 JACQUES JIHA: Of course, of course.

11 SPEAKER JOHNSON: What I am trying to understand
12 here today is what you're thinking and strategy is on
13 managing these very significant outyear gaps because
14 even after this Mayor and this Council is gone, we
15 want to make sure that we are leaving the city in
16 good hands for a future mayor and a future council
17 and \$4 billion a year in outyear gaps through Fiscal
18 2025 seems extraordinary alarming and concerning.
19 Because we don't know if additional federal aid will
20 come in sizable ways after this \$1.9 trillion plan.

21 So, could you talk a little bit about how OMB
22 right now is thinking through different scenarios of
23 managing these outyear gaps beyond the upcoming
24 fiscal year?

1
2 JACQUES JIHA: Uhm, one of the things that you
3 have to realize is how aggressive okay? This is in
4 the preliminary budget that we presented, was a very
5 extremely aggressive \$1.2 billion PEG. We will
6 continue to have a PEG program in the outyears and we
7 will continue again as I said, to adhere to the three
8 for one attrition policy that we have in place to
9 make sure that we bring the headcount down.

10 But more importantly, from my perspective, what
11 we are currently doing right now is basically looking
12 at every aspect of the city's operation, every
13 agency, look at the operations. Okay, to see where
14 the operations can be restructured, okay? But these
15 are things that can only happen in a long while. You
16 cannot do these things in the short term.

17 We are looking at every single agency operations,
18 see what aspect of the operations can be
19 restructured. How can we do things better? So, we
20 could basically try to generate as much saving as
21 possible from the operations of the agencies.

22 But again, there is some of the things that we
23 are going to do but I don't know Ken, do you want to
24 add some to what I just said?

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2 KEN GODINER: Yeah, I think we have had a program
3 of continuous savings. We are not going to stop
4 looking for savings whether or not we get the federal
5 aid. Obviously, that's the way we are going to
6 manage, bring those outyear gaps down, is through
7 finding recurring savings. We have done that in the
8 last two plans. We will continue doing that.
9 Obviously looking for efficiencies and ways to find
10 savings that don't impact services.

11 SPEAKER JOHNSON: Okay, so I mean, hopefully the
12 Vaccine Distribution Program continues to ramp up and
13 we get closer to more of a state of normal over the
14 summer as more and more New Yorkers get vaccinated
15 but there is still a lot of uncertainty about how we
16 are going to recover as a city.

17 I want to ask, in doing your economic and tax
18 revenue forecasting, have you made any assumptions
19 about the pace of private sector officer workers
20 returning to commercial spaces or central business
21 districts?

22 JACQUES JIHA: Well, our forecast simply is - a
23 vaccination is from our perspective is an essential
24 aspect of the recovery program. And that's the
25 reason why we have been extra aggressive with the

1
2 vaccination campaign because that's the only way you
3 could make employees feel comfortable. That it is
4 safe to come back to the office.

5 Right now, our forecast for the year is we are
6 looking at employees, like the Mayor has indicated,
7 we expect employees to come back to the office. Our
8 own city office to set an example. Sometimes in May
9 and so, it's part of the same and as employees begin
10 to come back to the office, we expect the economy to
11 begin to pick up and this is where we - the forecast
12 is about 3.1 percent this year.

13 SPEAKER JOHNSON: Director -

14 JACQUES JIHA: About 4.6 percent in '21 and we
15 expect the economy to accelerate to about 5.8 percent
16 in '22. So, all together we are looking at you know,
17 to add about 517,000 jobs by the end of '22.

18 SPEAKER JOHNSON: Director, the reason why I am
19 asking that about the pace of private sector office
20 workers returning to commercial buildings and central
21 business districts is because if we end up seeing a
22 significant portion of workers continuing to
23 telecommute, do we have any estimates on how that
24 will impact our revenue forecast? And what I mean by
25 that is, are we thinking about secondary impacts in

1
2 our forecasting because if we have a good portion of
3 employees for midtown for example that continue to
4 telecommute, that could be devastating to a whole
5 ecosystem of businesses that exists because of those
6 workers. What I am trying to understand is, is OMB
7 looking at secondary impacts or models? Looking at
8 these type of things on what it will do to our tax
9 base. These are the things I am trying to
10 understand.

11 JACQUES JIHA: Yes, of course we do. But as I
12 said, you know, it's until and unless employees feel
13 comfortable about — feel safe about coming back to
14 the office, it's something that it's unlikely to
15 happen. That's the reason why as I said, we are as
16 aggressive as we are with the vaccination campaign
17 and also with the Mayor's taking the lead in bringing
18 city employees back to the office in May, because you
19 have to set the example. You have to lead by example
20 and as we are going to see, as more folks are
21 included and then you are going to have, you are
22 seeing people coming back to the office, coming back
23 to New York and as they come back to New York, you
24 expect not only to see income tax, sales tax all of
25 these things pick up but you would also begin to see

1
2 property, commercial property, okay, value of
3 commercial property begin in New York City.

4 So, again, from our perspective is as I said, we
5 are looking at the economy. We see the economy
6 picking up in 2021 and it is going to get stronger in
7 2022 because as I said, we are looking at about 4.6
8 percent worth in '21 because assume the economy began
9 to recover. You also have the stimulus coming from
10 Washington. So, you have all these things, all these
11 things are going to add at some point. That's the
12 reason why I said New York will be begin to recover
13 faster than most people anticipated. Because of the
14 impact of the vaccine, the stimulus, okay and as
15 people begin to come back, have the confidence to
16 come back to the office. From our perspective, the
17 city is going to recover much faster than we
18 anticipate and at this point and time our focus is
19 more or less conservative okay, because we anticipate
20 together about 517,000 more jobs by the end of 2022.
21 But with these additional jobs, I am expecting tax
22 revenue to begin to pick up, property tax because as
23 folks come back to the office, as people come back, I
24 am expecting the sales to begin to pick up again,
25 restaurants begin to pick up as people come back to

1
2 work on a day to day basis in the business districts
3 in New York City.

4 SPEAKER JOHNSON: But just lastly, do we have -
5 are we incorporating these things into our models?
6 The questions that I have?

7 JACQUES JIHA: Yes, into the models. Of course
8 the distance I incorporated into our models, yes.

9 SPEAKER JOHNSON: Okay, a couple more quick
10 questions and then there is a lot of members that are
11 here. Before COVID hit, we had over 65 million
12 visitors to the city a year. It was enormously
13 important to our economy, our hotels, our nightlife,
14 our restaurants, Broadway. I don't see any of them
15 fully recovering back without a major resurgence in
16 tourism. Do you have any forecast on when we expect
17 to see anything close to pre-pandemic levels on
18 tourism and are you guys working with NYC and Company
19 on a plan to get us there more quickly?

20 JACQUES JIHA: Yes, you know, as we - as I said,
21 we have been working with NYC and Company and NYC and
22 Company, they published a road map for recovery,
23 basically outlining what they expect to be - the
24 strategy basically is the same as ours, which is
25 basically based on the containment of the virus.

1
2 You know, and then uh, you know see how many
3 restrictions are lifted in here in New York and also
4 in the source markets. So, there core focus right
5 now is on what they call a staycations. You know,
6 spending by local in supports of business sectors but
7 they also expect to make through ramp up, the
8 promotions in key visitors markets. Okay, as
9 conditions improve. In particular, they are looking
10 to invest in the second half in marketing to attract
11 tourism particularly in the second half of '21.

12 SPEAKER JOHNSON: Do you have any forecast on
13 when we expect to see anything close to pre-pandemic
14 levels of tourism?

15 JACQUES JIHA: Well, I think they are looking at
16 it I think sometimes around 2025. That's in New York
17 and NYC and Company but again, as I said, from my
18 perspective I think we will pick up faster than we
19 anticipated because again as I said, once the
20 troubling public feel that it is safe to come to New
21 York City and you know, without aggressive
22 vaccination campaign, I think people will begin to
23 come to New York City. Okay, so I am not – I think
24 the 2025, I think from my perspective is it would be
25 too conservative.

1
2 SPEAKER JOHNSON: Okay, I am going to just end
3 with sort of a big picture question.

4 This past year as you know has been absolutely
5 devastating for us as a city, for the country
6 economically, socially, physically, emotionally,
7 spiritually and I don't think we have really begun to
8 understand the long impacts that the last year has
9 had on all of us collectively. And how we will need
10 to support students coming back in the fall after a
11 year and a half of interrupted education, how to deal
12 with the mental health crisis that have been brewing.
13 How to support the families that lost breadwinners.
14 How to make up for the economic losses of women who
15 had to leave the workplace and many of whom became
16 care givers. How to care for New Yorkers with long
17 term health impacts from COVID. How to handle the
18 end of the eviction moratorium. Those are just some
19 of the big, big issues that we continue to grapple
20 with as a city and so, I would like to just end with
21 my questions, is how do you think this budget starts
22 to prepare us for a post COVID world? What is
23 different about our approach to a COVID crisis budget
24 versus a COVID recovery budget and how we are
25 adjusting our thinking about these things.

1
2 We were in sort of the crisis mode last year
3 during the budget you know when the pandemic was
4 hitting, now we are going into a COVID recovery
5 budget and all those issues that I just outlined, how
6 do you feel like this budget really responds to that
7 and is taking you know, those set of things that I
8 mentioned into how we are thinking about planning as
9 a city with our tax dollars?

10 JACQUES JIHA: Yeah, I mean, as I indicated
11 earlier in my testimony, and these I believe we have
12 – it's not a budget that we could only – we had made
13 some significant from our perspective. We have
14 deepened our commitment to the best interest program
15 and the New York City vaccine.

16 We have increased some significant – we made some
17 significant investment. We have increased social and
18 emotional learning programs for students. We need
19 help okay. We have also funded Summer Youth Program.
20 We have established a Learning Bridges Program would
21 provide free childcare and learning options for young
22 students when they are scheduled for remote learning.

23 Again, we will continue to make some serious
24 investment but as I said, we are constrained. We are
25 also constrained by the fact that we have limited

1 resources in that particular preliminary budget.

2 Because it was a budget okay, we know we had to make
3 some significant cuts okay, because it was a budget
4 that was crafted okay in the midst of a pandemic,
5 okay. We had very limited resources, now we are
6 coming out of it.
7

8 Okay, so again, as we move into the executive
9 budget, as we begin to plan okay for the executive
10 budget and with the hope of getting more resources
11 from the federal government, we will have more
12 flexibility, more latitude okay to begin to plan for
13 the post-COVID era. Where we begin to set how it is
14 to set New York City in the direction that we believe
15 it deserves.

16 SPEAKER JOHNSON: Okay, thank you Director Jiha.
17 If there is a second round, I will come back. I want
18 to turn it back to Chair Dromm.

19 CHAIRPERSON DROMM: Okay, thank you very much Mr.
20 Speaker for your questions. I have some questions
21 now uhm to the Director and then we are going to be
22 followed by Council Member Rosenthal and Kallos.

23 The Preliminary plan imposes a hiring and
24 attrition management program that says for every one
25 employee hired, there must be three employees lost.

1 I know the Speaker and you begin to talk a little bit
2 about that but let's talk about that a little bit
3 more in depth.

4
5 In Fiscal 2022, the plan baselines this reduction
6 at 4,937 positions but does not break it down by
7 agency. So, how did you get to this exact number and
8 why don't you break it down by agency in the plan and
9 can the agency detail be provided to the Council?

10 JACQUES JIHA: This is currently being managed
11 centrally okay and the reason we are doing this is
12 because we wanted to have as much flexibility as
13 possible when we are dealing with agencies. You
14 know, we are still in the midst of a pandemic, so we
15 must be very nimble if we have to give some agencies
16 some leeway in case there is an emergency. For that
17 reason why it has been centrally.

18 With respect to sharing information, we will
19 share information with the Council as we move closer
20 to Fiscal Year '22. But we must also remember that
21 the system is built for maximum flexibility and
22 therefore, we may not have exact data, okay by
23 agency. Again, as I said, we have a target okay. We
24 centrally have been managing that target. Okay,
25 whatever an agency, we remove resources to that

1
2 agency okay, but we don't know for sure at this point
3 and time but as we move closer okay to 2022, we will
4 have more information and we could provide
5 information to the Council by agencies or we could
6 have a sense of the headcount reduction by the
7 different agencies.

8 CHAIRPERSON DROMM: Will you share those targets
9 with us?

10 JACQUES JIHA: Yes, as I said, as we move closer
11 to Fiscal Year '22.

12 CHAIRPERSON DROMM: So, these Commissioners now
13 will have more discretion from what I am
14 understanding you are saying to avoid service
15 reductions, is that correct?

16 JACQUES JIHA: Yes, we are working with the
17 agencies, so to minimize as much as possible in the
18 service disruption test.

19 CHAIRPERSON DROMM: Okay and what about - what
20 agencies are exempt from the plan?

21 JACQUES JIHA: Uh, currently it's uniformed
22 teachers and any positions that basically we need to
23 help safety as well as direct revenue generating
24 positions.

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1
2 CHAIRPERSON DROMM: Okay, so out of the total
3 city headcount, how many positions are subject to the
4 three to one hiring plan?

5 JACQUES JIHA: All civilian mayoral agencies are
6 subject for it except for uniform and teachers and as
7 I said, any positions related to health and safety
8 and also revenue generation.

9 CHAIRPERSON DROMM: So, every other position is
10 subject to it?

11 JACQUES JIHA: Every single position except you
12 know, as I said.

13 CHAIRPERSON DROMM: Okay, now I would like to
14 just talk a little bit about special education and
15 the Carter cases. The largest new need in the
16 preliminary plan is \$220 million for DOE's budget
17 from Carter cases, bringing the total Fiscal 2021
18 budget up to \$625.6 million. This is well below the
19 \$710 million the department spent on Carter cases in
20 Fiscal '20 but well above the Fiscal 2022 proposed
21 budget of \$445.7 million.

22 In this area, we chronically see both
23 overspending and underbudgeting. So, what
24 collaboration exists between OMB and DOE to mitigate
25 the end of budgeting for Carter cases and have you

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1
2 worked with DOE to assess that the special education
3 budget is adequate?

4 I know that this has both good and bad
5 implications. I mean, in one sense we want to just
6 see Carter case you know, worked out so that parents
7 didn't have to wait so long for the service to be
8 provided but on the other hand, of course we would
9 like to see more of these services be provided in
10 house where we wouldn't have to spend, maybe we
11 wouldn't have to spend quite as much money.

12 JACQUES JIHA: Yeah, uhm, as you know we are
13 working very closely with DOE to monitor the Carter
14 case budget and based on current information that we
15 have right now, we believe that the amount that we
16 budgeted for is appropriate. Because the FY20
17 amounts that you uh, uh, just highlighted, reflects
18 prior year accruals. Okay, you know, they have some
19 prior year accruals okay in that 20 numbers, FY20
20 numbers that makes it that basically overstate.

21 CHAIRPERSON DROMM: That's because of the
22 backlog?

23 JACQUES JIHA: Yes, so we yeah, yeah. So, you
24 know, we are continuously monitoring this budget and
25 uh, we will make adjustment if necessary. So, you

1 know, it's something that we watch closely. Okay,
2 with DOE and necessary you know, necessary adjustment
3 but that I would believe that we have at this point
4 and time is very appropriate.
5

6 CHAIRPERSON DROMM: Are there any plans for a
7 comprehensive review or an audit of the Carter cases
8 and how the DOE is handling them?

9 JACQUES JIHA: Yeah, uhm, DOE is continuously
10 reviewing its capacity to provide special education
11 services. As you may recall, uhm, the Administration
12 and DOE recently invested \$33 million in the creation
13 of a new special education program within DOE and
14 early education. And we also hire additional
15 employees to increase DOE in house capacity.

16 It's making a difference but we have not seen you
17 know a major change in the trend, the Carter case
18 spending trend at this point and time. But again, we
19 will continue to work with you and to make sure that
20 we are addressing the needs. But this is an issue
21 that we constantly monitor.

22 CHAIRPERSON DROMM: So, during the height of the
23 pandemic, one of the major concerns that a number of
24 Council Members and myself included has was the
25 provision of services to students with special

1
2 education or IEP plans. Uhm, moving forward, is
3 there any way to address some of the gaps in those
4 services that you see in terms of the budget moving
5 forward?

6 JACQUES JIHA: Yeah, I mean, yes, definitely, I
7 agree with you, we budget about \$7.5 billion into
8 special education and funding for special ed in
9 district school in need of services and so again, we
10 will continue to and will work with you to see you
11 know, areas where there is a gap. What can we do you
12 know, together and to address this situation.

13 CHAIRPERSON DROMM: Sure, I know that when we get
14 to the Preliminary budget hearing on Education, we
15 are going to go more into depth on those questions.
16 But obviously, it's a matter of very serious concern
17 to all of us, particularly myself as a former
18 educator.

19 Uhm, let me talk to you now a little bit about
20 uhm, some of the property tax rebates that the Mayor
21 had promised. As part of the Preliminary Budget
22 release, Mayor de Blasio announced that they would
23 like to do a property tax rebate for class 1
24 homeowners with market values below \$500,000. Then
25 later in the day, as part of the announcement

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2 regarding the increased FEMA reimbursement, the Mayor
3 said that they would definitely do this for next
4 year. So, what is the status of the rebate and it
5 would obviously require state legislation, so where
6 are you in the process in discussions with the state
7 on this?

8 JACQUES JIHA: Yeah, currently we are drafting
9 legislation and working with state partners to move
10 this as quick as possible.

11 CHAIRPERSON DROMM: Uhm, in the Mayor's plan,
12 uhm, I don't believe the co-ops and condos were
13 included in that. Why are co-ops and condos not
14 included in that? I seem to recall from the past,
15 that when there were rebates, similar rebates done,
16 co-op and condo owners did receive the rebate as
17 well.

18 JACQUES JIHA: Yeah, the premise of the rebate is
19 the fact that the Mayor was concerned because of
20 state tax laws that basically cap the growth in
21 assets value okay, for class 1 properties. As a
22 result of that cap, even though you have market
23 declines, market value declines in certain areas in
24 some extent for Class 1 property owners, because of
25 the caps that these home owners, Class 1 homeowners

1
2 would experience a tax increase, even in some
3 environment that we are in now.

4 So, the Mayor decided you know to come up with a
5 policy to basically make sure that you know, property
6 owners or low-income property owners do not
7 experience an increase in taxes as a result of the
8 tax law okay. So, that's the reason why you know, we
9 come up with a policy to provide a rebate to Class 1
10 property owners. We don't have the same experience
11 for co-op and condos. So, co-op and condos are not
12 facing the same challenges that Class 1 property
13 owners are facing. That's the reason why co-op and
14 condos were not included.

15 CHAIRPERSON DROMM: I think in assessment of
16 Committees, that about one-third of them have seen
17 their assessments rise on the tentative role. So,
18 are you disputing that?

19 JACQUES JIHA: Yeah, some of them you know,
20 basically are high end you know, the high end, that's
21 probably why you see some increase. But on the very
22 low end of the spectrum, we don't see major increases
23 that would warrant to include the co-op and condos as
24 part of the rebate.

1
2 CHAIRPERSON DROMM: Okay and can you explain why
3 would you base the threshold on the market value
4 rather than on the income of the property owners?

5 JACQUES JIHA: Uh, just because we want to
6 provide - we want to distribute the rebate as quickly
7 as possible because it's a lot easier to do this way
8 because that's information that we have. Whereas we
9 don't have the income and the property information at
10 the same time, in the same database. So, this is
11 just basically to allow us to quickly distribute the
12 rebate to property owners. As it is, you know, we
13 are limited to market value instead of doing it as
14 income.

15 The assumption here is you know, the lower market
16 value of the property you know implies that the
17 property owner is not at which present.

18 CHAIRPERSON DROMM: Uhm, okay. Uhm, so in the
19 prior rebates, the city has done homeowners who had
20 fallen behind on their bills were denied rebates.
21 However considering the difficulties many residents
22 are facing, do you plan on making the same
23 requirement?

24 JACQUES JIHA: Uhm, we are in the process of
25 drafting decisions, a good point. We will take that

1
2 into account as we draft the legislation. It's a
3 valid point. It recognizes a very tough environment
4 and we have to see if what we can we do, what can be
5 done to make sure that these people receive the
6 rebates. Yeah.

7 CHAIRPERSON DROMM: Okay and finally, on this
8 question, do property owners have to pay taxes on the
9 rebate? That was part of I think what happened in
10 the -

11 JACQUES JIHA: No, no, no, no, they would not.

12 CHAIRPERSON DROMM: They would not, okay and that
13 would be included in the state legislation or?

14 JACQUES JIHA: It's - we could put it in the
15 state legislation but it would probably lower the
16 deduction for a group of people but for that person
17 with the income that is low that I don't believe that
18 they even would you know be able to use the local
19 property tax deduction, to take advantage of part of
20 that deduction.

21 So, therefore I don't believe these people will
22 be impacted perse. You know, they would make the
23 case that they would lower the property tax
24 deductions that they use to offset you know the
25 income taxes. But given the income range of many of

1
2 these folks, I am assuming the not using deduction,
3 you know, they are using some of the deduction most
4 likely.

5 So, you know, so it's automatically being
6 impacted.

7 CHAIRPERSON DROMM: So, when you are talking
8 about the rebate, you are saying it would be a
9 deduction in the taxes due or would they actually get
10 a cash check?

11 JACQUES JIHA: Uh, well, we have to discuss our
12 best way we are going to do it. Whether or not we
13 are going to do it through a rebate or whether or not
14 we are going to issue a check. You know, the easiest
15 way to do it would be to do it through a rebate, I
16 mean through a credit. Okay, but we would have to
17 you know, make a decision on whether or not we would
18 do it - if we do it through a credit or to a check.
19 Issuing a check.

20 CHAIRPERSON DROMM: Okay, the reason I was asking
21 that is because you know, in the past I think that
22 they viewed it as income and then you were taxed on
23 it. That's where I was going with that.

24 JACQUES JIHA: Yeah, yeah.
25

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2 CHAIRPERSON DROMM: So, just on that, will you
3 promise to show us a draft – the draft and discuss
4 with the Council prior to going to Albany on it?

5 JACQUES JIHA: Sure, sure, sure, yes.

6 CHAIRPERSON DROMM: Okay, so you will work with
7 us on that?

8 JACQUES JIHA: Yes.

9 CHAIRPERSON DROMM: Okay and let me go now to
10 some property assessment questions that I have.
11 Fiscal '22 is an atypical year for property
12 assessments, which failed by 3.9 percent according to
13 DOF tentative assessment roll due to mainly by large
14 market value declines in Class 2 and 4 properties.
15 The mayor has spoken a lot about this.

16 DOF bases market values on these properties on
17 income and expense data collected directly from
18 property owners, though due to time it takes to
19 collect and analyze data, there is a one year lag
20 between the data and the date of the evaluation.

21 So, typically DOF looks to historic trends to
22 make up for this lag. However, considering historic
23 impact on the pandemic on real estate, DOF switched
24 to using economic indicators to update the data.

25 While a smart way to address this issue, the lack of

1
2 real time data makes it hard to judge the accuracy of
3 DOF's method.

4 Further, there is only a downside risk here as
5 the tax commission can reduce assessments if they
6 find them overvalued but there is no recourse if the
7 city undervalued the property. So, considering that
8 there is no real time data for comparison, how
9 confident is your office in DOF's for Class 2 and 4
10 market values and do you believe that there is a
11 greater risk of a tax commission reductions this
12 year?

13 JACQUES JIHA: Uhm, we expect to — I mean the
14 following deadline for challenges with the tax
15 commission is March 1st. That was yesterday for
16 Class 2 and Class 4 and March 15th for Class 1.

17 Is it possible that you could have an increase in
18 challenges? It's possible but at this point and time
19 it is unknown but I think the larger question you ask
20 with respect to whether or not I have confidence.

21 Yes, I have full confidence in what DOF is doing.

22 Because what happened is, as you know, is income and
23 expense data are critical inputs in the evaluation
24 matter that is used by the department to do their
25 evaluation. Like you said, there is a one year lag

1
2 between the financial data that are submitted by
3 commercial property owners and used by DOF and the
4 starting date of the evaluation but to bring the
5 income and expense up to date, what DOF usually does
6 is basically they usually trend forward. Okay, the
7 income and expense data using basically income
8 indicators such as the unemployment rate of the
9 region. Just as an example, but this year because
10 these economic indicators do not usually have a huge
11 swing from year to year, they don't typically have a
12 material impact on the DOF projected income and
13 expense in a normal year.

14 Unfortunately, you know, last year, because of
15 the pause order, the lockdown – because of the lag
16 down, these indicators basically experience – the
17 city's economy experienced some significant
18 deterioration and as a result you know, they were
19 reflected in the indicators. For instance, the
20 unemployment rate was from 3.4 percent in February
21 pre-COVID to about 20 percent in June.

22 So, with that kind of swing okay, that kind of a
23 swing had a significant impact on the forecast of
24 income and expense that DOF published. So, as a
25

1
2 result, that's what you have the issues that we dealt
3 with.

4 So, next year, we will have the actual data at
5 which point, we will know whether or not it's much
6 worse or much better. But from my perspective, I
7 feel confidence in the methodology that DOF uses and
8 uh, this is not something new that they have done,
9 this is something that they do every year. Simply
10 that the economy has deteriorated so much okay, that
11 when you use these indicators to basically forecast
12 the income and expense statement data that they use
13 okay to do evaluation, they are going to influence
14 okay, in the wrong direction. Okay and that's what
15 happened.

16 So, I feel confidence in their ability to do the
17 job. They know what they are doing. They are very
18 good at it.

19 CHAIRPERSON DROMM: Okay, thank you Mr. Director.
20 I just have a couple of more questions. Uhm, Mayor
21 de Blasio's 2021's Stated City Address included
22 several new initiatives. All of which presumably
23 would require additional funding. The announcements
24 included reopening schools fully in September,
25 expanding the deepening Journey Home program to end

1
2 street homelessness and doubling the workforce for
3 the cure violence and crisis management system and
4 creating a city cleanup corps, which proposes to hire
5 10,000 new workers to clean up neighborhoods. I
6 think the Speaker began to address some of this as
7 well.

8 So, what is the price tag for all of those
9 programs you know, each individually and are any of
10 them fully funded in the Preliminary plan?

11 JACQUES JIHA: Uhm, yeah, the school reopening is
12 basically, it's funded - you know we have \$516
13 million included you know, in the Preliminary Budget
14 but we think the cost is going to be much higher.
15 It's about \$767 million. That's something we are
16 going to have to deal with in the upcoming plans.
17 That's with respect to school reopening's.

18 With respect to the Journey Home Program to end
19 homeless, street homeless, there are no new
20 anticipated costs to this program. We are just
21 doubling down on equipment to find safe havens.

22 Uhm, Cure Violence and the Crisis Management
23 System, we are still working with City Hall and MOCJ
24 on the necessary funding. We roughly have about \$17
25 million right now but we among those about to issue

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1 RFP. So, once we have all the details of the — once
2 we have the response of the RFP, we would get a
3 better sense of what to expect.
4

5 With respect to the creation of the city cannot
6 call, which the Mayor announced in the State of the
7 City, which is a program that the Mayor basically
8 says it is contingent on the city receiving Stimulus,
9 federal stimulus. We are working with City Hall and
10 different folks to find out exactly how that program
11 is going to be structured and once we have a better
12 sense on how we will be structured and if we have the
13 — receive the federal stimulus, we will come back to
14 you with an update in terms of how much it is
15 expected to cost, which agency will house that
16 program. Okay and how many people in general we are
17 going to have to hire and how quickly we will hire
18 them, so we could give you a sense of how much it
19 will cost.

20 Sorry, are you muted?

21 CHAIRPERSON DROMM: Yeah, I am sorry. Is the
22 cleanup corps, is that the one that you are referring
23 to? That depends on federal aid?

24 JACQUES JIHA: Yes, yeah.

25 CHAIRPERSON DROMM: And the others do not?

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2 JACQUES JIHA: No.

3 CHAIRPERSON DROMM: Okay, alright thank you Mr.
4 Director. I am going to turn it over to my colleague
5 Chair Rosenthal.

6 CHAIRPERSON ROSENTHAL: Great, thank you so much.
7 Thank you Chair Dromm. I appreciate all your
8 questions. I am looking forward also to getting good
9 concrete answers from OMB to your questions and mine
10 are going to similarly be, I hope we can get some
11 details soon.

12 Director, it's again, so great to be working with
13 you. The Mayor announced yesterday that the city
14 will be restarting the \$17 billion in capital
15 projects, which will be overseen by the newly
16 appointed Recovery Czar Lorraine Grillo, which is
17 terrific. This is great news for the city and for
18 the construction industry. I am wondering do you
19 have a list of those projects or types of projects
20 and how - well, first of all, do you have a list of
21 those projects?

22 JACQUES JIHA: Yes, as I indicated in my
23 testimony, we have a list of all the projects and the
24 timeline and both for the Council Members if they are
25 interested.

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2 CHAIRPERSON ROSENTHAL: Oh, very interested. So,
3 good, if you could send that list over and it
4 includes the timeline and so, only because I haven't
5 seen the list, does that mean the timeline - just
6 quickly, is the timeline in the current year or over
7 the two Fiscal Years?

8 JACQUES JIHA: The timelines are when we are
9 starting those projects. All projects you know, we
10 will have all projects started by the end of the
11 month. By the end of this month.

12 CHAIRPERSON ROSENTHAL: \$17 billion worth of
13 capital projects will the certificate to proceed will
14 be signed by the end of the month?

15 JACQUES JIHA: What we are doing is we have -
16 this is the capital program that we have. It is part
17 of our strategy to speed up due to COVID. We are
18 going to you know, try our best to get as much of
19 that registered with the Comptroller. We are working
20 with the Law Department. We are working with MOCS.
21 It's an all hands on deck approach in terms of
22 pushing as hard as we can as humanly possible to get
23 as much as possible in other contracts.

24 CHAIRPERSON ROSENTHAL: Thank you. Are you saying
25 that if at the end of June, which is the end of the

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2 Fiscal Year, the projects, we don't have a \$17
3 billion worth of projects registered, that the fault
4 lays with the Law Department or -

5 JACQUES JIHA: Oh, no, no, no, no, no, no, no.

6 CHAIRPERSON ROSENTHAL: With the Comptroller or
7 MOCS?

8 JACQUES JIHA: No, no, no, no, no, no, no. It's
9 an entire process. It's as you know; it's you have
10 to go through a research and process the Comptroller.
11 You have to go through a review with OMB, with MOCS.

12 CHAIRPERSON ROSENTHAL: Right but what I am
13 saying Director is that you and I both know that,
14 right?

15 JACQUES JIHA: Yes.

16 CHAIRPERSON ROSENTHAL: So, knowing that, I
17 thought I heard you say that the goal is to commit
18 all \$17 billion by June 30th. And I just wanted to
19 confirm that, yes or no?

20 JACQUES JIHA: No, no, no, no, no. That's not
21 what I said. I said, you know, we are starting a
22 type of process. Okay, the process was on pause
23 okay. We are starting the entire process okay and we
24 are basically going to work with all the agencies,
25

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2 whether it is MOCS, Law, Comptroller's Office to try
3 to register as many contracts as possible.

4 CHAIRPERSON ROSENTHAL: Yeah -

5 JACQUES JIHA: I cannot guarantee we can do \$17 -

6 CHAIRPERSON ROSENTHAL: For sure but you and I
7 both know all the details. All the steps that go
8 into getting it to the point where it registers with
9 the Comptroller. If I recall correctly, in the
10 cobwebs in my brain, that he has 30 days which to
11 approve or disapprove or send back.

12 So, hypothetically, he could send all of them
13 back but let's not make any assumptions about the
14 Comptroller. My question is given that you know and
15 given that we now have passports and passports and I
16 hear many of the contractors on the construction site
17 are signing up passport.

18 I guess my question is, how far along will each
19 of the \$17 billion worth of projects be by June 30th?
20 Will they all be by then at least at the
21 Comptroller's office for registration? Again, we
22 can't know what he will do with it. He might send
23 them back but will they have been processed and at
24 his desk?

25

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2 JACQUES JIHA: I don't know. I can't tell you
3 because as I said, you know, we are starting,
4 restarting starting the projects and we have to work
5 with the agencies.

6 CHAIRPERSON ROSENTHAL: Okay, so I hear your
7 answer but I just want you to know it's like mind
8 numbing that uhm, you know because uh, I know OMB is
9 better than that and I know OMB, when they talk about
10 timelines, know that is it going to take this much
11 time at MOCS, this much time at the Law Department,
12 this much time at DOI and all the steps and I am
13 confident your staff has that information today.
14 About all \$17 billion worth of projects and the
15 reason I am animated about it is because I am just
16 trying to understand that yesterday when the Mayor
17 announced that we would be going with \$17 billion
18 worth of capital projects by the end of this Fiscal
19 Year, I am just trying to see is that realistic?

20 JACQUES JIHA: We will restart the \$17 billion
21 capital program okay. You know -

22 CHAIRPERSON ROSENTHAL: So, we have to read
23 between the lines?

24 JACQUES JIHA: I am sorry?
25

1
2 CHAIRPERSON ROSENTHAL: So, we have to read
3 between the lines when the Mayor announces this
4 stuff.

5 JACQUES JIHA: No, no, no, it's not reading
6 between the lines.

7 CHAIRPERSON ROSENTHAL: That's a little too cute
8 -

9 JACQUES JIHA: No, no, we are going to try our
10 best. You know, we are going to try our best. I
11 mean, the reason that you told me you had was, you
12 know, you want to restart the program as quickly as
13 possible. You and I had that discussion. Okay, you
14 want to restart this as soon as, as quickly as
15 possible. We share the same goal okay. We believe
16 that as part of the strategy to speed up the city's
17 goal okay, capital program should play a critical
18 role.

19 So, what I said to you is we are going to do our
20 best okay, to move as fast as humanly possible.

21 CHAIRPERSON ROSENTHAL: So, what does that mean
22 for example, do you already have the list of
23 projects? Do you already have them in priority
24 order?

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3 JACQUES JIHA: Yeah, as I said, I have the list
4 of projects okay. By the end of the month, okay, we
5 would have restarted all capital projects that were
6 on pause. Okay, all of them that were on pause.

7 CHAIRPERSON ROSENTHAL: All 17, does that mean
8 CT's -

9 JACQUES JIHA: All projects that were on pause.
10 All projects that were on pause.

11 CHAIRPERSON ROSENTHAL: To proceed these signed
12 by OMB by the end of the month?

13 JACQUES JIHA: The projects that were on pause,
14 okay. That's what I am saying to you. The projects
15 that were on pause, all of them, okay will have
16 restarted. We will be giving all of them a go okay.
17 We will basically begin to review all cities okay,
18 all the cities that we have okay, and then engage and
19 then have them begin the process. So, all of the
20 projects that were on pause.

21 CHAIRPERSON ROSENTHAL: So, have you begun those
22 discussions with your Deputy Directors and with
23 Lorraine Grillo, I know she just started, or with the
24 agencies? Is that what your staff is now is working
25 with the agencies to get those started?

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3 JACQUES JIHA: They are working with all the
4 agencies okay, all the projects that were on pause.
5 Okay, we have a staggered schedule as I have said to
6 you before.

7 CHAIRPERSON ROSENTHAL: Sure, sure.

8 JACQUES JIHA: Some of them would be released on
9 March 15th, some of them will be released at the end
10 of the month, which is on March 26th okay.

11 So, staff are working with all the agencies okay,
12 they are going to start doing the reviewing process
13 okay, see what can be done to help with the research
14 and process as much as possible. It's all hands on
15 deck so we could do as much as possible. So we could
16 capitalize.

17 CHAIRPERSON ROSENTHAL: Okay.

18 JACQUES JIHA: On the capital program that we
19 have to speed up -

20 CHAIRPERSON ROSENTHAL: Great, no I support you
21 100 percent and with that, is OMB subject to the
22 attrition plan and will that affect OMB's ability to
23 you know move along these projects?

24 JACQUES JIHA: OMB like every other agency
25 subject to truthful and efficient time yes. And
obviously, obviously, obviously you know, because

1
2 that's of course going to have an impact because you
3 know, we don't have all the capacity to do it but
4 with what we have, we are going to try to be as
5 productive as we can be, okay.

6 CHAIRPERSON ROSENTHAL: Yeah, I see that because

7 -

8 JACQUES JIHA: I honor your skeptical, I honor in
9 your skepticism. I honor your skepticism.

10 CHAIRPERSON ROSENTHAL: Okay, let's move on.

11 JACQUES JIHA: No, it's warranted but at the same
12 time, we also like - you and I, we share the same
13 goal which is try to accelerate that process as
14 quicky as possible and we are going to try our best.
15 That's all we can do. Give it our best shot.

16 CHAIRPERSON ROSENTHAL: Hmm, hmm, oh, okay. I am
17 going to move on. The pandemic continues to have a
18 major impact on the city's financial health as you
19 know as well as the health of the citizens. The
20 states pause order, along with the city's cash flow
21 issues, brought the majority of the city's capital
22 projects to a temporary halt as we have been
23 discussing and OMB naturally uhm, has played a key
24 role in those actions and the decisions behind making
25 them.

1
2 I am wondering uhm, what factors related to the
3 city's cash flow? And I really just want to focus on
4 cash flow. Not you know, the Governor's list of what
5 things could continue or not. What you know,
6 building projects could continue or not. I would
7 like to focus on cashflow.

8 So, what factors related to the city's cash flow
9 cause the Administration to decide to halt most of
10 the city's capital projects and again, really
11 focusing on cash flow now.

12 JACQUES JIHA: As you can imagine uh, uh, in the
13 midst of the pandemic, no one — there was a lot of
14 uncertainties with respect to one, what's going to
15 happen with tax revenues. Okay, how bad things would
16 get. There were questions about whether or not you
17 know, we would have access with the capital market.
18 Okay, because nobody knew at the time what was going
19 to happen to the capital market.

20 CHAIRPERSON ROSENTHAL: Sure, sure.

21 JACQUES JIHA: Sure, sure. So, because we are
22 trying to be as cautious as we can be which is you
23 know, which was warranted at the time, OMB put a
24 pause on all major spending's, all major contracts
25 because of the potential impact okay on draining

1
2 cashes because of cash. Because the city at some
3 point had to make the decision whether or not to
4 continue to keep the lights on for the employees
5 okay. Or put a pause on these projects and on top of
6 that -

7 CHAIRPERSON ROSENTHAL: So -

8 JACQUES JIHA: Yes.

9 CHAIRPERSON ROSENTHAL: So, so, uhm, what was the
10 cash on hand then when you were making those
11 decisions. I think those were mid- it feels mid-May
12 to me but -

13 JACQUES JIHA: I wasn't here, so I don't remember
14 perse.

15 CHAIRPERSON ROSENTHAL: I know but your staff
16 know, they are here.

17 JACQUES JIHA: Yeah, I remember perse what was
18 the cash position at the time but it was an immediate
19 concern. It was a very big concern at the time.

20 CHAIRPERSON ROSENTHAL: Right, yeah, I am just
21 trying to hurry it along because I know my colleagues
22 have lots of questions. So, I really apologize for
23 interrupting you. It is truly no disrespect.

24 JACQUES JIHA: Sure, sure, sure.
25

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2 CHAIRPERSON ROSENTHAL: In the back of my head, I
3 can see all my colleagues glaring at me on the panel.
4 So, that's - I really apologize on that but I guess
5 what I am asking and from your staff is, uhm, you
6 know, when was you know, back in February the city's
7 bond rating was the highest it's ever been. And so,
8 when did the city go to market with that bond rating?
9 Was it any time between February and May 15th and
10 what uhm, indicators were there? Yeah, just that
11 first question. And then, how long did it - how low
12 did the cash reserve go before you went to market
13 again and when was that?

14 JACQUES JIHA: Uh, let me, I am just going to
15 talk to you in general because again, as I said, I
16 wasn't there at a time to answer this specific
17 question.

18 CHAIRPERSON ROSENTHAL: I really -

19 JACQUES JIHA: Let me finish. Let me finish.
20 Let me finish. Let me finish. Let me finish. Let
21 me finish. Because I wasn't there at the time you
22 know, to give you a specific answer you know to your
23 question but in general okay.

24
25

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2 ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 78

3 The city's cash flow basically is - okay, at the
4 end of fiscal year. Okay, right before the July
5 property tax payments okay, typically.

6 CHAIRPERSON ROSENTHAL: Well, then why does HPD
7 issue a close on all its deals in spring? I mean
8 there is a plan of action - we all know the
9 seasonality of tax going in.

10 JACQUES JIHA: Yes, that's - my point to you is,
11 it has nothing to do with the city's rating okay.
12 Nobody knew whether or not the market was going to
13 freeze okay. Nobody knew at the time because the
14 only thing we knew, the stock market collapsed.
15 Okay, everything was collapsing at the time.

16 CHAIRPERSON ROSENTHAL: Oh, I don't know about
17 that. I mean, this is why I love the financial
18 transfer tax. Wall Street made out like bandits and
19 -

20 JACQUES JIHA: At the time, at the time when uh,
21 the pandemic hit -

22 CHAIRPERSON ROSENTHAL: Immediately, Trump took
23 credit for all of that.

24 JACQUES JIHA: Yeah, well when the pandemic hit,
25 okay the market collapsed. Okay, nobody knew at the
time what was going to happen okay.

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2 CHAIRPERSON ROSENTHAL: I mean, I think we go
3 back and check. Let's not go back and forth on this.
4 Uhm, I think you know; I am sorry that you weren't
5 there because I know how I know how hard you have
6 worked and you have been amazing at Department of
7 Finance and how many details you know. I really wish
8 I knew when the last time was that the city went to
9 market.

10 JACQUES JIHA: Who provided that information?

11 CHAIRPERSON ROSENTHAL: Given that you go to
12 market at least four times a year. What was the cash
13 reserve at, at the low part, at the low moment? And
14 really, what were the reasons why you didn't go to
15 market and therefore we all were in a panic about
16 cutting SYEP etc., and of course who stopped all the
17 capital projects? And you know, because the Governor
18 said you had to stop them all but uhm, I guess uhm, I
19 guess I am getting to, were there other players
20 involved that kept you from going to market? I am
21 not sure the answer is Wall Street. Uhm, I think you
22 know; the Comptroller has the role as to whether or
23 not it approves, they approve you going to market.

24 I don't know, but perhaps we can sit down another
25 time with the staff - that were there.

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2 JACQUES JIHA: We will provide you the specific
3 information that you requested but what I am trying
4 to say to you is first and foremost, there was a
5 Governor's Pause Order. So, therefore, whether we
6 like it or not, we couldn't go forward with
7 consulting, okay.

8 CHAIRPERSON ROSENTHAL: But then why did you cut
9 SYEP? I mean, you can't have it both ways. Let's
10 take this off line so my colleagues can you know.

11 JACQUES JIHA: Alright, okay, okay.

12 CHAIRPERSON ROSENTHAL: Uhm, so is there anything
13 in particular that OMB is doing to speed up this
14 process and do you have any thoughts again, we could
15 talk off line for how we could responsibly speed up
16 the CP Approval process?

17 JACQUES JIHA: Yeah, we basically, we basically,
18 on our part, we are basically asking the agency to
19 send us a full, complete package okay, with all the
20 information that you know - we are asking them not to
21 give us information piece mail. Just send us a
22 complete package. We will review the complete
23 package all at once and make a decision you know
24 whether to go forward or not right away.

1
2 So, it's not a question are we sitting on some
3 information. This is a piece - this is the most
4 critical aspect of it.

5 CHAIRPERSON ROSENTHAL: Yeah, I gotcha.

6 JACQUES JIHA: A package, fully complete and -

7 CHAIRPERSON ROSENTHAL: For sure and did the
8 agency heads know that was coming back in February or
9 January? That that point was coming down the pike?

10 JACQUES JIHA: That's been a change in the
11 process. Yeah, that's been a change in our process.

12 CHAIRPERSON ROSENTHAL: Okay, great.

13 JACQUES JIHA: And that's the reason why - go
14 ahead.

15 CHAIRPERSON ROSENTHAL: When did that start?

16 JACQUES JIHA: That's been a change in our
17 process even prior to the epidemic okay. That we
18 requested that the agency send us all complete
19 package to review instead of sending them to us
20 piecemeal and thereby consuming a lot more time than
21 necessary.

22 CHAIRPERSON ROSENTHAL: Okay, thank you. Two
23 more quick questions. I will try. The Fiscal 2125
24 Preliminary Capital Commitment plan totals \$84.1
25 billion. Again, with \$17.6 planned in the current

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1
2 fiscal year. As of December, the city had actual
3 commitments of approximately \$2.4 billion. Uhm, and
4 you know, as I said in my opener, before the
5 pandemic, the city was making amazing strides in
6 increasing annual commitments with a high point in
7 2019 of \$12.6 billion. The Delta between 17.6 and
8 12.6 when we were at our best. Obviously, it's \$5
9 billion.

10 If you were able to get to 12.6, is anyone
11 working on a priority list or the lowest priority
12 list of what won't be committed this year?

13 JACQUES JIHA: Uhm, let me update the information
14 that you just had.

15 CHAIRPERSON ROSENTHAL: For sure.

16 JACQUES JIHA: Because for Fiscal Year '21,
17 currently it's like upward \$3.2 billion to generate
18 in terms of commitment. And as I indicated before,
19 we - everyone is working as hard as they can to see -

20 CHAIRPERSON ROSENTHAL: Including all of your -
21 for OMB and the city's capital commitment plan and
22 the city winning you know. Really issuing all this.
23 So -

24 JACQUES JIHA: As part of our strategy, to speed
25 up the recovery, the capital program is critical.

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2 So, we are going to do - we are doing this by design.
3 Okay, it's on purpose. We are basically going to try
4 our best as much as humanly possible okay, to get as
5 many contracts as possible registered.

6 CHAIRPERSON ROSENTHAL: But I am just not -

7 JACQUES JIHA: We are working with the different
8 agencies, as I said, working with Law, MOCS, okay,
9 OMB and we will also be working with the Comptrollers
10 as well. Okay, to get as many of these contracts as
11 possible.

12 So, we are working with the agency. I don't know
13 what else to tell you, you know. It's a
14 collaborative process. It's collaborative process.
15 We are telling these folks, you know, we are giving
16 them the go ahead, the green light. Okay, to restart
17 the project okay. They are going to submit the CP's
18 to us. We are going to review the CP's as quickly as
19 possible okay and turn them around and turn them
20 around as quickly as possible. All the players are
21 going to do - we are going to do these not
22 sequentially but -

23 CHAIRPERSON ROSENTHAL: I have been told that
24 despite you're not being able to give us the exact

1
2 design and actually what you are doing to get it
3 better, that I need to stop now.

4 So, I have a last question, maybe we will do it
5 at second round. Thank you so much for your patience
6 Chair Dromm.

7 JACQUES JIHA: No problem.

8 CHAIRPERSON DROMM: Thank you very much and I
9 just want to remind everyone of time also. We are
10 going to now go to Council Member Kallos, Chair
11 Kallos and then we do have Council Member questions
12 as well. So, thank you. Chair Kallos.

13 CHAIRPERSON KALLOS: Good to see you Director
14 Jiha. I am told your new position is a step up from
15 Commissioner despite the change in title. As
16 mentioned in my opening, I am only going to ask four
17 questions about indirect cost rate initiative,
18 contracted headcount, outsourcing and performance
19 based contracts.

20 First, I want to thank both Speaker Johnson and
21 Chair Rosenthal for the work you have done in
22 fighting for the indirect rate funding our human
23 service providers need and deserve. In Fiscal Year
24 2020, the Administration agreed to cover the actual
25

1
2 cost of the indirect rate for human service providers
3 and budgeted \$54 million.

4 This is to cover all the things that nonprofits
5 need to provide services, whether it's ending hunger
6 or helping the homeless or helping youth, our
7 seniors. There is a lot of overhead that weren't
8 covered by our contracts and what happened is last
9 year the Administration ended up cutting the indirect
10 cost rate initiative by \$20 million baselined across
11 11 agencies. The cut hit the indirect rate increase
12 and it wasn't moving forward. It was actually
13 retroactive, so we actually cut funding that we
14 promised people they would be getting.

15 The Administration should honor our deal and its
16 promise to the human services sector and restore
17 indirect rate funding in the upcoming budget.

18 How much is needed to fully fund the indirect
19 rate initiative at the approved rates this year and
20 in the baseline? And will the Administration commit
21 today to restoring and fully funding indirect cost
22 rate funding in this year's budget?

23 JACQUES JIHA: Uh, yes, like we said, uhm,
24 savings work -

25 CHAIRPERSON KALLOS: I heard yes, we good.

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2 JACQUES JIHA: You heard, okay.

3 CHAIRPERSON KALLOS: I am kidding.

4 JACQUES JIHA: Okay, like you said, savings were
5 taken during the Executive Budget last April for the
6 Indirect Rate Initiative. Uh, it was reduced by \$20
7 million and it was baselined in the adopted budget.
8 Initially this was done as a right sizing effort and
9 based because of providers enrollment at the time,
10 which was very low. But by the time the adopted
11 budget come around and enrollment had picked up and
12 at the time, we realized it was basically a reduction
13 instead of right sizing okay.

14 But since then, the economy had worsened and the
15 decision was made at the time to keep funding level
16 at the reduced level. Uhm, listen, the initiative is
17 still active. Uh, we have providers submitting their
18 claims and document and from our perspective, if the
19 budget picture improves, we will work with the
20 Council to find a solution for this.

21 CHAIRPERSON KALLOS: Amazing. How much?

22 JACQUES JIHA: I don't know at this point and
23 time. As I said, you know we have to see what's
24 going to happen in terms of you know, the economy.
25 Whether or not we have more resources but as I said,

1
2 if the picture, if the budget picture improves you
3 know, we will work with the Council okay, to find a
4 solution to the decision.

5 CHAIRPERSON KALLOS: If you could provide the
6 number. We are negotiating a budget, so we do have
7 to get a specific number and whether it is restoring
8 the \$20 million or if it is \$40 million, that would
9 be incredibly helpful to just know what number we are
10 talking about.

11 JACQUES JIHA: Yeah, as I said, at this point and
12 time, I don't know. You know because we are still
13 waiting to see what's going to happen. Uh, you know,
14 we are still looking at the overall picture because
15 we have a lot of needs. So, to the extent that
16 things improve, you know, we will continue to work
17 with you.

18 CHAIRPERSON KALLOS: Great.

19 JACQUES JIHA: And the nonprofit because it is a
20 sector that we, we, we, you know, we appreciate what
21 they do on a day to day basis for funding others.

22 CHAIRPERSON KALLOS: Let's move onto the
23 headcount. The city's \$17 billion contract budget
24 lacks transparency around consultants and the work
25 they are hired to do. Many of these contracts

1
2 include positions which fulfill similar or the same
3 role as city employees.

4 For example, at a hearing in January, the
5 President of DC37's Local 2627 testified that a
6 consultant at the FDNY was hired and trained to
7 perform the same duties as a city employee sitting in
8 a chair next to them at a desk. What is your
9 estimate of the number of consultants who work for
10 city agencies doing the same work as city employees
11 who work right alongside them with the same training
12 and assignments and have you imposed any hiring
13 controls or hiring freeze on consultants, or issue
14 directives to convert consultants to staff or excess
15 consultants before laying off city employees?

16 JACQUES JIHA: Uhm, this is an issue of major
17 concern to us as well because at the end of the day,
18 you know, it costs us a lot more to hire a consultant
19 than to a city employee.

20 So, this is not an issue that we take lightly.
21 However, we also recognize that there are certain
22 circumstances when you may need to you know, reach
23 out to get a consultant on board because a project
24 could be a really short-term project okay. It's not
25 a very long-term project, so therefore you don't need

1
2 to bring a new employee onboard if you could hire a
3 consultant in the short-term to do the work.

4 Sometimes you don't have the skill set in the house
5 to do the work so therefore you have to outsource you
6 know, the appropriate consultant to do the work.

7 But as I said at the beginning, uh, we share your
8 concern, okay. This is something that we are trying
9 to do as best as possible and we understand the
10 challenges imposed by the 341 Attrition okay, and the
11 pressure that it puts on agencies because if they
12 cannot hire employees, employees to do the work. So
13 the natural thing is to gravitate to outsourcing to
14 find somebody to do the work for them out there.

15 So, we will work with the agencies to see as I
16 said, where to relieve some pressure. Okay, to give
17 them different agencies where there is a huge need
18 for this kind of outsourcing effort to look at the
19 operation to see how much we relief we could provide
20 them, so they could hire.

21 Okay, instead of hiring employees instead of
22 consultants. So, we are in the process of reviewing
23 the different agencies to see you know, whenever it
24 is needed, wherever it is needed to make the
25

1
2 appropriate adjustment in terms of the three for one
3 attrition.

4 We are very flexible in terms of those
5 approaching it and you know, so therefore, as I said,
6 on a day to day basis, we are working with agencies
7 to see how best to tackle that issue but this is an
8 issue of concern to us as well because it costs us a
9 lot more to our consultants and to our employees.

10 CHAIRPERSON KALLOS: Director Jiha, how dare you.
11 You stole my third question. This specifically, I
12 just really appreciate the honesty that I think one
13 of our concerns is that three to one hiring plan
14 would lead to agencies just hiring contractors and
15 you were very honest about that concern too. So, I
16 guess, going back to one piece of the question. I am
17 open to any management tool for this. Right now we
18 do have headcounts by agencies for the city employees
19 who are on a line called Personal Services. The
20 contractors end up on a line called Other Than
21 Personnel services even though they are technically
22 personnel but we don't have a headcount for the
23 contractors sitting in city offices currently in the
24 budget. Would you be open to trying to get a handle
25 on how many of these contractors exist sitting at

1
2 city agencies. I am not talking about education, I
3 am talking about Department of Finance, NYPD, FDNY,
4 DoITT.

5 Like, DCAS actually sitting in those and so I
6 guess that's one idea and if you had a different
7 management tool, I would be very interested in that.

8 JACQUES JIHA: Yeah, it is, it's you know, I
9 would be more than happy to share the information
10 with you but it is not easy to get that information
11 because you have to go through every single contract.
12 You know, you can imagine to know how many
13 contractors you know, are required by our pool for
14 the contract.

15 But again, it's an exercise that's worth doing
16 and you know once because I am glad you bring it to
17 my attention. So, once we do, if you know, how
18 quickly we could get it but it's about require our
19 basically every single contract. But it's something
20 that we should definitely have at our disposal in
21 terms of information. So we have a better sense how
22 best to manage it.

23 CHAIRPERSON KALLOS: I love going through
24 contracts. If you have a different way to get at it,
25 that's fine. I am just trying to get a sense of it.

1
2 So, let's move onto the fourth question. We have
3 been hearing from our non-profit human service
4 providers that they have performance based contracts,
5 which often measured success by the number of clients
6 served rather than outcomes work quality of their
7 programs.

8 We have heard a lot of concern that these maybe
9 inaccurate measures of the work our providers are
10 doing particularly during the pandemic. Where
11 providers might have fewer clients but those clients
12 now have higher needs.

13 And another question is just focusing on outcomes
14 and contracting rather than just the simple count of
15 people served. So, an example would be when we are
16 doing homeless outreach. If we have one vendor that
17 reaches out and talks to a 100 people on the street
18 but only gets one person for every hundred versus
19 another contractor that goes out and has 100
20 contractors and gets 10 people off the street, maybe
21 we should be looking at those outcomes. And that's
22 just one example. Are you aware of any human service
23 providers using city funding because their work does
24 not time precisely to contract performance measures?
25 And have you considered adjusting contract

1
2 performance measures, the amount of service and keep
3 providers whole.

4 JACQUES JIHA: I am not aware of any providers
5 you know not getting paid because of their target or
6 not performing. But again, if you have any
7 information about this, I would be more than happy to
8 take a look at it but you know, again, conceptually I
9 do you know, performance contractor is a good tool to
10 use but you also have to have the right measures
11 okay. If your focus is on the wrong measure, you
12 could have a performance, you could have metric, you
13 know, you don't know whether or not the contract has
14 performed as it was supposed to. If the focus is on
15 the wrong metric.

16 So, therefore you have to have the appropriate
17 metric as you develop this type of contract. But
18 again, as I said, I am not aware of a contractor or a
19 provider who is not getting paid due to this kind of
20 issue.

21 So, I would be more than happy to have that
22 information to take a look at it and see -

23 CHAIRPERSON KALLOS: We will pass that along and
24 if we can ask you to review contract payments to
25

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1 human service providers to see if reimbursement rates
2 have dipped during the pandemic.

3 JACQUES JIHA: Yes, will do.

4 CHAIRPERSON KALLOS: Director Jiha, you are now
5 my favorite, officially my favorite Director of the
6 Office of Management and Budget. You can David that
7 and let's keep it up in the follow up. Thank you. I
8 am done with my first round of questioning and I will
9 reserve second round to ask some questions about the
10 district.

11 CHAIRPERSON DROMM: And that's a real compliment
12 from Chair Kallos, thank you.

13 JACQUES JIHA: Yes.

14 CHAIRPERSON DROMM: I will now go to Committee
15 Members, Council Member questions. I am going to ask
16 our Counsel to call their names.

17 COMMITTEE COUNSEL: If any Council Members have
18 questions for the Administration, please use the Zoom
19 raise hand function and you will be added to the
20 queue.

21 Council Members, please keep your questions to
22 three minutes, including answers and please wait for
23 the Sergeant at Arms to tell you when your time
24 begins. The Sergeant will also let you know when you
25

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2 time is up. We will now hear from Council Member
3 Gibson followed by Council Member Ayala.

4 SERGEANT AT ARMS: Time starts now.

5 COUNCIL MEMBER GIBSON: Thank you so much. I
6 would like to ask for permission to pass to Council
7 Member Ayala as I gather my questions. Thank you so
8 much, I apologize.

9 COMMITTEE COUNSEL: We will now begin with
10 Council Member Ayala followed by Council Member D.
11 Diaz.

12 CHAIRPERSON DROMM: You know, just before we
13 start, let's take a five minute break so that
14 everybody can do some things that they need to do and
15 then we will come back. I know that the Director
16 needs a break for five minutes.

17 [BREAK 1:58:28- 2:04:34]

18 CHAIRPERSON DROMM: Okay, I believe that we are
19 ready to reconvene and start again. Counsel, are you
20 ready?

21 COMMITTEE COUNSEL: Yes Chair.

22 CHAIRPERSON DROMM: Okay, do you want to call the
23 witnesses? I mean the Council Members for questions?
24
25

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2 COMMITTEE COUNSEL: Yes, yes. We will now hear
3 from Council Member Ayala followed by Council Member
4 Gibson.

5 SERGEANT AT ARMS: Time starts now.

6 COUNCIL MEMBER AYALA: Okay thank you. Good
7 afternoon. I am trying to figure out what time it
8 is.

9 So, I will be very brief, I will ask my questions
10 up front because we only have three minutes. So, the
11 Mayor's Office of Thrive NYC in consultation with the
12 FDNY, New York City Health + Hospitals, DOHMH and the
13 NYPD has created a mental health response teams pilot
14 program to strengthen mental health crisis response
15 by having trained mental health professionals
16 response calls. This action removes police from
17 mental health crisis calls and the NYPD will only
18 respond when there is a weapon in imminent risks of
19 harm. If the program used beneficial results and is
20 expanded citywide, will police be utilized less?
21 Would a citywide expansion of this pilot redesign
22 mental health response and replace the NYPD's co-
23 response teams?

24 And then secondly, on February 22nd, we had a
25 hearing where we introduced my bill Intro. 2210 to

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1
2 create the office of community mental health. Has
3 OMB done a financial analysis on how expensive this
4 creating this office would be? And how does that
5 compare to the existing pilot program?

6 JACQUES JIHA: Okay, uhm, let me start with the
7 second question first okay. We, at this point and
8 time, we do not have a number for you right now but
9 we can get it to you later on. That is in the
10 financial analysis, how expensive it is. We do
11 believe that this bill will have significant costs
12 okay though and we would prefer to find a way to have
13 them supplemental work that is planned and already
14 underway in these areas. But at this point and time,
15 we do not have a cost associated with that.

16 Uhm, and what was the first question again? I am
17 sorry.

18 COUNCIL MEMBER AYALA: The first question was
19 regarding the co-response teams that currently exist.
20 If assuming that the new, the new pilot program that
21 was recently launched -

22 JACQUES JIHA: Okay.

23 COUNCIL MEMBER AYALA: By Thrive, that is
24 assuming that it works right. Would a citywide
25

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1 expansion of that pilot redesign the mental health
2 response and replace the NYPD's co-response teams.

3
4 JACQUES JIHA: Uhm, well, in 2020 you said the
5 NYPD responded to about \$160,000 mental health and
6 agency calls, okay. So, we would have to come back
7 to you with you know, the more you know -

8 SERGEANT AT ARMS: Time expired.

9 CHAIRPERSON AYALA: It's fine, you can continue.

10 JACQUES JIHA: Yeah, we will come back to you.
11 We will come back to you with an answer okay, given
12 that -

13 COUNCIL MEMBER AYALA: So, you are going to come
14 back to me with a response to both?

15 JACQUES JIHA: With a response - yeah.

16 COUNCIL MEMBER AYALA: Okay and I did understand
17 that you don't have the numbers yet. You haven't yet
18 started to estimate -

19 JACQUES JIHA: Being honest, yes, yes. We will
20 come back to you.

21 COUNCIL MEMBER AYALA: Are you expecting to do
22 that soon. We are in the middle of budget; we are
23 expecting to pass that bill.

24 JACQUES JIHA: We will do that very soon. Very
25 soon, we will provide you and answer.

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2 COUNCIL MEMBER AYALA: I appreciate it. Thank
3 you.

4 JACQUES JIHA: No problem.

5 CHAIRPERSON DROMM: Counsel, next Council Member.

6 COMMITTEE COUNSEL: Yes, we will now hear from
7 Council Member Gibson followed by Council Member
8 Diaz.

9 SERGEANT AT ARMS: Time starts now.

10 COUNCIL MEMBER GIBSON: Good afternoon everyone.
11 Thank you so much Chair Danny Dromm and Chair Helen
12 Rosenthal and Chair Ben Kallos and all of my
13 colleagues and those who are watching and thank you
14 to our Director of OMB. Welcome to you and your
15 team.

16 We are optimistic about the federal support that
17 we expect to get and I certainly am grateful that the
18 Administration decided to restart \$17 billion in
19 capital. You know the impact that that will have
20 across the city on jobs and economic development,
21 which is super important to our communities in our
22 city. I just have three very quick questions that I
23 wanted to ask about some of the priorities that we
24 have this fiscal year.

25

1
2 So, the \$17 billion in capital restart,
3 specifically as it relates to housing and
4 prioritizing a lot of housing projects whether it's
5 through the rezoning's, the neighborhood plans, the
6 Seniors First Initiative under NYCHA and HPD or some
7 of our Article 11 projects. What is the direction
8 that OMB is giving HPD as it relates to contracts and
9 pushing out a lot of these awards by the end of this
10 year as many of us are leaving and want to see a lot
11 of these projects up and running. That's my first
12 question.

13 My second question is related to a lot of the
14 signature priorities that the Mayor talks about.
15 Last year's budget we had to delay the expansion of
16 UPK and 3K in parts of our city and he talked about
17 getting that back up and running in this budget.

18 So, I want to know where that is as it relates to
19 UPK, 3K and also the agency cuts. I am extremely
20 concerned about the future of the Parks Department
21 and Sanitation moving forward. A lot of us have had
22 to clean our streets, clean our parks with
23 volunteers. It's been a challenges over the last
24 year. Are we going to see some restorations in many
25 of these city agencies that were decimated?

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2 ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 101

3 And my last question relates to the summer season
4 for 2021 and what that looks like. What are
5 conversations we are having now with Commissioner
6 Chong at DYCD as it relates to summer youth and Youth
7 Employment, Work, Learn and Grow, Compass, SONYC,
8 Beacon, all the cornerstone programs that we care
9 about, are we talking about what a full program looks
10 like or will it be a combination of in person and
11 remote because the City Council wants to be very
12 helpful in moving that forward, so that we can have
13 as robust a summer season for young people and young
14 adults as best we can.

15 So, those are my three questions and thank you so
16 much for your work.

17 JACQUES JIHA: Thank you very much. Uhm, again,
18 I am going to try to do my best to answer all these
19 questions all at once.

20 Uhm, with the special HPD, COVID-19 caused some
21 slowdown in the pipeline last spring but the
22 development pipeline is back in full swing and we are
23 committed to meeting our goal of producing the 25,000
24 this Fiscal Year.

25 Uhm, with respect to and I remember now, with
respect to Sanitation and Parks, again, we share the

1
2 same concerns that you have because as I said,
3 recovery, this is critical to the city's recovery.
4 So, uhm, we will see as we look at a budget
5 allocation cycle to see what can be done okay, with
6 respect to some of the services that were cut. But
7 again, it all depends on the financial situation of
8 the city as we get closer to Fiscal Year '22.

9 Uhm, with respect to uh, uh, the Summer Youth
10 Program. As you know, we added about \$132 million in
11 the budget for 7,000 slots. So again, it depends,
12 depending on this health conditions in New York City
13 at the time and depending you know, on how quickly we
14 recover and how many folks get vaccinated. That's
15 going to determine exactly the kind of program we are
16 going to have whether it is going to be online or
17 whether it is going to be in person at this point and
18 time. I cannot tell you. I know for sure it is a
19 program that is a priority for us and that's the
20 reason why we already allocated resources in the
21 Preliminary Budget for this.

22 I don't know if I answered all of your questions.

23 COUNCIL MEMBER GIBSON: What about UPK and 3K
24 Director? 3K expansion?

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JACQUES JIHA: Again, this is a priority project for us like you know and the Mayor, we had doing the budget, the Preliminary Budget, we had basically delayed some of PreK, expansion of the PreK program for this year. But on the day of the announcement of the budget, I wanted to find out we received the FEMA uh, uh, uh, 100 match resources. The Mayor announced at that time that uh, uhm, uhm, we would open uhm, PreK's in District 1, 12, 14 and 29. They will come online in Fiscal Year '22 which will bring us about 16 districts, but again, this is a program that is a priority for us and as long as we have the resources, we will continue to expand.

COUNCIL MEMBER GIBSON: Okay, thank you so much. My time is up but I thank you and certainly want to emphasize, you know, my colleagues and I want to make sure - for many of us, this is our final budget and it has to be reflective of what we care about. We have to invest in children, families, youth, seniors and so many vulnerable New Yorkers that have been devastated by COVID. Traumatized. So, when we talk about social emotional learning and trauma informed care, we have to focus on these programs and not look to add you know Law Enforcement in schools. These

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2 are conversations we have to have and we have to be
3 very deliberate about our priorities.

4 These streets are not clean. They need to be
5 cleaned. Parks need to be clean. All of these
6 things that we care so much about, they have to be
7 prioritized in this budget. So, I thank you, I thank
8 you Chair Dromm and Chair Rosenthal for your work and
9 I look forward to our continued conversations ahead.
10 This month during the Preliminary Budget process.
11 Thank you so much everyone, thanks.

12 CHAIRPERSON DROMM: Thank you Council Member
13 Gibson and Council Member Gibson, I don't know if you
14 were on before but I did acknowledge your service as
15 the Chair of the Subcommittee and I want to thank
16 you. It was a wonderful three year experience and I
17 know you are on to bigger and better things but thank
18 you very, very much.

19 COUNCIL MEMBER GIBSON: Thank you Chair as well,
20 you too.

21 CHAIRPERSON DROMM: Okay, alright, Counsel, let's
22 go to our next Council Member please.

23 COMMITTEE COUNSEL: Yes. We will now hear from
24 Councilman Diaz followed by Council Member Powers.

25 SERGEANT AT ARMS: Time starts now.

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2 COUNCIL MEMBER DIAZ: Good afternoon colleagues
3 and we have been at it for two and a half hours.
4 Thank you for staying on top of your game and not
5 losing focus. You are definitely asking good and
6 tough questions. I want to thank Chairman Dromm for
7 your leadership and your continued commitment and OMB
8 Director here for taking on this challenge during
9 these troubling times.

10 As I go onto my questions. As the Chair of the
11 Women and Gender Committee, I want to understand the
12 total investment in the average domestic violence. I
13 am not finding it to be transparent. Therefore, I am
14 finding it difficult to see the investment that is
15 indicated that is taking place during these times.

16 Can I get a commitment from OMB that moving
17 forward, a tracking system will be in place so
18 someone like me and obvious can follow the process?

19 JACQUES JIHA: Uh, yes, I mean I will be more
20 than happy to discuss this with you. I will have
21 Ivan from my office reach out to you to know exactly
22 what you are looking for in terms of what kind of
23 information you are looking for and what it is that
24 you need and to share as much information as possible
25 with you.

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2 COUNCIL MEMBER DIAZ: Okay, then early on you
3 mentioned cuts and not cuts. It wasn't clear to me
4 in the area of domestic violence and shelters. Where
5 there major cuts too or not to those areas of social
6 services?

7 JACQUES JIHA: At the state budget. We are
8 discussing about the state budget.

9 COUNCIL MEMBER DIAZ: Okay. Okay, thank you.
10 That is all.

11 CHAIRPERSON DROMM: Thank you, let's go to our
12 next Council Member.

13 COMMITTEE COUNSEL: We will now hear from Council
14 Member Powers followed by Council Member Grodenchik.

15 SERGEANT AT ARMS: Time starts now.

16 COUNCIL MEMBER POWERS: Thank you. Hi there,
17 thanks for the testimony. I want to just ask a
18 couple quick couple questions quickly but one of the
19 first starting points, I am not sure if I heard this
20 earlier discussed but we are expected to be receiving
21 some federal money here. We are hopeful and keeping
22 our fingers crossed but it does look optimistic. Can
23 you talk to us a little bit about the
24 Administration's plan for how to I think it's roughly
25 in the area of \$5 billion. Where you see priority

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2 areas and where you expect that money to be spent as
3 part of the – I think and it may straddle two budgets
4 perhaps but can you just talk just a little bit about
5 where you see that money being spent in the coming
6 budget year?

7 JACQUES JIHA: Yeah, as I indicated for the
8 Speaker earlier that we are in the beginning phase of
9 the Executive Budget. We have not made any decision
10 in respect to federal aid because simply because we
11 don't know how much we are going to receive.

12 I mean, it's included in the house budget and we
13 don't have any guarantee that it is going to stay –

14 COUNCIL MEMBER POWERS: Just for remedy sake, do
15 you have priority areas that you see as needing
16 funding if we are as lucky enough to receive it?

17 JACQUES JIHA: Oh yeah, our priorities are the
18 same. We have health and the safety of the New
19 Yorkers; school reopening and we want to make sure –
20 ensure that we have a swift recovery of the economy.
21 These you know, have safety school reopening's and
22 recovery. These are critical areas for us in terms
23 of where we are making investment and we continue to
24 make investment. Because uh you know, we cannot have
25

1
2 a fully functioning economy, a functional budget if
3 we don't have a functional economy.

4 So, we have to make sure we have you know, we
5 swiftly open the economy and people start coming back
6 to the office, coming back to work and that's how we
7 generate tax revenue, personal income tax and
8 property tax revenue. So these are areas of priority
9 for us at this point and time but as I said -

10 COUNCIL MEMBER POWERS: I am glad to hear that.
11 My priority as well and I am representing Mid-Town
12 and so much of the area that is forward facing to the
13 world, especially when it comes to tourism and
14 attractions here in the city. I have been
15 particularly concerned about the decline in spending
16 in district for restaurants and other areas that have
17 been you know ancillary to this and have been hard
18 hit but also, making sure that those institutions and
19 the things that really drive people back into the
20 city are going to survive through this pandemic.

21 One of the things I am asking for and would love
22 your partnership and hear your thoughts on it in the
23 meantime is around financial support for the
24 institutions like the arts and cultural institutions
25 that make up the city. We talked a lot about live

1
2 performance venues as one area where there overall
3 being is going to be much longer than others. They
4 can't do outdoor dining or anything like that. Does
5 the Administration have a thought or a plan or
6 willing to work with us around a plan to help provide
7 financial assistance to those institutions that help
8 bring folks back into the city?

9 SERGEANT AT ARMS: Time expired.

10 COUNCIL MEMBER POWERS: Are facing uncertain
11 financial future right now?

12 JACQUES JIHA: As you know, cultural institutions
13 are a vital part of the New York City economy. I
14 mean, there is no other place we could find another
15 roadway. So, therefore it's something that - it's a
16 key to New York City's recovery. And from my
17 perspective is as personal I am saying, it's the most
18 important thing from my perspective we can do right
19 now for cultural institutions, is to safely restart
20 the New York City's economy. And from my
21 perspective, that's why the vaccination campaign is
22 very, very, very important. People have to be -
23 people have to feel safe to come to New York City.
24 Okay and once that happens, okay, from Broadway will
25 pick up again and - but again, we have done a lot of

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2 things with the institutions but we are happy to
3 partner with you okay and to see uh, where we could
4 offer opportunities for cultural groups and artists
5 to program in streets. So, you know, because all of
6 these things will bring as much as possible to uplift
7 our communities.

8 So again, I am more than happy to partner with
9 you to see you know what creative ideas that you have
10 that we could work together on to see what can be
11 done to basically accelerate the recovery process for
12 art and cultural institutions.

13 COUNCIL MEMBER POWERS: Okay, I will end there
14 because my time is up but I want to – I think that
15 there is some need for financial relief for some of
16 these folks hopefully with federal money that comes
17 being that I think we are about a year away from some
18 of these institutions for being able to fully
19 recuperate vaccinations and other and slow reopening.

20 So, I think anything we can do together, I will
21 be in touch with your office to discuss that.

22 JACQUES JIHA: Sure.

23 COUNCIL MEMBER POWERS: Thank you.

24 CHAIRPERSON DROMM: Thank you. Counsel.
25

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2 COMMITTEE COUNSEL: We will now hear from Council
3 Member Grodenchik followed by Council Member Louis.

4 SERGEANT AT ARMS: Time starts now.

5 COUNCIL MEMBER GRODENCHIK: Thank you Chair
6 Dromm. Thank you Director Jiha. I want to thank you
7 personally for working with my office to do two very
8 large property tax workouts for two large co-ops in
9 my district, saving them approximately one-half a
10 million dollars each and I appreciate that greatly.
11 That was in your previous role.

12 I want to confirm something you said that
13 District 29 will in fact have PreK starting this
14 fall?

15 JACQUES JIHA: Yes.

16 COUNCIL MEMBER GRODENCHIK: Yes, okay, before I
17 Tweeted that I wanted to make sure it was correct.

18 And I understand you know, previously Councilman
19 Powers has asked this and I think Chair Dromm and
20 maybe even the Speaker, uhm, about what we would do
21 if we had the money and I think it would be good and
22 I am sure you are doing this already but I want to
23 encourage you just in case for OMB to be conducting
24 an exercise at least to see where that money could
25 best be plugged in and we all have our ideas and one

1 of them that I want to talk to you about today.
2
3 Something that myself and Chair Levin of the General
4 Welfare Committee have been most concerned about and
5 my dear friend Danny Dromm has added his voice and
6 the Speaker has made this a priority for this Council
7 is emergency food. And we did have an allotment last
8 spring of about \$25 million or \$26 million. We have
9 unprecedented hunger in the City of New York and the
10 pandemic has exacerbated that to the point where some
11 of the people that I talk to in the social service
12 community, especially those who specialize in feeding
13 people estimate that up to \$2 million New Yorkers may
14 now be food insecure. And uhm, we need more money
15 and I know that you mentioned briefly in your opening
16 remarks about food but I am asking you to go back
17 today to the Mayor and to your colleagues at OMB to
18 figure out ways that we can increase and do another
19 round of funding for food pantries. They are the
20 last, they are the backstop. They are the last line
21 of defense for hungry people in the City of New York
22 and uhm, they are in many cases, they run out of food
23 before people, all the people on the line can be
24 taken care of. This is a critical need despite the
25 pandemic, we are still one of the wealthiest places

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2 on earth and it has long been my contention that
3 nobody should go hungry in the City of New York.

4 So, I hope that you will speak to the Mayor about
5 this. I know his heart is in the right place on this
6 issue. Now we need to show the money. You need to
7 show us the money. So, I ask for that commitment
8 today Director Jiha.

9 JACQUES JIHA: Well, you know, I mean, we share
10 you know, you know the Mayor shares your goal to
11 ensure that every New Yorkers, no New Yorkers will go
12 hungry and that's the reason why as you know, we have
13 spent -

14 SERGEANT AT ARMS: Time expired.

15 JACQUES JIHA: We have spent like over \$600
16 million since March of 2020 on emergency food
17 programs and again, I will discuss this with the
18 Mayor. I understand your concern with respect to
19 food pantry. We advocated about \$25 million like we
20 said last year in the budget for the food pantry and
21 I will discuss it with the Mayor and I am pretty sure
22 if we have the resources that we need, I am sure he
23 will find ways to accommodate your requests.

24 COUNCIL MEMBER GRODENCHIK: I appreciate your
25 concern and I thank you for listening to me today and

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1
2 for being here. Thank you Chair Dromm and the other
3 Chairs.

4 CHAIRPERSON DROMM: Thank you. I just want to
5 reiterate that what Council Member Grodenchik said is
6 a major concern for me as well. I look out my window
7 and I see people lined up two blocks long to get a
8 box of food. And I also want to say that I think
9 that providing the boxed food is probably the better
10 way to go rather than the packaged food because it
11 really allows for the cultural diversity of folks and
12 if we can move in that direction, I would be very
13 happy. So, thank you.

14 COUNCIL MEMBER GRODENCHIK: Thank you Chair.

15 COMMITTEE COUNSEL: We will now hear from Council
16 Member Louis followed b l now hear from Council
17 Member Louis followed by Council Member Ampry-Samuel.

18 SERGEANT AT ARMS: Time starts now.

19 COUNCIL MEMBER LOUIS: Good afternoon and thank
20 you Chairs Dromm, Rosenthal and all other Chairs for
21 having this meeting today. I am happy to see you
22 Jacques Jiha. I just have two quick questions.

23 In January, the Mayor had stated that he wanted
24 to commit to mental health screenings for students
25 and provide mental health professionals/specialists

1
2 in schools once they reopen. So, I wanted to ask,
3 like what does that look like and how much has the
4 Mayor allotted to this program?

5 JACQUES JIHA: Uhm, in the Preliminary Budget we
6 added about \$35 million for a program called Academy
7 Consistency, which basically support mental health
8 and social, emotional learning for students who may
9 have experienced trauma during COVID.

10 So, this funding basically would add about 150
11 social workers and 27 new community schools in
12 neighborhoods hardest hit by COVID. So, there is
13 about \$35 million in the budget for this program.

14 COUNCIL MEMBER LOUIS: And so those community
15 schools, is that citywide or in particular
16 neighborhoods?

17 JACQUES JIHA: So, the neighborhoods that were
18 hardest hit by COVID.

19 COUNCIL MEMBER LOUIS: Okay.

20 JACQUES JIHA: Yeah.

21 COUNCIL MEMBER LOUIS: And can we get that
22 information about those communities where –

23 JACQUES JIHA: Sure, sure, sure. We will provide
24 them to you.

1
2 COUNCIL MEMBER LOUIS: Alright and last question.
3 So, the Fiscal 2022 Preliminary Budget cuts, Summer
4 SONYC, middle school Camp programming for
5 approximately 8,500 students. While keeping all
6 other camp funding whole in COMPASS, Beacon and
7 cornerstone sites.

8 So, I wanted to know what the Administration was
9 thinking when singling out the summer programming and
10 cutting \$5.7 million?

11 JACQUES JIHA: It's not singling out. It's just
12 a question of you know, we were facing some
13 significant budget challenges as you know and we had
14 to make some difficult decisions.

15 This is not the decision that we would take
16 lightly. Again, these are things as the situation,
17 the current condition changes or the current
18 condition of the city changes. We will review this
19 to see what can be done okay, but these are not
20 things that we take lightly.

21 These are tough decisions that we had to make at
22 some point because we had to balance a budget. And
23 so, unfortunately, some of these programs had to
24 suffer but we had to reduce some of these programs,
25 cut some of these programs but as things, the

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2 situation, the financial situation improves, we will
3 take a look one more time at them to see whether or
4 not some of them can be restored.

5 COUNCIL MEMBER LOUIS: We definitely would love
6 if you could take another look at it because these
7 are kids from the hardest hit communities that would
8 be suffering from this.

9 JACQUES JIHA: Sure.

10 COUNCIL MEMBER LOUIS: But thank you so much. We
11 look forward to following up. Thank you. Thank you
12 Chair Dromm.

13 CHAIRPERSON DROMM: Thank you very much Council
14 Member Louis. Let's go to our next Council Member.

15 COMMITTEE COUNSEL: We will now hear from Council
16 Member Ampry-Samuel followed by Council Member
17 Rivera.

18 SERGEANT AT ARMS: Time starts now.

19 COUNCIL MEMBER AMPRY-SAMUEL: Good afternoon
20 everyone and thanks Chairs for the time. To OMB
21 Director, you mentioned in your testimony the Fiscal
22 Year 2022 Preliminary Tenure Capital Strategy is
23 \$118.8 billion. Which reflects a nearly 2 percent
24 increase over the 2020 tenure Capital Strategy.

25

1
2 Which included investments and repairs and
3 improvements to NYCHA developments.

4 Uhm, can you give us a little more detail about
5 the NYCHA investments and are these additional monies
6 for the ongoing capital repairs allocated to regular
7 Section 9 units or is this associated with the
8 Section 8 conversions? And my last question, where
9 do these investments sit on your list of priorities?
10 And I ask that because historically NYCHA has not
11 been a huge priority and we know that with everything
12 we faced in 2020, I am glad to hear people talking
13 about NYCHA all the time and NYCHA as a priority.
14 But uhm, you know, clearly, we just want to know
15 where is the money? Like, what's really happening?
16 So, just a little detail about the investments in
17 NYCHA.

18 JACQUES JIHA: As you know, we had to comply to
19 begin with – we had to comply with the agreement, to
20 fulfill our agreement that we had. So therefore, we
21 had to add about \$250 million a year for the first
22 four years into NYCHA's budget to basically comply
23 with uhm, uhm, the agreement, the federal agreement.
24 And in addition, we added another \$200 million a year
25 thereafter for each year after the first four years.

1
2 Okay, alright, we also added resources to deal
3 with repairs and this has nothing to do with the
4 Section 8 okay. These are the regular Section 9.
5 So, every resource that we added so far has been you
6 know, resources related to Section 9 Housing, nothing
7 to do with Section 8. So, you know right now we – I
8 believe there is only \$600 million basically to
9 ensure compliance in Fiscal Year '29 and '31. It's
10 about like \$200 billion each.

11 So, over the life of the capital plan, we added a
12 lot of resources to NYCHA.

13 COUNCIL MEMBER AMPRY-SAMUEL: So, a bulk of it,
14 the numbers that were giving, the \$250 million that
15 you just mentioned, uhm, \$600 million. The bulk of
16 it is related to the case itself? Related to the
17 federal?

18 JACQUES JIHA: Yes, yes, yes.

19 COUNCIL MEMBER AMPRY-SAMUEL: Okay, so to be in
20 compliance with the agreement?

21 JACQUES JIHA: Compliance, yes in compliance with
22 the case, yes.

23 COUNCIL MEMBER AMPRY-SAMUEL: Okay.

24 SERGEANT AT ARMS: Time expired.
25

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2 COUNCIL MEMBER AMPRY-SAMUEL: Okay, I just wanted
3 that clarification.

4 JACQUES JIHA: Yes.

5 COUNCIL MEMBER AMPRY-SAMUEL: Related to the
6 agreement. Okay.

7 JACQUES JIHA: Yes.

8 CHAIRPERSON DROMM: Thank you. We will go to our
9 next Council Member.

10 COMMITTEE COUNSEL: We will now hear from Council
11 Member Rivera followed by Council Member Lander.

12 SERGEANT AT ARMS: Time starts now.

13 COUNCIL MEMBER RIVERA: Good afternoon. Thank
14 you to all the Chairs for being here. And I just
15 want to thank you Director. What a year to be taking
16 over as OMB Director. Uhm, you know the City and
17 especially the investments we make this year, it is
18 going to play a huge part in our recovery and I know
19 we have talked about issues around food access and
20 housing youth services. And of course supporting our
21 public hospitals. So, my first two questions are
22 related to that.

23 So, the COVID-19 pandemic certainly has led to
24 huge investments in our public hospital system and
25 now that there is some light at the end of the tunnel

1
2 with this pandemic, we also need to think about the
3 survivors of COVID. Many of whom have continuing
4 symptoms of long haul COVID.

5 So, H+H has opened three centers of excellence to
6 treat outpatient COVID symptoms but can you explain
7 how the Preliminary Budget will fund the treatment of
8 long haul COVID systemwide. And my second question
9 is related to, we can also use these vital services
10 to create job opportunities and workforce development
11 by investing in training and apprenticeships such as
12 the four year painters apprentice with Health +
13 Hospitals that I support. And I really think it can
14 be a model for other agencies as well. Do you know
15 if this program was included in the Preliminary
16 Budget?

17 JACQUES JIHA: Okay, let's start with the H+H.
18 As you know, H+H has been doing a fantastic job in
19 terms of recovering financially. And there is strong
20 management and you know very strong position
21 financially at this point and time. Despite the
22 challenges with COVID.

23 And like we indicated that we open up about three
24 clinics okay at a cost of about \$150 million, \$145
25 million I believe to uhm, for the city. So, we

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2 continue to make investments as necessary, as needed
3 you know and this is you know again, as I said we
4 have to look at what are the budget constraints what
5 we are dealing with.

6 COUNCIL MEMBER RIVERA: I am so sorry to
7 interrupt Director but I only have a few seconds
8 actually. So, do you think the Preliminary Budget is
9 going to fund a more – a program that deals with long
10 haul COVID. Is that going to be systemwide? Do you
11 think that there is going to be an opportunity for
12 programming – I mean for workforce development? And
13 then before my time runs out, I do want to add a
14 question about the Commercial Lease of Systems
15 program. Can you explain why it's not in the
16 Preliminary Budget when we went through kind of a
17 song and dance over \$1.5 million, which is the only
18 city funded legal assistance program.

19 SERGEANT AT ARMS: Time expired.

20 COUNCIL MEMBER RIVERA: That predominantly helps
21 minority and women owned businesses and
22 entrepreneurs. So, if you could just explain the
23 centers of excellence and whether there is a more
24 systemwide plan for long haul COVID symptoms. So,
25 people that are dealing with long haul COVID. And

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 123

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2 then about the workforce development and then just
3 the CLA program and I just want to thank all the
4 Chairs for being so gracious with the time and thank
5 you for answering my questions.

6 JACQUES JIHA: Yeah, that's - the commercial
7 leasing program, this is good news. This is going to
8 be in the Executive Budget. So, we will address it
9 at the Executive Budget. With respect to all the
10 other programs you mentioned as I said, we will all
11 continue to give you all these things based on needs.
12 But again, we have to look at as I said the big
13 picture and we have to look at the context of the
14 financial situation of the city.

15 We have a lot of needs but very, very few limited
16 resources and as I discussed, we will continue to
17 give you these needs and as needed we will address
18 them. Like you just said with the commercial, this
19 would be addressed at the Executive Budget.

20 CHAIRPERSON DROMM: Okay, thank you. Let's call
21 our next Council Member please.

22 COMMITTEE COUNSEL: We will now hear from Council
23 Member Lander followed by Council Member Koo.

24 SERGEANT AT ARMS: Time starts now.
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COUNCIL MEMBER LANDER: Thank you Chair.

Director Jiha, it's good to see you here welcome and I want to thank you and City Hall for committing to put money in the Executive Budget to restore the reckless driver accountability program in the face of so much reckless driving and we needless deaths that we have seen.

I want to ask you about two areas. First, the Department of Education is demanding back tens of millions of dollars from our schools that they already spent on the teachers they had to hire for remote learning and blended learning. Yesterday, DOE said they would only require 75 percent back instead of 100 percent back but they spent 100 percent of the money on teachers.

So, uhm, I guess my first - and I know that's mostly schools in low-income communities despite something the Chancellor said. So, I guess what I would like is a commitment from you that we are going to use federal funding to give relief to our schools and not require them to spend back. I don't know, it could be \$75 million from low-income schools that they already spent on teaching.

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2 It doesn't matter if they had registered decline.
3 If they spent it on our teachers, they can't give it
4 back to Tweed. So, I would hope the answer is you
5 will give it back. You know, you will give them
6 budget relief. If not, can I have your commitment
7 that by the DOE hearing, we are at least going to get
8 a clear and full list of how much Tweed is demanding
9 back from every school?

10 JACQUES JIHA: Uh, uhm, I would have to get back
11 to you on this. This is an issue that I would have
12 to discuss with DOE to see exactly what's going on
13 but the main point that you make, as long as we have
14 the necessary resources, we would be more than happy
15 to revisit that issue. To look at that issue again
16 one more time. Because if they already spent the
17 money, there is no way the school could turn the
18 money back to DOE.

19 COUNCIL MEMBER LANDER: I am glad that you see it
20 that way and I know the Mayor basically said as much
21 to Borough President Brewer in the Preliminary Budget
22 hearing but the schools are still being asked for it
23 and they absolutely spend it on teachers. So, at a
24 minimum like by the DOE hearing to get the full list.
25 I mean I hear you that you are going to have to see

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2 how much federal aid before you can commit to giving
3 budget relief but I think you owe the Council, DOE
4 owes the Council a full list of what is being
5 demanded back from every school. The Chancellor said
6 it might be \$100 million if it is 75 percent, that
7 might only be \$75 million but our schools can't
8 afford it. They already spent it and then my second
9 area of questions relates to the attrition program
10 and the NYPD. It is my understanding that the one
11 for three replacement program you know covers parks
12 workers and DFTA and Department of Youth and
13 Community Development but am I right in understanding
14 that it does not cover the NYPD. That we are still
15 replacing every position there and can you give me an
16 update -

17 JACQUES JIHA: It doesn't impact the uniform. It
18 doesn't impact the uniform but it impacts the
19 civilian.

20 COUNCIL MEMBER LANDER: Tell me what NYPD
21 headcount is projected to be under this budget
22 without a hiring attrition program there.

23 JACQUES JIHA: It's about \$35,000.

24 COUNCIL MEMBER LANDER: So, just more or less,
25 where it was before the pandemic?

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 JACQUES JIHA: Yes.

3 COUNCIL MEMBER LANDER: No attrition, no
4 meaningful reductions?

5 JACQUES JIHA: Oh, they have some significant
6 attrition and yeah, they had some significant
7 attrition and we had two classes because well, they
8 are still behind. They are still way below but in
9 terms of the numbers, it is roughly around \$35,000.

10 COUNCIL MEMBER LANDER: Roughly \$35,000 and
11 projected to stay there.

12 JACQUES JIHA: That was the agreement. I believe
13 that was the agreement to keep it at about 35.

14 COUNCIL MEMBER LANDER: Okay, I will ask more
15 questions about this I guess at the NYPD hearing. I
16 wasn't clear what the agreement was. Whether it was
17 possible to actually understand what the numbers were
18 going to be. It would really be helpful to
19 understand where they are. I don't think this
20 Council to be honest, I don't think the
21 administration and the Council were honest with New
22 Yorkers last year about what the plans were for NYPD
23 headcount. I think we told stories that were not
24 true when we adopted the budget and I really would
25 like to understand what those numbers are and what

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 128

2 the projects for them are. Whatever you think about
3 the issue, it is our obligation to tell the truth.
4 So, thank you for that.

5 CHAIRPERSON DROMM: Next Council Member please.

6 COMMITTEE COUNSEL: We will now hear from Council
7 Member Koo followed by Council Member Chin.

8 SERGEANT AT ARMS: Time starts now.

9 COUNCIL MEMBER KOO: Thank you Chair and
10 Commissioner Jiha. How are you? Thank you.

11 JACQUES JIHA: Doing very well.

12 COUNCIL MEMBER KOO: Yeah, good, good. The Mayor
13 has constantly emphasized the importance of parks to
14 the city's recovery. And as the weather gets warmer,
15 our parks receive a record increases in visitors
16 again. However, Parks must not prioritize in your
17 testimony. Can you tell us why?

18 JAQUES JIHA: Uh, well, as you know we value
19 Parks because we know their importance to the city's
20 landscape. We are working with Parks to evaluate any
21 requests that they have on a case by case basis okay.
22 Uhm, we made some cuts to parks but they were not
23 baselined. In otherwise, they will be used sometime
24 in the Fiscal Year '22.

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 129

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2 So, again, we have been working with Parks and as
3 far as we know, to make sure that they have the
4 appropriate seasonal workers that they need. Okay to
5 meet their needs this summer. So, uhm, again, that's
6 all I can say at this point and time. Again, it's -
7 we have to remember that we have to make some
8 significant decisions because of the financial
9 situation of the city at the time of the Preliminary
10 Budget. But uh, uh, as best as we can, even the
11 limited resources that we have, we have provided
12 Parks and all these agencies the resources that they
13 need to function as best as they can.

14 COUNCIL MEMBER KOO: Okay, thank you. So our
15 understanding is that there is \$1 billion in frozen
16 capital dollars at OMB for Parks projects. It makes
17 sense to invest in our Parks now to make them safe
18 and accessible for New Yorkers.

19 JACQUES JIHA: You are getting feedback; I can't
20 hear you.

21 COUNCIL MEMBER KOO: Okay, let me start over. I
22 said, our understanding is that there is \$1 billion
23 in frozen capital dollars at OMB for Parks projects.

24 JACQUES JIHA: Hmm, hmm.
25

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 130

2 COUNCIL MEMBER KOO: It makes sense to invest in
3 our Parks now to make them safe and accessible for
4 New Yorkers. Neither OMB nor the Administration
5 unfreeze those funds.

6 JACQUES JIHA Uhm, as I said, it's - we, we, we
7 on pause all the capital projects and I believe Parks
8 is - the Parks project will be I believe I think we
9 start the Parks sometimes even March 26th okay.

10 Yeah, so they would have all the capital project
11 restarted okay on March 26th. They have other you
12 know projects that we have -

13 SERGEANT AT ARMS: Time expired.

14 JACQUES JIHA: That will be un-paused.

15 COUNCIL MEMBER KOO: I just want - my last
16 question is like, the system of workers right. Are
17 seasonal workers for the parks with the proposed
18 three to one hiring impact New York City Park
19 workers, seasonal workers?

20 JACQUES JIHA: Well, we, we, as I said, we are
21 working with parks okay. We are reviewing their
22 request for seasonal workers and we believe again as
23 I said, nothing is guaranteed in life but based on
24 our review and discussion with parks. We are already
25 going to provide them with some seasonal workers

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 131

2 because they are going to need them for the upcoming
3 spring and summer season.

4 COUNCIL MEMBER KOO: Yeah but it is important.
5 People use the Parks more often during the pandemic
6 than pre-pandemic you know. So, it is critical for
7 us to keep the Parks clean.

8 JACQUES JIHA: Sure.

9 COUNCIL MEMBER KOO: Thank you.

10 CHAIRPERSON DROMM: Okay, thank you. Thank you
11 Council Member Koo and we will go to our next Council
12 Member.

13 COMMITTEE COUNSEL: We will now hear from Council
14 Member Chin followed by Council Member Barron.

15 SERGEANT AT ARMS: Thank you. Thank you to all
16 the Chairs and welcome Director Jiha. I have three
17 questions. One is that our senior center. Even
18 though they are closed, the staffs are still working
19 to enroll this call, connecting seniors to services,
20 to food and also even with the vaccine. The message
21 is if you have problem getting an appointment, call
22 your senior centers.

23 So, there were \$10 million that was promised last
24 year in the Executive Budget and it disappeared. So,
25 I wanted to make sure that that \$10 million that was

1
2 promised will be there this year in the Preliminary
3 and in the Executive Budget because the senior
4 centers still need that money for the services they
5 do, so that's one.

6 Second, is the home delivered program. We are
7 asking for \$16.6 million to make sure that we are on
8 par with the national average. Right now, a lot of
9 the nonprofit who are doing home delivered meals are
10 in deficit because the money that they get from the
11 city is not enough to cover the cost and especially
12 during the pandemic, the home delivered meal
13 providers has been the one that are serving our most
14 vulnerable seniors and that number has grown. A lot
15 of seniors have signed up for the home delivered meal
16 during this crisis, so \$16.6 million.

17 And my last, my third question is on the special
18 vendor enforcement unit. We passed the legislation
19 to increase the cap on food vendors and one of the –
20 the most important issue was setting up this
21 enforcement unit. So, I want to make sure that it is
22 on your radar how much money are committed? Uhm, and
23 you know from the Health Department, you know,
24 working with the Health Department and Department of
25 Consumer Affairs and I want to make sure that you

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 133

2 know, that enforcement unit will be funded this year.

3 Thank you.

4 JACQUES JIHA: Okay, uhm, with respect to the
5 senior centers let me go quickly so I can try to
6 answer all your questions. Uh, they are not
7 currently open at this moment and time. But downward
8 when the centers reopen and if the Fiscal situation
9 improves, we will revisit that issue, including
10 funding okay.

11 COUNCIL MEMBER CHIN: But the \$10 million was
12 promised before. So, I -

13 JACQUES JIHA: I know, I know, I know.

14 COUNCIL MEMBER CHIN: I expect to see that in the
15 budget.

16 JACQUES JIHA: I understand but you know, as you
17 know, the centers are closed right now but the minute
18 they open, we will revisit that issue with you okay.

19 Uhm, vendor, the food vendor, we, as you know,
20 with any transition and there are a lot of
21 consideration that must be addressed. We are
22 activity reviewing the needs of DCWP to quickly and
23 sufficiently staff the operations.

24 SERGEANT AT ARMS: Time expired.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 134

2 JACQUES JIHA: So, they could deal with the issue
3 dealing with the vendors. The mobile vendors okay.

4 COUNCIL MEMBER CHIN: That's the unit.

5 JACQUES JIHA: Yes.

6 COUNCIL MEMBER CHIN: And we just want to make
7 sure.

8 JACQUES JIHA: Yeah. We are working with them.

9 COUNCIL MEMBER CHIN: We just want to make sure
10 that - so in the Budget hearing with them, do we
11 expect to see that they will get increased funding
12 because the unit - that they have to spend the money
13 on the unit?

14 JACQUES JIHA: That's part of the - part of the
15 you know - we will find a way for the agency to you
16 know, once we give them the green light we will find
17 a way to provide them you know, for them to find the
18 resources but we address this probably within the
19 Executive Budget most likely. But we -

20 COUNCIL MEMBER CHIN: And you didn't answer my
21 question about the home delivered meals, the \$16.6
22 million. I want to make sure that's on your radar.

23 JACQUES JIHA: Okay, it's on yeah, it's on my
24 radar. It's one of those things that we are looking
25 as I said, because it is critical to us and we want

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 135

2 to make sure that no New Yorkers goes hungry. And I
3 am upset as Chair Dromm was saying, is it is very
4 upsetting to people in line okay, struggling for
5 food. And this is something that the Mayor is very
6 clear on. We are not going to let any New Yorker go
7 hungry. So, therefore, you know, we will do whatever
8 is necessary to make sure that the folks -

9 COUNCIL MEMBER CHIN: Well, this is the Home
10 Delivered Meal program that has been in existence
11 before the get food program.

12 JACQUES JIHA: Yes.

13 COUNCIL MEMBER CHIN: So, I want to make sure
14 that they get the funding that they need and don't
15 just put it all in the GetFood Program. This is our
16 most vulnerable seniors.

17 JACQUES JIHA: We understand.

18 COUNCIL MEMBER CHIN: Thank you Chair.

19 JACQUES JIHA: Okay, we understand.

20 COUNCIL MEMBER CHIN: Thank you Director. Thank
21 you Chair.

22 CHAIRPERSON DROMM: I just want to say Director
23 Jiha, don't mess with Margaret Chin.

24 JACQUES JIHA: I know.
25

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 136

2 CHAIRPERSON DROMM: She is determined, believe
3 me.

4 JACQUES JIHA: I know.

5 CHAIRPERSON DROMM: Okay, next Council Member
6 please.

7 COMMITTEE COUNSEL: We will now hear from Council
8 Member Barron followed by Council Member Miller.

9 SERGEANT AT ARMS: Time starts now.

10 COUNCIL MEMBER BARRON: Uh, thank you Chair Dromm
11 and to the Chairs that are co-sponsoring this hearing
12 and thank you to the Director for being here to take
13 our questions and give us answers.

14 In the Mayor's Preliminary Budget, what can we
15 identify or can we see that there is a provision for
16 funding of the ASAP program. As you probably know,
17 the ASAP program is nationally recognized and has
18 been replicated in various cities across this nation.
19 And what it does is it provides mentoring and other
20 kinds of support for students in the CUNY system.
21 Last year, the Mayor reduced it, zeroed it out and it
22 was the Council that came back and looked at
23 recognizing the importance of it and made sure that
24 it was restored. What is the Mayor's position in
25 this budget about ASAP?

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2 JACQUES JIHA: Uhm, again, this is again, a
3 project. I am happy to have more discussions with
4 you. Uhm, you know, it is honest in what you are
5 saying with respect to this kind of program in terms
6 of youth development.

7 These are very critical and uh, you know, we all
8 know if they don't have a program available for them
9 or the kids don't have programs available for them to
10 help them, what they end up doing.

11 So, uhm, I am more than happy to have discussion
12 with you to see what can be done.

13 COUNCIL MEMBER BARRON: Good, I will call you
14 when the hearing is over.

15 JACQUES JIHA: Okay.

16 COUNCIL MEMBER BARRON: Secondly, secondly, in
17 terms of the budget arrangement, it's very difficult
18 to be able to have any clear lines of identification
19 of where money is going when there is such broad
20 units of appropriation. I don't know if any of my
21 colleagues asked the question earlier. What can be
22 done to have more units of appropriation identified
23 clarified in the budget, so that we can clearly see
24 where money is going. Particularly in an
25 institutions like CUNY where the community colleges

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2 are lumped together will be much more helpful to be
3 able to track how money is appropriated to each of
4 those community colleges to be able to in fact,
5 determine that there is some level of equity in how
6 that money is being spent.

7 JACQUES JIHA: I am a fan of transparency. I like
8 to have things be as transparent as possible and so,
9 I don't have an issue whatever to discuss with you
10 whatever unit of appropriation that you think are
11 needed to make sure that we get the information that
12 you need so you can make the best decision available
13 to you based on the information.

14 So, again one of those things that if you have
15 uh, uh, uh, some unit of obligation that you think
16 are needed -

17 SERGEANT AT ARMS: Time has expired.

18 JACQUES JIHA: I will be more than happy again to
19 discuss those with you.

20 COUNCIL MEMBER BARRON: Good, thank you. If I
21 could just continue with another question Mr. Chair.

22 CHAIRPERSON DROMM: Of course.

23 COUNCIL MEMBER BARRON: Thank you. In terms of
24 broadband, what is the Administration doing to make
25 arrangements to assure that particularly those areas

1
2 where we know they have been disenfranchised and
3 don't have a steady connection, to make sure that
4 those areas are moving forward to make the
5 appropriate provisions, particularly during this
6 pandemic a whole year. It's been a year almost to
7 the day that students have not been in a situation
8 where they can interact personally, in person with a
9 teacher. And having been a teacher and Council
10 Member Dromm knows this as well, having been a
11 teacher, there is nothing like the face to face
12 interaction where you can since the child maybe
13 struggling even though they don't raise their hand to
14 get additional help.

15 What is the city doing to ensure that children
16 are not further disenfranchised and further pushed
17 back in their terms of learning because they don't
18 have consistent broadband access as well as the
19 devices that they need?

20 So, what is the city doing to engage with those
21 providers to make sure that that happens?

22 JACQUES JIHA: As you know, we have even
23 committed to address the digital divide that we have
24 and that's the reason why in July of last year, on
25 July 20th, the Mayor announced \$161 million in

1
2 capital investment to accelerate the Department of
3 Broadband in all five boroughs around New York City.

4 We are in the planning phase right now. The city
5 is about to issue an RFP for the broadband initiative
6 and you know, I am pretty sure once they have an
7 answer to the RFP, they will select you know a
8 company and then basically to begin to deploy to see
9 you know, what throughout New York City. This is
10 something that is important for the city and that's
11 the reason why the Mayor put that -

12 COUNCIL MEMBER BARRON: Well, then publicly
13 stated as the timeline was totally unacceptable. We
14 need to have it yesterday because children have lost
15 a whole year, so -

16 JACQUES JIHA: No, I understand.

17 COUNCIL MEMBER BARRON: Whatever we need to do to
18 step that up. I am disappointed that it has not
19 already been presented but we are glad to know that
20 that's moving forward and finally in terms of the
21 money that we expect to get from the federal
22 government, how is the city going to ensure that
23 students themselves as well as the universities - I
24 am talking about higher education community colleges
25 at CUNY. Make sure that that money is applied to

1 those programs that benefit student who are
2 struggling with tuition. Because there are several
3 categories that are earmarked for the money to be
4 designated.
5

6 So, how are we going to let city university know,
7 let CUNY know rather that we want to see it move so
8 that it particularly benefits those issues that were
9 raised by increased tuition plans that would effect
10 students dramatically.

11 JACQUES JIHA: And as I said to everyone on the
12 call so far is we don't have the actual stimulus
13 money yet. We are expecting something but we don't
14 know how much we are going to get so all of this is
15 when we receive the aid and as part of the budget
16 allocation process and budget negotiation process,
17 you know these decisions will be made. And we
18 welcome your voice in the process and at a time when
19 we weren't exactly at this when we look at resources.

20 COUNCIL MEMBER BARRON: Thank you for that
21 commitment and I thank you for your testimony. Good
22 to see you again.

23 JACQUES JIHA: Good to see you too. Thank you,
24 thank you.

25 COUNCIL MEMBER BARRON: Thank you.

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2 CHAIRPERSON DROMM: Okay, Commissioner, I want to
3 thank you. We have two more Council Members and then
4 that will be it and I want to thank you for staying
5 with us.

6 JACQUES JIHA: Sure, sure.

7 COMMITTEE COUNSEL: We will now hear from Council
8 Member Miller followed by Council Member Levin.

9 SERGEANT AT ARMS: Time starts now.

10 COUNCIL MEMBER MILLER: Good afternoon
11 Commissioner. Good afternoon Chairs. Uh, uh, Dromm,
12 Rosenthal, Kallos. Thank you for the hearing. I
13 have two questions. The first is the city's largest
14 procured contractors is healthcare correct? Can you
15 hear me?

16 JACQUES JIHA: Yes.

17 COUNCIL MEMBER MILLER: Okay, so that is correct
18 right?

19 JACQUES JIHA: Uh, it's maybe one of the largest
20 but you know -

21 COUNCIL MEMBER MILLER: Okay.

22 JACQUES JIHA: Okay.

23 COUNCIL MEMBER MILLER: Alright so one of the
24 largest, so along that line, could you discuss the
25 healthcare savings and in discussion to healthcare

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savings, is the plan that was negotiated, does that reflect the greatest savings, the greatest possible savings or is there something else within the healthcare contract that we are missing? And then secondly, I know you discussed that OMB would be releasing uhm or authorizing some of the capital projects that were not COVID related had been held up. We have a senior NYCHA development that we allocated monies for security cameras and security doors and back in '17 and they have been held up by OMB. Will they be released and can we prioritize it? Considering what we have seen with our NYCHA's senior safety over the past few months.

In fact, I was there this weekend when the elevator went down and I was appalled to see the people that were sleeping in the hallways in this development and knowing the fact that we had allocated \$300,000 for security camera's indoors.

Let's start with the last point you made with respect to - uh, OMB is not holding anything with respect to NYCHA as capital spending. Uh, NYCHA was never part of the pause that we put on capital standings.

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 144

2 COUNCIL MEMBER MILLER: You are going to have to
3 send an email -

4 JACQUES JIHA: Okay, uhm, uh, I think definitely
5 we will get back probably reach out NYCHA ourselves
6 to find exactly where things are with respect to the
7 project but I don't believe it has anything to do
8 with OMB.

9 Uhm, with respect to health, we continue to work
10 with our unions, labor unions to see uh, what can be
11 achieved with respect to savings. Uh, but this is
12 an ongoing process and it is an ongoing discussion
13 and when -

14 SERGEANT AT ARMS: Time expired.

15 JACQUES JIHA: When we find you know, an
16 appropriate agreement, we will announce whatever we
17 come up with at the appropriate time.

18 COUNCIL MEMBER MILLER: But in the Committee on
19 Civil Service and Labor, each year we do a hearing on
20 the healthcare savings and where we are there.

21 So, the plan we are currently working under now
22 is that - have we maximized the savings there or is
23 there a new savings being negotiated and would that
24 include an RFP on the healthcare benefits?
25

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 145

2 JACQUES JIHA: We again, as I said, we are
3 continuing to discuss best ways to maximize a savings
4 for the city and to provide city workers the best
5 health insurance possible.

6 So, again, it's part of our labor discussions.
7 You know we cannot discuss —

8 COUNCIL MEMBER MILLER: I know you are the
9 expert. That's where the greatest savings is by far.

10 JACQUES JIHA: Sure, so until we have an
11 agreement, we cannot announce anything. It's part of
12 an ongoing discussion.

13 COUNCIL MEMBER MILLER: Okay.

14 JACQUES JIHA: In due time, uh, we will reveal
15 what has been agreed to.

16 COUNCIL MEMBER MILLER: Okay, thank you Director.
17 It is always a pleasure to see you.

18 JACQUES JIHA: Always a pleasure to see you too.

19 COUNCIL MEMBER MILLER: And thank you Chair Dromm
20 for your leadership.

21 CHAIRPERSON DROMM: Thank you very much and
22 certainly last but not least we will call our next
23 Council Member.

24 COMMITTEE COUNSEL: We will now hear from Council
25 Member Levin.

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SERGEANT AT ARMS: Time starts now.

COUNCIL MEMBER LEVIN: I Director. I apologize,
I am kind of on double duty here with the kids. So,
but nice to see you. Congratulations to you on your
appointment as OMB Director and I look forward to
working with you in the time that we have here
together. Obviously, you know, facing the biggest
challenge that any OMB Director could imagine. So, I
wish you God speed.

Uhm, uh, I wanted to ask about – I Chair the
General Welfare Committee. City FHEPS vouchers, I
recently got data from Department of Social Services
and DHS detailing the number of families per month,
the number of individual families and children per
month that actually get an apartment with a City
FHEPS voucher. And in calendar year 2019, which is
the most recent data they had, you know, any given
month there is a about a four or five percent chance
that a family could get an apartment through City
FHEPS. That's about on average the chances.

The reasons that the rate is so low is because we
have set the City FHEPS voucher limit to about 80
percent of the fair market rent compared to Section
8. Which is actually about 108 percent of the fair

1 market rent but if you were to look around the city
2 just you know, do a Craigs List search for apartments
3 at the City FHEPS level you would find you know,
4 very, very few apartments available.
5

6 And so there are thousands and thousands of New
7 Yorkers that have a City FHEPS voucher in hand
8 walking around this city, trying to find an apartment
9 at a price point that doesn't exist. And this has to
10 change in order to help move families out of shelter
11 and as you know, you know the cost of what we are
12 talking about is children spending a year or two
13 years of their lives living in a hotel room. That's
14 the reality of what shelter looks like in New York
15 City.

16 And we really owe it to these families to
17 increase this voucher amount. It will cost some
18 money but it is far past due time that this is done.
19 So, I just want to get your reaction to that please.
20 Thank you.

21 JACQUES JIHA: I again, I understand your concern
22 and you know, it is a challenge. It's a challenge
23 because this is something that could you know over
24 time that would probably be significantly -
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SERGEANT AT ARMS: Time expired.

JACQUES JIHA: Expensive for the city. But the larger question is from my perspective, the state has to step up as well. But in terms of the detail of the questions, to provide you detailed answers for your questions, I would defer to Ken who could provide you more information. But again, from my perspective is, this is one of those things that we should discuss. It is a very good idea but this could be very expensive and in the context of this budget, we also have to take that into account. Ken.

KEN GODINER: I mean obviously the City FHEPS vouchers work because we know we have a large number of people housed in that way. It's important when you look and I think you raised a great question about you know, the availability of apartments and when you look at those rents remember that we are also giving landlords a one-time bonus of \$4,300 for accepting the voucher. And that really brings up the rent that the landlord is receiving for the apartment. I am not saying it solves all the problems because you know we understand that finding an affordable apartment in New York City is a

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2 challenge. It is something we continue to work on
3 and we understand what you are saying about voucher
4 amount.

5 COUNCIL MEMBER LEVIN: I am sorry. My son is
6 crying here. I am sorry but I do have to challenge
7 that characterization. The numbers that we have
8 gotten and I am happy to share them with you sir.
9 From DSS, clearly demonstrate that they do not work.
10 I mean, we are talking, if you have a City FHEPS
11 voucher in hand, a shopping letter. You have a four
12 or five percent chance at any given month of finding
13 an apartment.

14 That's just not a successful program and I am
15 sorry but I just, I have to push back on that
16 assessment that they are working. They are quite
17 clearly not working and I have been saying this since
18 2018. 2017-2018, I have been saying this. Uhm, they
19 are not working and the data is pretty clear about
20 that. That in any given month, a four or five
21 percent chance is really not a reasonable measure of
22 success and I am sorry.

23 JACQUES JIHA: I think we understand where you
24 are coming from and understand the question. The

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1 challenges in it, the challenges pause the fact of
2 providing 100 percent subsidy you to finance up to
3 100 percent of the fair market value of these units.
4

5 The again, as I said, everything came to context
6 the financial situation of the city because this
7 could be very expensive. You know, if you have a
8 program like this, when it is fully ramped up, this
9 could add some over \$300 million to the city's
10 budget.

11 So, again, it is a good thing. It is a good idea
12 but we also have to take this into the context of the
13 financial situation of the city.

14 CHAIRPERSON DROMM: Okay, thank you very much Mr.
15 Director. We are very appreciative of you coming and
16 giving your time and your honesty and your openness
17 to all of our questions. I am sure we are going to
18 be following up with questions in writing after the
19 hearing but I do want to thank you for everything.

20 JACQUES JIHA: Thank you.

21 CHAIRPERSON DROMM: So, we are going to move onto
22 our next portion. We are going to take a five minute
23 break and then we will meeting with the Comptroller.

24 Again, thank you Director.
25

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2 JACQUES JIHA: Thank you very much.

3 [BREAK 3:11:35-3:21:52]

4 CHAIRPERSON DROMM: Okay, I believe we are
5 getting ready to start.

6 SPEAKER JOHNSON: Thanks Chair Dromm.

7 CHAIRPERSON DROMM: Okay, I just want to make
8 sure all of our Sergeants are ready.

9 SERGEANT PEREZ: We are ready whenever you are
10 sir.

11 CHAIRPERSON DROMM: Okay, thank you very much.
12 Good afternoon, my name is Daniel Dromm and I Chair
13 the Finance Committee. We are joined by Speaker
14 Corey Johnson and the Subcommittee on Capital Budget
15 Chaired by Council Member Helen Rosenthal. We just
16 heard from the Office of Management and Budget. We
17 will now hear testimony from City Comptroller Scott
18 Stringer after he is sworn in by Counsel. But before
19 we begin that, let me just also acknowledge that
20 during the previous part of the hearing, we were also
21 joined by Council Members Gennaro and Perkins.

22 Counsel, would you please swear in our witness?

23 COMMITTEE COUNSEL: Yes Chair. I will now
24 administer the affirmation. You will be called on to
25 affirm at the end.

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2 Do you affirm that your testimony will be
3 truthful to the best of your knowledge, information
4 and belief? Comptroller Stringer?

5 SCOTT STRINGER: Yes.

6 COMMITTEE COUNSEL: And Mr. Preston Niblack?

7 PRESTON NIBLACK: Okay, yes, sorry.

8 SCOTT STRINGER: I was getting worried Preston.

9 PRESTON NIBLACK: I know.

10 SCOTT STRINGER: Were you thinking about it?

11 PRESTON NIBLACK: I was thinking about it.

12 CHAIRPERSON DROMM: Good to see you Preston as
13 well. Thank you Mr. Comptroller. I just want to say
14 that we have been joined by Council Members Koo,
15 Barron, of course our Speaker Corey Johnson, Chair
16 Rosenthal is here and as the others - I see Council
17 Member Ampry-Samuel, Chin, Council Member D. Diaz,
18 Grodenchik, Louis, Perkins, Powers, Riley, Rivera,
19 uhm and I think that's it Mr. Comptroller and we are
20 ready to hear your testimony.

21 SPEAKER JOHNSON: Get ready to be here for a few
22 hours Scott. There are a lot of members here.

23 SCOTT STRINGER: You know Speaker Johnson; I
24 remember in the early days when it was just you and
25

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2 Danny Dromm and a handful of people would come and
3 listen to me and that didn't even last long, so I
4 guess we are in new chartered territory but I want to
5 thank you Speaker Johnson for giving me this
6 opportunity and Chairman Dromm, I want to thank you
7 for over the years allowing me to present to the City
8 Council. So, thank you so much and it's really great
9 to be here.

10 I want to start out by noting that 2021 began on
11 a much more hopeful note than how we ended 2020, with
12 a new president and vaccines for COVID-19 finally
13 available. But the challenges of the past year isn't
14 behind us, not by a long shot.

15 Our economic recovery has slowed, with job growth
16 actually turning negative in the last couple of
17 months. Small businesses are still struggling.
18 There are 30 percent fewer businesses open today than
19 before the pandemic and their revenues are down 50
20 percent. The vaccine rollout remains rocky, with
21 unstable supply and inequitable, unorganized
22 distribution stalling our progress toward a full
23 reopening.

24 And the economic shutdown has taken its toll on
25 property values. These factors have had real impacts

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2 on our budget. One of the most notable developments
3 in the Preliminary Budget was the drop in property
4 tax revenues. For the first time in a quarter
5 century, property tax revenues for the coming year
6 will actually decline. That led to substantially
7 bigger budget gaps, bringing them to over \$6 billion
8 dollars.

9 It was in that context that the Mayor introduced
10 his FY 2022 Preliminary Budget. At \$92.3 billion
11 dollars, it's almost \$3 billion dollars less than
12 this year's budget. But as we'll see, it's going to
13 grow, with the addition of new federal stimulus
14 funds. Non-property taxes, especially the personal
15 income tax and business taxes, have held up better
16 than the property tax. And that's helped offset at
17 least some of those bigger gaps.

18 Now, why is it that these other taxes have come
19 in higher than expected? Well for one thing, Wall
20 Street has raked in \$38 billion dollars in profits in
21 the last 3 quarters, more than at any time since the
22 bank bailout of 2009. But at the other end of the
23 spectrum, in the sectors that were hardest hit by the
24 shutdowns, hotels and restaurants, arts and
25 entertainment, personal services, jobs were still

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2 down 37 percent in December compared to their pre-
3 pandemic levels.

4 And those jobs earn on average less than \$50,000
5 dollars. And that's compared to over \$200,000 for
6 jobs in the sectors least affected.

7 So the most vulnerable among us were made more
8 vulnerable by shutdowns, and the wealthiest among us
9 are doing fine, they still have jobs and they're
10 still making lots of money. But even though non-
11 property taxes were stronger than expected, there was
12 still a \$5.5 billion budget gap that had to be closed
13 in the Preliminary Budget. The City closed that gap
14 with an additional savings program of \$1 billion
15 dollars, drawing down \$1.15 billion dollars from next
16 year's contingency reserves and refinancing our
17 outstanding debt at lower rates, to save another \$326
18 million next year.

19 Now I am happy to tell you that I worked with the
20 Mayor's Office of Management and Budget to already
21 realize over \$800 million in savings this year and
22 next. And I do want to take a moment to thank the
23 excellent Public Finance team in the Comptroller's
24 Office for their efforts on this front as well as
25 OMB.

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2 Altogether, lower debt service costs account for
3 over 40 percent of the Citywide Savings Plan and I'm
4 proud to have helped achieve this. The budget
5 expects that lower pension contributions will save us
6 \$300 million next year. Our early investments in the
7 Bureau of Asset Management with Comptroller's Office,
8 to make it a more modern and highly professional
9 investment advisor to the pension boards, has paid
10 off for retirees and taxpayers alike.

11 I got to tell you one other thing I am proud of.
12 I am proud here that last year, 2020, our pension
13 funds earned over 14 percent. And through December,
14 the pensions funds have earned on average nearly 9
15 percent a year since the beginning of my tenure, well
16 over the target return of 7 percent. It is something
17 the office worked hard to achieve and I am really
18 proud of this group of people, so thank you
19 Comptroller's Office.

20 The biggest component of the gap-closing program
21 was an additional surplus of \$2.7 billion from the
22 current year. Again, mostly because our income and
23 business taxes have done much better than
24 anticipated. And we did all this without laying off
25 a single worker. And as I said at the time, all

1 those layoff threats to our frontline workers were
2 completely unnecessary.
3

4 Now just because we've closed the FY 2022 gap
5 doesn't mean we don't have work to do to get our own
6 fiscal house in order for the future. I would like
7 to point to some ideas that we have because it is
8 important to remember that even when our economic
9 recovery is fully underway again, we are still going
10 to face substantial budget gaps in the future. And
11 there are some risky assumptions in the Mayor's
12 budget that mean the gaps could get even larger than
13 projected. There is unrealistic assumptions about
14 overtime spending. We think there is some
15 underestimating the costs to place students with
16 special needs in appropriate educational settings.
17 And let's remember, the State budget troubles present
18 additional challenges.

19 Over the last five years, the State has already
20 pushed \$1.3 billion in costs onto the City. And this
21 year's budget would cut back \$800 million in State
22 education funds, substituting federal funds from
23 December's stimulus bill instead. And we also
24 identify another \$220 million in other costs. The
25 State's long-term budget prospects could leave us

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2 facing even bigger shortfalls in the future, at a
3 time when we will need to make investments to build
4 the new economy of our City. We must do the work here
5 at home, too. We simply cannot continue with
6 business as usual. For years, I've highlighted areas
7 where we continue to spend hundreds of millions of
8 dollars year after year, without proven results.
9 The homelessness crisis in our city is heartbreaking
10 and frustrating. We're spending \$3 billion a year on
11 homelessness, twice as much now as we did seven years
12 ago. But the single-adult shelter population has
13 reached an all-time high of 20 thousand New Yorkers
14 and more than 21 thousand of our children now sleep
15 in a shelter every night.

16 It is unacceptable to continue spending more than
17 \$3 billion dollars a year and not make a measurable
18 difference for New Yorkers in crisis. The money is
19 there but the strategy and the programs are not.
20 We're spending over \$400,000 dollars a year to
21 incarcerate one person on Rikers Island, while
22 violence continues to climb there. We must redirect
23 resources to programming and treatment that can help
24 prevent incarceration, reduce violence within the
25 jails and help people succeed in their communities

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2 after they leave. And with the pandemic exacerbating
3 mental health challenges, especially for our young
4 people, we're still spending \$200 million a year on
5 mental health programs without sufficient
6 accountability, data or measurable outcomes to show
7 for it.

8 This spending must be evaluated and agencies must
9 be held accountable for producing measurable results.
10 Now, there is some good news, and that good news is
11 that we will have federal stimulus funds coming in,
12 which will give us some much needed resources. The
13 same morning the Mayor released his preliminary
14 budget, we got word that the Biden Administration was
15 going to pick up 100 percent of our eligible COVID
16 disaster-relief spending. And we estimate that's \$1
17 billion in extra funding.

18 And on Friday, the House of Representatives
19 passed President Biden's \$1.9 trillion dollar
20 American Rescue Plan, which includes \$350 billion
21 dollars in aid for hard-pressed state and local
22 governments. It is estimated that we could get as
23 much as \$5.6 billion right to New York City.

24 But we have to remember everybody an important
25 fact and it is an important fact. Stimulus money is

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2 temporary. It is going to give us some help this
3 year and next, maybe even a little the year after
4 that. But after that, it is gone. So that means, we
5 need to strategically use these federal funds to
6 relieve the suffering of New Yorkers, to jump-start
7 our economic recovery and to lay the groundwork for a
8 new, fairer economy as well. Now doing that will be
9 the best use of those one-time stimulus funds, it is
10 going to position us to stand on our own two feet
11 when that money is gone and hopefully to build a
12 better future for New Yorkers.

13 We must use the FEMA reimbursement money to help
14 families who are still struggling through this
15 pandemic and to give our economy the shot in the arm
16 it needs to bring back jobs for the hundreds of
17 thousands of New Yorkers who are still without one.
18 Families are anxious and suffering. Even with
19 unemployment benefits, they're falling behind on the
20 rent. They're struggling to feed their families. We
21 must make sure they are getting the help they need.
22 We must cancel rent for the hundreds of thousands of
23 New Yorkers who have fallen behind through no fault
24 of their own. And we must ensure that every New
25 Yorker, regardless of immigration status, has access

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2 to the benefits and support they need during this
3 pandemic.

4 Two weeks ago, I called for a \$25 million
5 emergency food program for New Yorkers left out of
6 federal and state safety net programs. I look
7 forward to working with all of you in the Council to
8 get this done. Now we have the funds. Now we must
9 feed every family in the city. I also just want to
10 recommend that we invest in our schools to ensure
11 that they are able to operate full-time next year.
12 Many of them will need new ventilation systems, air
13 purifiers and other modifications, and we will need
14 programs to address the learning loss and emotional
15 trauma of the past year. You know, as the father of
16 two young boys in public school, I can tell you this
17 has been a challenge but I cannot even talk about the
18 fact that kids in homeless shelters and in public
19 housing who have broken remote devices and lack of
20 internet access. This is what we have to correct and
21 we have to do it fast.

22 We also must bring justice to the thousands of
23 taxi medallion owners and drivers who are crushed
24 under a mountain of debt. Many have been forced into
25 bankruptcy already and we can bring all the parties

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2 together and solve this problem before it even ruins
3 more lives. And we need to help jump-start our
4 economy. More than 2,800 small businesses closed
5 this summer and that number has only grown in the
6 months since. If they don't re-open, hundreds of
7 thousands of unemployed workers won't have jobs to go
8 back to. So we must use those extra federal funds to
9 help businesses re-open and give our economy the
10 boost it needs this Spring. Millions of square feet
11 of retail space currently sit unused and we should
12 give retailers tax breaks for locating in high-
13 vacancy corridors throughout the City. We need to
14 help struggling restaurants with tax credits or
15 grants until it's possible for them to fill their
16 seats with customers again.

17 There are thousands of workers in small firms
18 that support Broadway and the performing arts with
19 costumes and sets and everything else that goes into
20 a performance, good-paying union jobs. They need
21 help surviving until Broadway and other performance
22 venues can re-open. Most of all, we need to ensure
23 that all New Yorkers have equitable and easy access
24 to vaccines. Without that, there is no recovery.
25 These are the kinds of ideas we need now, to take

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2 advantage of those federal dollars and get our people
3 back to work and open our City to business again.

4 Those are our immediate needs, which can use
5 stimulus funds to help meet. And while the next
6 round of stimulus funds can provide the down payment
7 to start building a new economy, I just want to say
8 to everybody, we cannot simply re-open the same
9 economy that we closed. We need a new economy that
10 is built fairer and more just, with benefits that are
11 more widely shared and that helps right the historic
12 wrongs of the past. For that, we are going to need
13 new investments. Investments in new affordable
14 housing, investments to rebuild NYCHA, investments in
15 childcare, investments in healthcare to correct
16 inequities in access and outcomes, investments in
17 public safety to end the criminalization of poverty
18 and mass incarceration and move us toward a new,
19 public health-focused model.

20 I want us to see and I know this Council believes
21 in this. Investments in transit and to make streets
22 safe and friendly for walking and bicycling.

23 Investments in resiliency for all of our
24 neighborhoods and to build a new green economy for
25 the future. And to these investments, we are going

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2 to need new resources and new revenue streams. And
3 that's why I support the Invest in Our New York
4 agenda. We can use stimulus funds to start these new
5 investments because we must act now and take
6 advantage of the moment. But we also have to think
7 long-term. We got to carry these investments forward
8 and for that we will need a stable and steady revenue
9 base.

10 We have reached a crucial moment in the
11 extraordinary history of the COVID-19 pandemic and
12 the lockdown. We can start to see the light at the
13 end of the tunnel. But we cannot go back to a status
14 quo that wasn't working before the pandemic and is
15 not going to serve us now. We have a challenge before
16 us and an opportunity. The challenge is to create a
17 new, better New York with more opportunity, more
18 justice, more fairness. The opportunity is to seize
19 this moment and to make the investments we need to
20 realize that vision.

21 I am very proud to be here with all of you.
22 Happy to take your questions and let's work together,
23 all of us to make this city the place we call home,
24 the greatest city that we have ever had.

1
2 Thank you all very much and I and happy to have a
3 conversation.

4 CHAIRPERSON DROMM: Okay, thank you Mr.
5 Comptroller and we are going to go right to our
6 Speaker who has questions.

7 SPEAKER JOHNSON: Thank you Mr. Chair. Thank you
8 Mr. Comptroller of course for being here today.
9 Thank you for your testimony. I asked the Director
10 of OMB when he testified before and I think you
11 alluded to this in your testimony. Even in the best
12 case scenario, if \$5.6 billion in stimulus aid comes
13 to us, as you mentioned, we need to plan for the
14 outyears. That you know, one time aid may help us
15 close the gap this year and a little bit next year
16 but the outyear gaps are looking to be in the order
17 of \$4 billion a year going into Fiscal Year 2025 or
18 later, depending on what happens with our budget
19 forecasting.

20 I wanted to see if you had any suggestions on how
21 we should be thinking beyond just this upcoming
22 budget to plan for our city's future. To deal with
23 those very significant outyear gaps and how we should
24 be structuring this type of money potentially if we
25

1
2 get \$5.6 billion. Maybe we shouldn't use all of it
3 in this budget. Maybe we should use some of it in
4 the next budget.

5 So, I want to just get your thoughts on thinking
6 about the stimulus money, a potential greater PEG
7 program and how that would fit in with the outyear
8 gaps.

9 SCOTT STRINGER: Okay, I think we would all agree
10 that whatever we do, it can't just be short-term
11 right. So, one of the things I would recommend is to
12 start thinking about how we save even in bad times.
13 We have to — you know, save in good times but we have
14 to make sure that we are always thinking ahead. You
15 know, I remember Speaker, coming to you a year ago,
16 right before COVID and we talked about how much to
17 save and what we were going to do because we all kind
18 of felt that there was — we didn't know what next
19 would come our way and then COVID hit.

20 So, I agree with the question and I think you
21 would agree with me that going forward, it's not
22 enough just to say we have stimulus money, let's
23 spend it and then we will figure out as we go along.
24 I do think there is a moment now to go to Albany that
25 will also receive significant money and the ability

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2 to raise revenue if we are going to reimagine this
3 New York City economy. Because I will just say this,
4 \$5.6 billion seems like a lot of money until it is
5 spent. And then, as you said, looking at the outyear
6 gaps, we have got to take an approach that puts us in
7 balance with a thoughtful plan but also, we need to
8 do more things for our people. People are suffering,
9 our kids are suffering. They are going to need
10 programs. We are going to need childcare that deal
11 with the new economy. That's going to take real
12 revenue raisers to get this done and I think we need
13 to organize both the different communities to go to
14 Albany and get us a package outlined in the plan I
15 was talking about before. You know, the invest in
16 our New York bills.

17 SPEAKER JOHNSON: I support those bills. I hope
18 the legislature moves on that package of bills to
19 raise revenue for the state and for the city. Your
20 office last week, predicted that the delinquency rate
21 for property tax payments would increase to 3 percent
22 by the end of this Fiscal Year that we are in right
23 now by the end of June.

24 I think there is a concern and maybe you share
25 this concern that the city may be at risk of never

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2 getting these property tax payments because again,
3 people are really struggling. People are struggling
4 to make ends meet and to pay their property taxes.

5 And so, I am wondering, you may not have the
6 figure on you now but if we could find out how much
7 interest the city will earn on these delinquencies
8 and how should the city balance its need to of course
9 get paid on time with also working to help struggling
10 property owners, particularly small landlords who are
11 working with their tenants who may also be struggling
12 and I just wanted to hear your thoughts on that.

13 SCOTT STRINGER: So the — so, here is what I
14 could tell you. So, the delinquency rate was 4.5
15 percent in January following the semiannual payments
16 that were due on January 1. We expect a delinquency
17 rate for the year to be around 3 percent. That's a
18 little above what OMB is telling you.

19 The difference is very small in the context of
20 the property tax and because we are expecting other
21 taxes to come in higher, I would say to you that the
22 delinquency rate poses very little risk to the
23 overall economy and the \$2.5 billion in property tax
24 reduction. Part of that is built in or baked in the

1 delinquency rate. We do think that as people are
2 able, they will pay their property taxes but I do
3 agree with you, we are going to need to make sure
4 that the people who can't pay are not penalized
5 because of a pandemic that was you know, no fault of
6 their own.
7

8 And that's why we have to make sure that we use
9 federal funds to help families, whether it is
10 canceled rent mortgages, food security. I am very
11 concerned about undocumented workers. We also have
12 to strategize about making sure that people who were
13 just victimized by this pandemic are made whole, so
14 that they can get on with their lives. But I would
15 say to you that this is not a crisis in a pandemic,
16 is not unusual and it is something we have analyzed
17 and prepared for in our analysis.

18 SPEAKER JOHNSON: Thank you. Uhm, in January,
19 the City's Chief Actuary proposed several changes to
20 the actuarial assumptions and methods including a .2
21 percent reductio to the actuarial interest rate over
22 4 years and a market reset to bring the actuarial
23 value of pension assets concurrent with market value.
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2 The proposed changes already reflected in the
3 financial plan decreased the cost for the city to
4 fund pensions over the next two years but made
5 funding pending contributions more expensive in the
6 last three years of the plan. Given your role as
7 Comptroller and working with the pension funds, do
8 you have concerns about the actuary, making some of
9 these changes or do you think they were responsible
10 changes to make it this time?

11 SCOTT STRINGER: Well, you are right about the
12 package. So, the package of changes that they
13 actually put forward, there are two main components.
14 There is the change in the actuarial interest rate
15 and the resetting of the actuarial value of the
16 assets and that would go to the market value as of
17 June 19th. Now, the market value reset, restart
18 rather, saves money, \$300 million to \$400 million
19 annually.

20 But the change to the AIR costs money, \$400
21 million to \$500 million a year when it is fully
22 implemented. So, I am not persuaded that either step
23 is necessary at this point. One of the things I
24 talked about – I was proud of this but it is a
25

1
2 reality. Our returns have averaged almost 9 percent
3 over the past 7 years. And market value restarts can
4 be risky because if they don't give you much ability
5 to absorb losses, if the investments are below
6 target, that gets to be a problem and given our
7 revenue projections, I don't think this is necessary
8 because I think we could absorb this loss of these
9 savings in the budget.

10 I think we are strong enough to do that but let
11 also say again, as it relates to pension funds, we
12 hit our actual target. The challenge is to think of
13 the pension fund not year to year right but to think
14 of it and its asset allocation in the long term. And
15 that is why I can come to you today and say look, a
16 year ago, we hit 14 percent. There may be strong
17 winds where we don't hit the target in a year but in
18 the long term when you look at the last 7 years, we
19 hit 9 percent. So, I don't think these changes are
20 necessary and I would defer this discussion.

21 SPEAKER JOHNSON: Okay and my last question
22 before I turn it back to Chair Dromm and then go to
23 my colleagues in the Council, Mr. Comptroller, I
24 asked the Director Jiha from OMB sort of a big
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2 picture question and I think you touched on this in
3 your testimony but I would love for you just to talk
4 a little bit more about this and your thoughts. And
5 I said and as you said, this past year has been
6 absolutely devastating for our city economically,
7 socially, physically, emotionally, spiritually and I
8 am not sure that we collectively as New Yorkers have
9 even begun to understand the collective trauma and
10 tole this has taken on so many of us and the entire
11 city as a whole. And how we think about uhm, how we
12 will need to support students coming back in the fall
13 after a year and a half of interrupted education.
14 How to deal with the mental health crisis that's
15 brewing. How to support the families that you know
16 lost their primary breadwinners. How to make up for
17 the economic losses that disproportionately many
18 women have faced who have had to leave the workplace
19 to become primary care givers. How to care for New
20 Yorkers with long term health impacts from COVID.
21 How to handle the end to the eviction moratorium.

22 Those are just some of the really big issues that
23 we have to tackle as a city and you mentioned some of
24 the other issues and one of the concerns that I have
25 in seeing this preliminary budget plan, is last

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2 year's budget was sort of a COVID crisis budget. Of
3 us all being in this really terrifying moment of
4 crisis as a city and the city being locked down and
5 what that meant. This upcoming budget is sort of the
6 beginning of a recovery budget and my hope is that we
7 learned lessons from the past year that COVID has
8 sort of laid bare the deep inequities that exist in
9 health disparities and food access and the lack of
10 childcare as you mentioned. And what I want to see
11 from this Administration is a budget that is more
12 forward looking in responding less in a crisis moment
13 but more in how do we rebuild an inclusive and just
14 way given all the lessons that we have learned from
15 COVID.

16 And so, I apologize for being verbose but I just
17 wanted to sort of get your thoughts on that about how
18 to think about the spending. How to think about the
19 federal stimulus money that's coming in. How we
20 prioritize it and then lastly, given that we have
21 drawn down nearly all of our reserves over the last
22 two fiscal years, should we be socking some of this
23 money aside that we are getting in federal stimulus
24 money to put in the reserves to plan for our future.

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2 It's a big question but I just wanted to get your
3 thoughts on it.

4 SCOTT STRINGER: No and look, I personally think
5 you are thinking exactly the right way. We can't
6 just bounce from crisis to crisis. I do think this
7 is a moment to take a deep breath and to put
8 ourselves in the situation of the constituents we
9 represent. You know, Wall Street made \$38 billion.
10 Trump took care of all of Wall Street, they did fine
11 and that's in place.

12 The people that we really have to focus on are
13 the people who got killed by this pandemic. Families
14 lost loved ones. Children lost moms and dads. My
15 own two kids lost their grandparent without a
16 funeral, without closure and the stories get even
17 worse for people who were barely making it in this
18 town and I don't think we can open the economy the
19 same way we closed it. I don't think we can budget
20 the same way we did a year ago. There is a going to
21 have to be a coming to terms with what happened to
22 people of color who never had their health conditions
23 solved. It was all about managing illness and
24 managing peoples poverty and criminalizing poverty
25 and you know, putting dirty bus depot stations in

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2 communities 30 years ago that created the height
3 asthma rates.

4 I do think going forward, this is our moment to
5 have the kind of city that will be for everybody.
6 Not just the top 1 percent but for everybody and the
7 way to do that is to think about the building blocks
8 we have. We have our stimulus money, which I do
9 think is going to come and then what do we do with
10 that money? Put some aside, deal with the inequity
11 in the crisis and then we all have to be on the same
12 page about the revenue we need to go forward.

13 Imagine if we could really triple the number of
14 kids who have childcare and send more women back into
15 the workforce and the hundreds of millions of dollars
16 in taxes we would get. I do agree with you Speaker,
17 that the issue of education. I am nervous. I am
18 concerned. I see it - you know, my kids are in your
19 district right. So, you know, I just worry about the
20 kids who are struggling. You know, who are going to
21 have trouble coming back and we got to help them
22 along. We can't give up on them. So, I am looking
23 forward to working with the Council during this
24 budget moment to put up some real ideas. Get the

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2 Mayor to the table and let's just be bigger and
3 bolder and think differently with the money that we
4 have.

5 SPEAKER JOHNSON: And do you think that we should
6 be setting aside - I mean it's of course impossible
7 to know the exact number at this point but given how
8 far we have drawn down our reserves, I think it's
9 probably fiscally prudent for us to take a portion of
10 that stimulus money and put it back into some of the
11 reserves that we have drawn down given the very
12 significant outyear gaps that we have.

13 I don't know what that amount of money is yet. We
14 have to make sure we are funding critical needs and
15 social services and all the things that we need to
16 help people recover but once we do that in a
17 thoughtful and responsive way, do you think that we
18 should be setting aside some of that money back into
19 our reserves to plan for the future?

20 SCOTT STRINGER: The answer is yes and we have
21 got to build up the reserves and look, it's what we
22 could never have imagined a year ago today or
23 yesterday. That we would see this unforeseen crisis
24 come our way.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 And I wish we had more reserves and we have to
3 always think about and I don't mean to be a downer
4 here but something will always come our way and
5 whether it's you know, a 911 crisis, a fiscal crisis,
6 a virus, we need to be prepared with the resources to
7 fight that challenges and I would agree with you that
8 we certainly don't want to deprive people of the
9 emergency services they need. But depending on the
10 amount of stimulus and how we apportion it over this
11 year and the outyears, I think we have to build up a
12 healthy reserve.

13 SPEAKER JOHNSON: Thank you Mr. Comptroller, I
14 want to turn it back to Chair Dromm and Chair
15 Rosenthal.

16 SCOTT STRINGER: Thank you Mr. Speaker.

17 CHAIRPERSON DROMM: Thank you very much Mr.
18 Speaker and now I have some questions for you myself
19 Mr. Comptroller. They are regarding to property tax
20 assessments and property tax payment delinquency.
21 Okay, so Fiscal '22 is an atypical year for property
22 assessments which fell by 3.9 percent according to
23 DOF's tentative assessment role driven mainly by
24 large market value decline for the past two and four
25 properties.

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2 This year, DOF employed new methodology in
3 determining market values for Class 2 and 4
4 properties because the usual method would not have
5 been capable of factoring in the impact of the
6 pandemic on market values.

7 So, what is your outlook on the future of the
8 assessment role beyond Fiscal '22 and its effect on
9 the city budget.

10 SCOTT STRINGER: Well, I think you are right to
11 be concerned about it. You know, I can tell you what
12 I told the Speaker, which is the rate of property tax
13 loss. Part of that loss has built in the
14 delinquency. Uhm and I do think we will see some
15 slow growth you know resuming. But this is something
16 that we are going to need to be laser focused on.

17 CHAIRPERSON DROMM: So how confident are you in
18 DOF's predictions regarding you know its effect on
19 you know, the drop in the assess values on the
20 budget?

21 SCOTT STRINGER: Look, I think most of – most of
22 the role that we see has captured the downside risk
23 but it's hard to say with certainty Chairman. I am
24 not prepared today to give you, you know, a concrete
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2 affirmative answer one way or another. I think we
3 have to take a larger look. If you would like me to
4 drill down on this as an issue of concern with the
5 Council, I certainly can come back to you.

6 CHAIRPERSON DROMM: Yeah, I think we should and I
7 think you know, my concern is how much – how effected
8 those assessment were by either vacancies or by the
9 pandemic for other reasons. So, definitely something
10 I think we should be looking at as we go down the
11 road.

12 Just in terms of the overflow of businesses. The
13 Wall Street Journal recently published an article
14 noting that the Goldman Sachs Group is considering
15 moving its \$8 billion reserve generating asset
16 management division to South Florida. Potentially
17 joining other financial giants who left New York from
18 the Miami area. So, what's your assessment of these
19 anecdotes and what do you see as the overall picture
20 as it relates to business retention?

21 SCOTT STRINGER: Look, I think that – I think we
22 have a lot of businesses here, a lot of tech firms.
23 A lot of firms that are going to want to stay in New
24 York City and look, we have to maintain the value of
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2 proposition, which is, we want everyone to do
3 business in this city. To come to the city and I
4 have always believed that the reason people with
5 businesses come here is because of our unique diverse
6 workforce because this is where the talent is in this
7 city and this is where the amazing New York is. And
8 part of attracting talent with firms is also locating
9 in places that everyone want to live and I will tell
10 you that as we come out of this pandemic, those that
11 have left will come back and we will see our business
12 stay.

13 Look, there is always going to be somebody who
14 leaves but as long as we are bringing new businesses
15 back in, I feel that we will get there.

16 CHAIRPERSON DROMM: So, you feel that the balance
17 of new businesses will outdo the loss of business
18 like Goldman Sachs moving to Florida?

19 SCOTT STRINGER: Look, you know, some go, some
20 stay and if you look at the history of the city
21 through our different, you know, for our different
22 places of Black Rock is staying, Goldman Sachs is
23 losing, is leaving. I would say they are losing.

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2 The talent pool here is enormous. Our parks are
3 open space. Our culture, I mean, think about what
4 happens when Broadway comes back and you look at the
5 diverse restaurants and markets and the five borough
6 economy that we have. Oh, I am going to be a Chair
7 leader like none other. Every time every one has
8 written off New York, we end up coming back bigger,
9 better than ever and I remember this Danny as a kid
10 in the 1970's when we are on the edge of bankruptcy
11 and everybody was fling. But you know who wasn't
12 fling? The pioneers in all our communities. We
13 build back and we will build back and when Goldman
14 Sachs calls up and says, hey, do you got any room for
15 me? We will probably say, come on back. We are just
16 not going to give them subsidies to come back.

17 CHAIRPERSON DROMM: On their own. Thank you.

18 SCOTT STRINGER: On their own.

19 CHAIRPERSON DROMM: Okay, I want to turn it over
20 to our Counsel, who I think is going to introduce my
21 Co-Chair Helen Rosenthal.

22 CHAIRPERSON ROSENTHAL: Great, thank you so much
23 Chair Dromm and Speaker. Welcome Comptroller
24 Stringer. I really appreciate your coming today.

25 SCOTT STRINGER: Thank you.

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2 CHAIRPERSON ROSENTHAL: Uhm, the Mayor announced
3 capital spending this year of \$17.6 billion. I think
4 he announced that yesterday. How much of that have
5 you already registered?

6 SCOTT STRINGER: I don't know. I mean, he
7 suspended the capital program.

8 CHAIRPERSON ROSENTHAL: Uhm, according to
9 Director Jiha this morning, something like over \$3
10 billion had already been registered. I was just
11 asking to confirm.

12 SCOTT STRINGER: I don't know. I don't think it
13 was much. I don't think it was much.

14 CHAIRPERSON ROSENTHAL: Do you think we will be
15 able to achieve the full \$17 billion that he is
16 proposing?

17 SCOTT STRINGER: I mean, if he is going to spend
18 it. I mean, I don't know why he stopped it. I think
19 that's the larger question.

20 CHAIRPERSON ROSENTHAL: Well the Governor put the
21 state on pause right. I mean we couldn't, no one
22 could spend on capital. There was very limited
23 remember.

24 SCOTT STRINGER: We could spend, that's not true.
25 We could have spent on capital.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 183

2 CHAIRPERSON ROSENTHAL: I don't understand. If
3 you go to the New York State Governor's page, he says
4 all the projects that have to stop. I think the only
5 things that were let through were emergency
6 healthcare projects.

7 SCOTT STRINGER: There were plenty of project
8 that could have gone ahead. We should not have
9 played it to that.

10 CHAIRPERSON ROSENTHAL: We should not have
11 followed the Governor's orders?

12 SCOTT STRINGER: You are asking me a question. I
13 don't know from the Governor; I know from the Mayor.
14 The Mayor could have continued a capital program.
15 There were many projects that could have gone ahead
16 and I think we should have done that and I said so at
17 the time.

18 CHAIRPERSON ROSENTHAL: Uhm, do you think it is
19 important for him to uh, be able to spend the full
20 \$17.6 billion by the end of the year?

21 SCOTT STRINGER: I hope he can spend as much as
22 he can you know and hopefully he will do that.

23 CHAIRPERSON ROSENTHAL: Uhm, have you seen any
24 increase in uhm, capital projects coming over to your
25 shop?

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 184

2 SCOTT STRINGER: I told you, I don't know how
3 much has been registered. Uhm, were you able to ask
4 the Mayor's Office?

5 CHAIRPERSON ROSENTHAL: Are you not - you seem to
6 not be interested in this question. I can move on if
7 it is not important to the Comptroller.

8 SCOTT STRINGER: It is very important to me
9 because I was the person who said we shouldn't cancel
10 the capital project, so I do feel - I just don't have
11 the number off hand but I will get it for you if you
12 want.

13 CHAIRPERSON ROSENTHAL: No, no, OMB just sent
14 over the hundreds of projects that have been sent
15 over to your office around January and the next
16 hundreds that will be sent over March 15th. And the
17 next hundreds that will be sent over by the end of
18 March. I am just asking if your office is ready to
19 deal with this you know, ridiculously high amount of
20 capital spending. You know, in its best year, the
21 city was only able to do a little over I think just
22 under \$13 billion. The Mayor is talking about \$17
23 billion. Are you at all concerned about that?

24 SCOTT STRINGER: I could tell you this, I am
25 concerned about everything. If you send me over the

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list, I will double check what we have registered.
If they send it, we register and then they do the
spend. So, I will register the appropriate, you
know, the contract but then you know, they do they
the stem, which is why I can't give you - you know,
the specific amounts. I do think that -

CHAIRPERSON ROSENTHAL: Comptroller, do you want
to get back to me with the answer, which is fine. I
just don't want you to have to be in an awkward
position.

SCOTT STRINGER: I am not in an awkward position;
I just can't give you the answer you want right this
moment. I have already said to you, I will give you
the answer.

CHAIRPERSON ROSENTHAL: Okay. And this is not
meant to be bullying. These are -

SCOTT STRINGER: I am not bullied.

CHAIRPERSON ROSENTHAL: Uhm, just basic
questions. I talked to the OMB Director about them
this morning. He seemed ready to talk about it.

SCOTT STRINGER: I am ready, except I can't tell
you -

CHAIRPERSON ROSENTHAL: Do you have a list of the
projects that you have registered this year?

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2 ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 186

3 SCOTT STRINGER: I could get you that list, I
4 don't have it in front of me. I am in my two bedroom
5 apartment.

6 CHAIRPERSON ROSENTHAL: Of course they are not in
7 front of you. Uh, your staff, I am sure Preston can
8 just send them right over. But you reviewed it
9 right? Were there any that you pulled out because
10 you were nervous about them?

11 SCOTT STRINGER: Not yet. I will let you know
12 when we pull them.

13 CHAIRPERSON ROSENTHAL: Okay and if I am
14 remembering right, there is something like uhm, let's
15 see, I just want to go over to the social services
16 side. Uhm, I think MOCS has indicated that the City
17 Council allocated roughly \$400 million in
18 discretionary awards. MOCS has cleared nearly 99
19 percent of those awards but your office has
20 registered about 70-75 percent. Do you have a sense
21 of timing on how those will move forward?

22 SCOTT STRINGER: I will get back to you. You
23 know we do our due diligence. We are pretty good at
24 registering all the contracts and even in the
25 pandemic, we have gotten them out as quickly as we

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2 get them in, except for the COVID contracts. You
3 know, we are not because of this emergency order we
4 are trying to rescinded. We don't see those
5 contracts. So, I hope you are aware of that as well.

6 CHAIRPERSON ROSENTHAL: I don't understand what
7 you are saying sir.

8 SCOTT STRINGER: Uhm, we don't register the COVID
9 contracts because it's an -

10 CHAIRPERSON ROSENTHAL: Of course, of course, we
11 had a hearing about that with DDC.

12 SCOTT STRINGER: So, here is what I could tell
13 you -

14 CHAIRPERSON ROSENTHAL: Projects by nine months
15 which is actually fascinating and something that I
16 think we should all be looking at. It's pretty
17 important nine months -

18 SCOTT STRINGER: We register them when we get
19 them. The agency if very slow. The agencies are
20 very slow to send the contracts, we talked about that
21 at different hearings and when we get them, we give
22 them back.

23 CHAIRPERSON ROSENTHAL: Uhm, let's see, so
24 earlier in your testimony, earlier in your testimony,

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2 you mentioned support of the call to cancel rent and
3 of course, thousands of New Yorkers are struggling to
4 pay rent. We are trying to help so many of them in
5 our district. Uhm, but can you explain to me what
6 canceling rent would mean from a just very practical
7 level?

8 SCOTT STRINGER: You would not make people pay
9 their back rent and you would make that up with
10 stimulus money. I refer you to the legislation
11 pending in Albany that would create that outline but
12 I also think we should look at mortgages of small
13 landlords as well and we should think about a way to
14 bucket that with the stimulus package.

15 CHAIRPERSON ROSENTHAL: How much do you think uh,
16 is out there? Or how much do you think we would have
17 to draw down from the stimulus package to help those
18 tenants and small landlords?

19 SCOTT STRINGER: It would be considerable. There
20 is the You Lean new Salazar bill, if you have seen
21 that. It sort of outlines an important framework.
22 It's a lot of money there is no doubt and we clearly
23 would have to devise a program to do as much as we
24 can. It could be as high as \$2.2 billion. But look,

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2 again, with federal money, with revenue raisers in
3 Albany, you know, Council Member, I don't know how we
4 don't make people whole. We would be facing massive
5 victims in the streets. Peoples mortgages would go
6 under and I would just urge you to work with me to
7 make sure -

8 CHAIRPERSON ROSENTHAL: Sir, I am not questioning
9 whether or not we should make sure that people,
10 renters and small property owners can stay in their
11 homes and of course, people in single family homes.
12 That's not the question.

13 I was simply asking from a very practical point
14 of view because renters are asking my office that
15 question. I have got small property owners that I
16 try to help all the time who just aren't getting rent
17 and are you know, faced with property bills and
18 property tax bills etc. And I am just wondering,
19 only because you know you were just talking about -
20 if you had an idea of how that would happen. But I
21 am happy to move on.

22 SCOTT STRINGER: Let me just say two things. Let
23 me say two things.

24 CHAIRPERSON ROSENTHAL: Sure.
25

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 SCOTT STRINGER: So, \$2.2 billion is my estimate.
3 I would ask you to review the new Salazar bill and I
4 think that in terms of local constituencies, I think
5 you are right. I think we do have a lot of small
6 landlords who are also suffering as it relates to the
7 mortgages. So, it is probably to open up the
8 economy, one of the tougher issues we are going to
9 face.

10 CHAIRPERSON ROSENTHAL: You mentioned your
11 support of the Invest in our NY plan, New York plan
12 providing too. Has your staff figured out the impact
13 of the financial transfer tax on the pension plans?
14 On the pension amount?

15 SCOTT STRINGER: I am sorry, say that one more
16 time.

17 CHAIRPERSON ROSENTHAL: Sure, has your staff
18 figured out the impact of the financial transfer tax
19 on the amount that you are responsible for in all
20 five pension plans, over \$200 billion?

21 SCOTT STRINGER: Is that transfer tax you are
22 talking about or?

23 CHAIRPERSON ROSENTHAL: If they have now expanded
24 it, it's actual the financial transfer tax, so it is
25 stocks, securities.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 SCOTT STRINGER: So, we are looking at it. It's
3 - the bill is not clear. So, we are not - we don't
4 know yet. We are still looking at it.

5 CHAIRPERSON ROSENTHAL: Does it persuade you that
6 state Comptroller DiNapoli has said that he will not
7 oppose it?

8 SCOTT STRINGER: Yeah, it influences me a lot.
9 You know, I think he is on the trajectory, we just
10 haven't made our conclusions yet. Sometimes he is
11 first, sometimes I am first.

12 CHAIRPERSON ROSENTHAL: Uhm, over the years, you
13 have spoken about your implementation of divesting
14 from fossil fuels. Has that resulted in any changes
15 to the returns?

16 SCOTT STRINGER: Uh, well, we haven't - we are
17 literally, as we speak in the process of that
18 divestment. Uh, but as you know, the reason we had
19 two firms looking at all of these issues is to make
20 sure that we wouldn't put the pension fund at risk
21 and I am pleased to tell you that we were able to go
22 forward with this divestment and I don't anticipate
23 that that will hurt our returns. In fact, I am very
24 pleased to tell you that we have you know, an over
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2 seven years a nine percent assumption rate, which is
3 pretty extraordinary.

4 CHAIRPERSON ROSENTHAL: And so, in any of those
5 seven years, have you divested from fossil fuels?

6 SCOTT STRINGER: No.

7 CHAIRPERSON ROSENTHAL: Okay. Uhm, you talked a
8 bit about the attrition plans. It means I think that
9 uhm, in 2022 as you know it based – the plan
10 baselined the reduction in positions you know. The
11 attrition plans and with the loss of an additional
12 5,000 people in Fiscal Year '22, how would you manage
13 that? I mean, what do you think about that as
14 Comptroller? Can the city government function well
15 with that loss?

16 SCOTT STRINGER: That's a target but my sense is
17 uh, we will be able to manage.

18 CHAIRPERSON ROSENTHAL: I am sorry? There is an
19 attrition plan built into the budget.

20 SCOTT STRINGER: Right. Let me get Preston on
21 that. Preston, are you there?

22 PRESTON NIBLACK: Yes I am here and I am sorry
23 Council Member Rosenthal, your question exactly is?
24
25

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 193

2 CHAIRPERSON ROSENTHAL: Well, I guess, I mean, my
3 first question is, are you aware that the attrition
4 plan has been baselined?

5 PRESTON NIBLACK: Yes.

6 CHAIRPERSON ROSENTHAL: And what do you make of
7 the loss of nearly 5,000 positions in the next Fiscal
8 Year? Do you have any concerns about it?

9 PRESTON NIBLACK: I mean, as was noted earlier
10 when Director Jiha was testifying, it's not - it's
11 baselined but it is not partialled out to the agencies
12 yet.

13 CHAIRPERSON ROSENTHAL: Yeah, sitting in a single
14 U of A that's right.

15 PRESTON NIBLACK: So, you know, I think from our
16 point of view, an attrition plan that isn't managed
17 actively in terms of the needs is not a great one.
18 You know, so, I don't know enough about how they came
19 up with this specific number.

20 CHAIRPERSON ROSENTHAL: I think it was for every
21 three that leave, one gets hired back.

22 PRESTON NIBLACK: Right, so in general terms,
23 that's right but I don't know whether they you know
24 took into consideration any issues that they feel

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2 they might have in terms of shortages in one area or
3 surpluses in another area, raising attrition etc.

4 So, I just think it's always complicated to
5 manage an attrition plan and to do it well. We did
6 it you know, in 2009, 2010 there was uh, you know, as
7 you remember about 15,000 positions that attritted
8 out. And there were lots of areas where we ended up
9 going back and backfilling vacant positions. So, it
10 doesn't always get you to the same target that you
11 set initially.

12 So, you know, I think it will require a lot of
13 active management by OMB and the agencies to sort of
14 achieve the target without undermining service
15 delivery in some areas.

16 SCOTT STRINGER: Let me just say, we will try to
17 get as much information to you on our assumption and
18 analysis as we get them. We are not trying to be
19 vague; we just don't really have a full handle on
20 what it means in the long term but we will get it for
21 you. We will definitely follow up.

22 CHAIRPERSON ROSENTHAL: For sure, yeah. Uhm, and
23 then lastly you know, I last year voted against the
24 budget because I think we went \$750 million too far
25

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2 in cuts to social service programs, organics, a whole
3 variety of things like that. Do you have any
4 thoughts about that and do you agree with the Mayor's
5 priorities of what he has put back into the budget?
6 Like he put in SYEP, you know, but like, do you have
7 thoughts about human services contracts or?

8 SCOTT STRINGER: I have been one of the leaders
9 you know in making sure that we invest in our human
10 services both in terms of friends that you and I
11 worked on. In terms of giving them a better avenue,
12 the contract registration. I do think that our non-
13 for-profits are the key to direct services. So,
14 anything we can do to invest in them.

15 You know, obviously I know there is the budget
16 dance. You know, he doesn't put things in, you put
17 things back. Uhm, you know, I was talking to the
18 Speaker earlier, perhaps we less budget dance this
19 year and more - we all come to the table and deal
20 with getting this economy going again and I would ask
21 all of you to take that as your priority.

22 CHAIRPERSON ROSENTHAL: So, I don't know if you
23 are aware but last year uhm, a commitment was made
24 for indirect rates.

25 SCOTT STRINGER: I know.

1
2 CHAIRPERSON ROSENTHAL: And then unexpectedly
3 taken out.

4 SCOTT STRINGER: Right but now we have to make
5 sure that we make that hold.

6 CHAIRPERSON ROSENTHAL: So, you would have it as
7 one of your priorities going forward?

8 SCOTT STRINGER: It was my priority when we had
9 it in. It is my priority when it was taken out. I
10 do think we have to do best in our nonprofits. It is
11 critical.

12 CHAIRPERSON ROSENTHAL: My last question is, what
13 do you think about uhm, what we learned at the
14 hearing with the school safety agents?

15 I don't know if you are listening. We had a
16 hearing where we learned about uhm, NYPD is going to
17 actually put in the next class for 245 school safety
18 agents. Has your office looked at that at all?

19 SCOTT STRINGER: You know, we didn't - I didn't
20 attend the Council Hearing on that but I have been
21 very hopeful to hear your opinions on it.

22 CHAIRPERSON ROSENTHAL: I was taken back that
23 they had a class. I didn't - that wasn't part of the
24 agreement, so I guess that's my opinion on it.

1
2 SCOTT STRINGER: Look again, I mean I think we are
3 on the same page when it comes to some of the
4 decisions made at City Hall. As you know, I have
5 audited and monitored City Hall in the budget and the
6 strategies. We haven't always been in my office and
7 the Mayor's office and I look forward to working with
8 you on our last budget as you know, as we go into
9 this with the Mayor.

10 The thing I would say is that we probably this
11 year should look more holistically about how we can
12 really protect our children, protect the city and
13 again, I point to the Speakers comment which I think
14 is critical that we all get around this because the
15 stakes are going to be very high and I am very
16 concerned about how we reopen our schools and keep
17 them open and these kind of issues. As well as -

18 CHAIRPERSON ROSENTHAL: And I know we have to
19 move on because IBO is waiting. Last question, in
20 last year, you recommended that the city cut \$1
21 billion over the course of four years from the NYPD.

22 SCOTT STRINGER: Yes.

23 CHAIRPERSON ROSENTHAL: And we ended up taking
24 out \$1 billion. We are working on that of course
25 this year, it's why I asked the question about the

1
2 school safety agents but have your audits revealed
3 any additional savings that could be had from the
4 NYPD about the \$250 million you recommended?

5 SCOTT STRINGER: You know we said that four
6 years, \$265 million a year that could be redirected
7 to mental health initiatives uh, interrupters who
8 could help our kids and programs. I never thought
9 that we should be cutting these programs and cutting
10 city workers. I thought that was a false choice as
11 you know.

12 We work with advocacy groups to come to those
13 numbers that was the baseline but some of the
14 decisions the Council was able to make and look, it's
15 a baseline. I think we have to continue to crunch
16 the numbers and we are going to for this budget cycle
17 and as soon as I have them, you know, I will
18 certainly share with you as I did last time.

19 CHAIRPERSON ROSENTHAL: So, you would use
20 attrition over the four years?

21 SCOTT STRINGER: I think we would say we would
22 use a number of different ways to look at it. I
23 don't have the plan in front of me but we did sketch
24 out you know different costs, capital costs. It was
25 a whole host of ways we got to the \$265 million.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 CHAIRPERSON ROSENTHAL: Oh, it included capital.
3 I didn't realize that. Alright, thank you very much.
4 Thank you Chair Dromm. I appreciate the time.

5 CHAIRPERSON DROMM: Thank you very much. We have
6 a few Council Member questions and I just want to
7 remind them of the three minute time limit. Counsel,
8 would you like to call those Council Members for
9 their questions?

10 COMMITTEE COUNSEL: Yes but first, I will make a
11 few announcements. If any Council Members have
12 questions Comptroller, please use the Zoom raise hand
13 function and you will be added to the queue.

14 As a reminder Council Members, you will have
15 three minutes allocated for questions including
16 answers. Please wait for the Sergeant at Arms to
17 tell you when your time begins. The Sergeant will
18 then let you know when your time is up.

19 We will now hear from Council Member Koo followed
20 by Council Member Barron.

21 SERGEANT AT ARMS: Time starts now.

22 COUNCIL MEMBER KOO: Thank you Chair and thank
23 you Mr. Comptroller for coming to testify before us.
24 Uh, Mr. Comptroller, can you provide a breakdown of
25

COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 200

1 how many city contracts were awarded to Asian
2
3 American owned businesses? And how many were
4 specifically Asian American female owned?

5 SCOTT STRINGER: I can't right at this moment but
6 I could certainly get you that information.

7 COUNCIL MEMBER KOO: Okay, so what about do you
8 have any idea how much revenue our city's small
9 businesses have generated for New York City over the
10 years? And what impact of the pandemic has had on
11 these small businesses?

12 SCOTT STRINGER: Well look, the small businesses
13 are the backbone of our city economy and I can tell
14 you that we have lost 2,800 small businesses during
15 this pandemic and we have lost about 500,000 jobs
16 along those same lines.

17 As I have mentioned in my testimony, I think the
18 reality is that some of our bigger companies did
19 really well. Our small businesses suffered,
20 especially those in your district. But the economy
21 of small businesses is in the billions Council Member
22 Koo.

23 COUNCIL MEMBER KOO: But how big a share? Like,
24 among the total revenue created in the government,
25 half or 40 percent or 50 percent?

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 201

2 SCOTT STRINGER: I would say our small businesses
3 are truly the backbone of the city. I could get - I
4 could ask Preston if we have any specific information
5 with us today. Preston?

6 PRESTON NIBLACK: Hi Council Member.

7 COUNCIL MEMBER KOO: Hi.

8 PRESTON NIBLACK: I don't have the numbers right
9 off the top of my head. I mean, the small businesses
10 that are under 50 employees roughly constitute about
11 95 percent of all firms in the city. So, there are a
12 very large number of firms and they employ, I am
13 going to say off the top of my head about two-thirds
14 of workers in the city. So, let me - we can come
15 back to you with you know, firmer statistics on it.

16 COUNCIL MEMBER KOO: Okay, thank you. Thank you
17 Mr. Comptroller.

18 SCOTT STRINGER: Thank you Council Member.

19 CHAIRPERSON DROMM: Counsel, would you call the
20 next Council Member?

21 COMMITTEE COUNSEL: Yes. We will now hear from
22 Council Member Barron followed by Council Member
23 Powers.

24 SERGEANT AT ARMS: Time starts now.
25

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 202

2 COUNCIL MEMBER BARRON: Uh, thank you Mr. Chair
3 and thank you to Chair Rosenthal as well. Welcome
4 Mr. Comptroller and I just have a very few pointed
5 question.

6 SCOTT STRINGER: Yes.

7 COUNCIL MEMBER BARRON: At NYCHA specifically, at
8 the Carter G. Woodson Houses, there were a series of
9 murders that took place which were eventually
10 attributed to a suspect who is now in custody, who in
11 fact was living in the building itself.

12 After we realized that there had been a second
13 occurrence of what was apparently a murder, although
14 it was misclassified at the beginning, we took steps
15 to have surveillance cameras in store. We went, the
16 Mayor assisted, the Council Member also Council
17 Member Alicka Ampry-Samuel and Assembly Members
18 Barron and Assembly Member Latrice Walker as well as
19 myself put money to make sure that these cameras
20 would be installed.

21 There was a pause as it was called and we were
22 told that we are now resuming the contracts and
23 moving forward, so that these security cameras will
24 be functional. The Mayor's Office said that it has
25 been approved on their end and moved to your office

1
2 for registration. Do you have any specific timelines
3 as to when these cameras will be able to be
4 installed? What more has to happen at your office
5 for this contract to be registered, so that the work
6 can begin and then we can set up reasonable timelines
7 for it to be completed?

8 SCOTT STRINGER: So, if the Mayor's Office sent
9 the contract today -

10 COUNCIL MEMBER BARRON: No, they sent it probably
11 a week ago.

12 SCOTT STRINGER: Then it will be registered
13 within a matter of weeks and if you give me the exact
14 information, I can give you where we are in the
15 process but it won't be longer than a couple weeks.
16 One thing that sometimes happened with the Mayor's
17 Office is we - they say that they have sent us
18 contracts and then we find out they haven't sent us
19 contracts.

20 So, I always say with proviso, let me see if I
21 really have the contract because they demine about
22 this for years but let me also say to you, barring
23 anything that we have flagged, I will get that
24 contract out. I know the tragedy and I know how
25

COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 204

1
2 important it is to get those cameras going and I will
3 work on it and see it myself.

4 COUNCIL MEMBER BARRON: Okay, who is it that I
5 should ask for in your office to follow up with this?

6 SCOTT STRINGER: Scott Stringer.

7 COUNCIL MEMBER BARRON: Okay great. Thank you
8 and -

9 SERGEANT AT ARMS: Time expired.

10 COUNCIL MEMBER BARRON: So I have got two people.

11 SCOTT STRINGER: You got two.

12 COUNCIL MEMBER BARRON: The first and the
13 assistant to the first. Thank you.

14 SCOTT STRINGER: If I can't get to you, there is
15 something wrong.

16 COUNCIL MEMBER BARRON: Thank you. Secondly, in
17 regards to NYCHA, we know that the city is moving
18 away from its responsibility to provide public
19 housing. It is being called Rad; it's being called
20 Pack. I call it Rat Pack but it is being called
21 those two terms, as well as now something that is
22 being considered on the state level, which they are
23 calling a community land trust type of arrangement.

24

25

1
2 My question is, for those developments that are
3 being considered for Rad and for Packed, what is the
4 arrangement that the city has with those proposed
5 developers? What I mean by that is those are private
6 entities who are coming onto NYCHA property and going
7 into the homes of NYCHA residents and making certain
8 kinds of assessments. So, there has to be some kind
9 of document formalizing what the relationship is
10 between NYCHA and these proposed developers.

11 So, what is that document? Where can I find it
12 and what are the obligations for each of those
13 parties moving forward to some cause for action be
14 brought up?

15 SCOTT STRINGER: Well, let me first say, I do
16 believe that people in public housing want and need
17 repairs. They don't want to privatize NYCHA.

18 COUNCIL MEMBER BARRON: Exactly.

19 SCOTT STRINGER: They just want their repairs and
20 we can make those repairs with reforms to the
21 government structure of NYCHA and a Mayor's Office
22 that is actually focused on those repairs and you
23 know, I have done more audits of NYCHA than all
24 previous Comptrollers.

1
2 Uhm, and so, what I can tell you is, I don't
3 necessarily have that information because we don't
4 register the NYCHA contracts. So, that's not part of
5 my purview.

6 COUNCIL MEMBER BARRON: So, I would have to go
7 directly to NYCHA to find out what type of contract?

8 SCOTT STRINGER: I believe so. Look, I would be
9 happy to work with you in gaining that information
10 because we need more transparency. I think you are
11 raising some good points. We should be scrutinizing
12 those contracts and we just don't register and
13 otherwise I would you know, certainly give it to you.

14 COUNCIL MEMBER BARRON: So, what is your opinion
15 and I want to thank the Chairs for allowing me a
16 little extra time. In terms of the possibility of a
17 truly community based organization, doing those same
18 things that are proposed by a private entity? What I
19 mean by that, so the NYCHA residents themselves are
20 being trained into how to manage and operate and
21 repair their own places where they live and perhaps
22 have some type of ownership if that's something that
23 they would be considering.

24 What is your position on that type of arrangement
25 going forward so that we do not privatize NYCHA

1
2 whereas you have said, studies have indicated they
3 are not favorably looking upon having other entities
4 come in, private entities come in to do the
5 management that NYCHA has and so miserably effective
6 at doing.

7 SCOTT STRINGER: Look, we have to get people to
8 work in NYCHA and what a great way to work building
9 your community and repairing buildings and to having
10 estate and you know, being able to come home at night
11 and knowing as you put your kids to sleep that you
12 are also making the repairs and being part of this.
13 You know one of the things Council Member that got me
14 with all of the discussion of NYCHA divestment, you
15 know we are owed \$40 billion from the federal
16 government, multiple administrations and what gets me
17 is an audit I did on the playgrounds. You know,
18 100,000 kids are in NCHA and the conditions are so
19 deplorable, it doesn't take money, it takes will.

20 Right, a plastic swing set or a slide, how can
21 you not replace that when you have a jagged edge on
22 that slide that can rip the kids back? And I have
23 said to the Mayor directly, audit, you do your own
24 audit and inventory of the playground to fix them.
25 It's not a budget issue.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
2 ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 208

3 Some of this is not just money. But one thing I
4 would point to you to as well while we fight every
5 day for federal NYCHA relief, I do want to push a
6 plan to move \$40 million over ten years, \$40 million
7 a year for the Battery Park City Authority to bond
8 that money to make the repairs of NYCHA. The
9 boilers, the windows, the stairwells, all the audits
10 I have done, we actually came up with an idea for a
11 revenue stream. You need the Comptroller of New York
12 City to approve that, the Governor of New York and
13 the Mayor.

14 Let's get that done at the Battery Park City
15 Authority, move \$40 million a year and then it's a
16 stop gap until we can figure out the federal money
17 but we do need resources and we need to put NYCHA
18 residents to work. NYCHA residents I talk to want to
19 be part of the solution.

20 COUNCIL MEMBER BARRON: Great, thank you so much.
21 Thank you to the Chairs.

22 SCOTT STRINGER: Thank you. Thank you Council
23 Member.

24 CHAIRPERSON DROMM: Okay, we will go to our next
25 Council Member. I believe our last.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 209

2 COMMITTEE COUNSEL: We will now hear from Council
3 Member Powers.

4 SERGEANT AT ARMS: Time starts now.

5 COUNCIL MEMBER POWERS: Alright, thank you Mr.
6 Comptroller. I hope you defrosted from this morning
7 but thank you for the testimony.

8 SCOTT STRINGER: Thank you, it was cold.

9 COUNCIL MEMBER POWERS: It's cold. I appreciate
10 your enthusiasm around the sort of importance of New
11 York City and a bounce back and I share it and I do
12 believe that the long term here, the health of the
13 city will be back and I appreciate peoples optimism
14 about that.

15 But you know, really in the short-term recovery,
16 I think it is going to be so important to invest in
17 those things that keep people in New York City, the
18 hospitality industry, restaurants, arts and culture,
19 tourism, not that I don't think it will be back but
20 to make sure that we have a short-term recovery that
21 is quick and powerful.

22 Can you share with us like just with the federal
23 money that's coming in, with the city budget now,
24 just to talk about some of the solutions or
25 strategies you think that the city should be

1
2 employing to help invest in those areas where that
3 bounce – will really help that bounce back. We know
4 the hospital industry in particular is it kind of
5 looks it is going to be a long way back with the jobs
6 and everything. I would just be curious to hear if
7 you have thoughts on what we can be doing.

8 SCOTT STRINGER: You know, Council Member Powers,
9 you are right to focus on this because so much of our
10 total recovery has to happen through our restaurants,
11 our retail and it all has to be coordinated. When
12 people say we have to bring Broadway back, I would
13 say, well, we got to bring back our hotels. We got
14 to bring back the 62 billion tourists that are not
15 coming here.

16 So, it is not just a matter of bringing a
17 specific industry back but one hotel hospitality is
18 work to us billions but it brings back the people who
19 are not coming here. We have to a strategy for that.
20 I think the fastest road to that is a vaccination
21 program that is fast and furious and is just
22 relentless and that's going to take coordination
23 between the city and the state and the federal
24 government.

1
2 But we should already start thinking about where
3 we are going to be in 60 days. What I would offer as
4 a suggestion is as we slowly vaccinate, I am not sure
5 we are going to see everybody indoors as quickly as
6 we would like but one of the things we learned with
7 open streets and with the hospitality industry, let's
8 move everybody into the streets this summer. Let's
9 move Broadway and off Broadway. Let's take advantage
10 of our open space, our park space, our school yards
11 and start you know, creating programs that will allow
12 actors to work. You know, stage hands can work.
13 There is so much that we can do to jump start that
14 economy but I think we are waiting too long to think
15 about the summer and the spring and you know, we will
16 get federal money in these buckets, Including our own
17 but we have to have an urgency of moving everything
18 out.

19 You know, one of the things that struck me is
20 after 911 and obviously this is not analogous but the
21 sentiment is the same. There was real move to open
22 Broadway right after. It was a signal that New York
23 was back. That we weren't defeated even in the midst
24 of a great tragedy. Well, this is an also a
25

1
2 tremendous tragedy with tremendous loss but we look
3 at where the world is watching. And they want to see
4 Broadway come back, arts and culture come back. And
5 we have got to use every creative means at our
6 disposal talking to the industry about how to do
7 that. Get rid of the fines and fees and stop the
8 bureaucracy.

9 Do things that we have never done before. Think
10 of cultural affairs, not just as an agency that gives
11 out or proves discretionary money or capital money
12 but think about it as the Chief strategist to help
13 move this economy forward because I think it will
14 bring many things back. Hotels, tourism, and the
15 multiplier impact on the economy is truly billions.

16 COUNCIL MEMBER POWERS: Yeah, my thank you. My
17 time is up but I appreciate the answer and uh, I
18 agree with you. It's an ecosystem that needs a lot
19 of investment in the next couple of years and keep it
20 all healthy. Thanks so much.

21 SCOTT STRINGER: Thank you.

22 CHAIRPERSON DROMM: Okay, thank you very much Mr.
23 Comptroller. We appreciate you coming in and giving
24 testimony and we look forward to continuing to work
25 with you as we move down the road to the Executive

COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 213

1
2 Budget and have you back at that time. Thank you
3 very much.

4 SCOTT STRINGER: Let me just say Council Member
5 Chairman, thank you to you. Over the years as I have
6 come here with your thoughtful sometimes tough
7 questioning, uh I have always appreciated the
8 courtesies and uh, the ability to allow me to make my
9 case and I just want to say it has been a pleasure
10 working with you and I have a little nostalgia to say
11 with my last testimony for this budget and I just
12 want to say thank you to you in particular for the
13 way you have hosted me over the years.

14 CHAIRPERSON DROMM: Thank you very much and the
15 sentiment is mutual. Thank you very much.

16 SCOTT STRINGER: Thank you everybody. Thank you.

17 CHAIRPERSON DROMM: Okay, uh, we are now going to
18 go right into our hearing on the IBO and let me just
19 say as I said before, my name is Daniel Dromm and I
20 am the Chair of the Finance Committee. We are joined
21 by Speaker Corey Johnson and the Subcommittee on the
22 Capital Budget Chaired by Council Member Helen
23 Rosenthal.

24 Uhm, we just heard from the Comptroller and we
25 will now hear testimony from the Director of the

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 214

2 Independent Budget Office Ronnie Lowenstein and after
3 she is sworn in by Counsel.

4 Director Lowenstein is joined by George Sweeting,
5 IBO's Deputy Director and Jonathan Rosenberg, IBO's
6 Director of Budget Review. And we are joined by a
7 number of my colleagues. I am just going to look
8 here to see. Of course, my Co-Chair Chair Rosenthal,
9 uhm, Speaker Johnson is with us. I see that we have
10 Council Member Ampry-Samuel, Council Member Barron,
11 Council Member D. Diaz, Council Member Louis, Council
12 Member Perkins, Powers and I think I got everybody so
13 far.

14 So, I would like to just welcome IBO, are they
15 there?

16 COMMITTEE COUNSEL: Yes Chair, IBO is present.

17 CHAIRPERSON DROMM: Okay, great and Counsel, do
18 you want to swear them in?

19 COMMITTEE COUNSEL: Yes. I will now administer
20 the affirmation and you will be called on to affirm.
21 Do you affirm that your testimony will be truthful to
22 the best of your knowledge, information and belief?
23 Director Lowenstein?

24 RONNIE LOWENSTEIN: Yes I do.

25 COMMITTEE COUNSEL: Mr. Sweeting?

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2 GEORGE SWEETING: Yes, I do.

3 COMMITTEE COUNSEL: And Mr. Rosenberg?

4 JONATHAN ROSENBEG: Yes, I do.

5 COMMITTEE COUNSEL: Thank you. Director
6 Lowenstein, you may begin when ready.

7 RONNIE LOWENSTEIN: Okay. First of all, I would
8 like to thank you for the opportunity to testify. We
9 too have testified a number of times and we have
10 always appreciated the opportunity.

11 I am going to start with my main point which is,
12 that although the COVID pandemic has decimated the
13 local economy, it is not led to the full-fledged
14 fiscal crisis that many were concerned about. Let me
15 start with economics. Shutdowns have left tens of
16 thousands of New Yorkers out of work. During the
17 first wave of the pandemic, roughly two months from
18 February through April, the City of New York lost
19 fully one-fifth of all of its jobs.

20 There were job losses in every major industry but
21 the worst of losses were concentrated in the Leisure
22 and Hospitality Center. A category which includes
23 restaurants and hotels, arts and entertainment and I
24 should add it employs generally low to moderate
25 income New Yorkers, largely the same population

1 that's really borne the brunt of the worst of the
2 pandemic.
3

4 Although jobs began to return this summer,
5 progress has been slow and fitful. The city ended
6 the calendar year with about 560,000 fewer jobs than
7 it started with. And moreover, we are expecting that
8 at the end of the financial plan period in 2025, we
9 will still have enjoyed the same number of jobs in
10 New York City as we had before the pandemic began.

11 So, although the economic impact was really quick
12 and severe, the fiscal impact has been more gradual.
13 Let me start by talking about surpluses and gaps.
14 IBO expects the current fiscal year to end with a
15 surplus of \$3.6 billion, which is roughly 260 million
16 more than OMB projects.

17 We are also expecting a modest, half a billion or
18 so surplus for next year. But looking further ahead
19 of course, we are looking at gaps. We are
20 forecasting a budget gap of \$3.9 billion in '23,
21 which is about 5 percent of city funded spending
22 sizable. And gaps roughly the \$4 billion range for
23 the next several years after that.

24 On paper, these gaps are very similar to the gaps
25 forecast by OMB but there is a difference. It is

1
2 more of a difference than it first appears. Unlike
3 OMB's gap estimates, IBO's don't reflect the
4 administrations proposed \$1 million a year in labor
5 savings of \$1 billion a year in labor savings, which
6 we have excluded from the account because no specific
7 savings have been identified as of yet.

8 By the way, the city has budgeted reserves of
9 \$1.25 billion a year. From next year through the end
10 of the forecast by book to help address the gaps and
11 still has a little over \$2 billion remaining in the
12 retiring health benefit trust.

13 The \$3.6 billion surplus that we project for this
14 year, occurs despite the fact that we are forecasting
15 the tax revenue is going to decline by \$1.2 billion.
16 Nearly 2 percent from last year. If our forecast is
17 correct, this would be the first year over year tax
18 revenue decline since 2009. We are projecting
19 declines in every major revenue source except for the
20 property tax in the Unincorporated Business Tax. But
21 in general, taxes has held up better than many
22 including IBO had anticipated.

23 We are projecting the tax revenue growth will
24 resume next year but at a relatively tepid pace of
25 2.7 percent, which is well below the average we have

1
2 enjoyed in recent years. Revenue growth in
3 particular will be constrained by \$1 billion, which
4 is a 3 percent year over year drop in the property
5 taxes. Which are attributable to a steep reduction
6 in finance departments estimated values particularly
7 for commercial properties including apartment
8 buildings.

9 Okay and there is both upside potential and down
10 side risks to our forecast. Let me start with the
11 good news. As you have heard, one potential source
12 of revenue has already been realized. The Biden
13 Administration has improved FEMA reimbursement of 100
14 percent of COVID related expenses, which means that
15 the city will receive roughly \$1.2 billion in
16 additional reimbursement.

17 And it is increasingly likely that a new round of
18 federal aid will be enacted, which could provide the
19 city with additional funding. Roughly in the
20 vicinity of \$5 billion in direct federal aid.

21 More good news here because the state also will
22 be getting direct federal aid under the stimulus
23 package, which makes it far less likely that the
24 state will be turning to the local government in
25 order to deal with the time gaps.

1
2 By far, the largest downside risk to the forecast
3 of course is the pandemic. We are assuming that as
4 more people get vaccinated, infection rates will
5 decline and the economy will gradually reopen. But
6 it is also possible that many New Yorkers will refuse
7 the vaccine or that new variances of the disease will
8 prove more resistance to the vaccine or just spread
9 more rapidly. Any of these possibilities could lead
10 to another wave of infections and shutdowns.

11 Another huge risk to our economic recovery is the
12 fate of the MTA. The city economy simply can't
13 recover without a robust system of subways and buses.

14 Finally, I would like to end by saying that we
15 are expecting the city's recovery to lag behind the
16 US as a whole. One reason is that tourism has become
17 a major contributor to our local economy. But it is
18 going to be years before arts and entertainment get
19 back to anything like the levels that they were
20 before the pandemic.

21 And it is going to take leisure travelers,
22 particularly international travelers who bring a
23 great deal of benefits of the local economy to get
24 them interested in what's going on and allow them to
25

1
2 feel that the city is both in safe and attractive
3 place to be.

4 The second reason we expect our recovery to lag
5 is that many employers and employees have experienced
6 the benefits of working remotely. The shock of the
7 pandemic has accelerated a structural change that was
8 already happening. As more people work from home,
9 the demand for office spaces decline, demand for
10 business travel has declined. As these changes take
11 hold, it's not that all of the people who shifted to
12 remote work ten months ago will remain remote but not
13 everyone will come back.

14 And as that occurs, I think it is reasonable to
15 expect that the city's economy isn't going to look
16 like it would a year ago. Even if and when the
17 city's employment returns to its pre-pandemic levels.

18 So, on that, thank you again for the opportunity
19 to testify and we will be very happy to take your
20 questions.

21 CHAIRPERSON DROMM: Thank you very much Ms.
22 Lowenstein. It is always good to see you and thank
23 you for coming in. Uh, let me just talk a little
24 bit about the pandemic's impact on the low wage
25 sector.

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The brunt of the COVID-19 impact has been felt locally by low wage sectors that intel person to person contact, including restaurants, hotels, entertainment, nonessential retail, health, social assistance and schools. So, what is your offices outlook on the immediate future of wages and employment in these sectors in society. I know you spoke a little bit about the hotels and the entertainment industry I believe and the theater. So, what is your feelings on the other areas?

RONNIE LOWENSTEIN: Uhm, I do not have numbers on that in front of me. George, is there anything that we can point the Chair to?

GEORGE SWEETING: You know, our report in January I believe we went through sector by sector but we certainly have some numbers on that and we could get them for you.

CHAIRPERSON DROMM: Would you - go ahead, I am sorry.

RONNIE LOWENSTEIN: Let me uhm, just one correction there. We had the history sector by sector in January in our snapshot but in the report we released yesterday, not for every sector but in particular for leisure and hospitality, we do have

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2 projections going out to the end of the forecast
3 cycle.

4 We don't have any of the other sectors broken out
5 but we will happily get that information for you and
6 send it over.

7 CHAIRPERSON DROMM: Okay, great. What do you
8 consider - maybe you can answer this. The most
9 significant long-term implications from the pandemic
10 on low-wage New Yorkers?

11 RONNIE LOWENSTEIN: Implications uhm, as a New
12 Yorker, I am feeling a lot more vulnerable than I
13 have ever felt and I have none of the disadvantages
14 that accrue to people who don't have the same
15 resources that I have. Don't have the same networks
16 to assist me, don't have the income and people who
17 have to travel the subways even if they are concerned
18 that that's not the safest way to be and who have to
19 get on a job every day.

20 So, I think the pandemic has made us all feel
21 vulnerable in a way that we hadn't before and
22 certainly for the most disadvantaged amongst us, it's
23 got to be particularly bad.

24 CHAIRPERSON DROMM: You know I represent the
25 district of low wage earners and uh, we mentioned

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2 earlier in the uhm, in the hearing, the impact on
3 food accessibility. And just something that basic,
4 uhm, you know is really, really difficult. I just
5 see you know, lines all over the neighborhood right
6 outside my window from my apartment you know, and
7 there are two, three, four, sometimes ten or eleven
8 blocks long. It got a little bit better since the
9 start of the pandemic but still this great need out
10 there for food.

11 RONNIE LOWENSTEIN: I should say that we are
12 accompanying our longer report that George
13 referenced. This individual short two or three page
14 reports looking at specific topics. So, I referenced
15 the web on economics yesterday. One came out on tax
16 revenues today. We will have one forthcoming I
17 believe on the city's food program, emergency food.

18 CHAIRPERSON DROMM: Great, that's great. Uhm,
19 the population growth and its impact on the city's
20 financial plans. COVID-19 has exacerbated an exodus
21 of city residents. According to a study conducted by
22 Unicast, it is estimated that in 2020, the city lost
23 approximately 70,000 residents as a result of the
24 pandemic. What impact if any would this exodus of
25 residents have on the city's future financial plans?

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2 RONNIE LOWENSTEIN: Let me start by saying that
3 the city has actually been gradually losing residents
4 population, that's the right word for it. The city
5 has been gradually losing population over the last
6 several years. Uhm, it's too soon to tell exactly
7 what's prompting that but one reasonable hypothesis
8 is that much of the inflow of immigration the city
9 typically gets each year has been shut off under the
10 Trump Administration.

11 That's going to ease but we don't know to what
12 extent the people who initially fled the pandemic
13 will return. Uhm, it is still too soon to know that.
14 Certainly, if they don't return and if they don't
15 continue to pay local taxes which is another huge
16 question, then it will be a great impact on the
17 city's financial. Is there anything anyone -

18 GEORGE SWEETING: I would add one other point,
19 that to the extent that people adjust their lifestyle
20 to working from home and home you know, in a place
21 further you know outside of New York State, uhm,
22 there will be real issues about the ability of New
23 York State income taxes, income tax regime to reach
24 those people.

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2 And there is actually a court case underway right
3 now between the states of Massachusetts and New
4 Hampshire that's arguing essentially over the same
5 issue. Whether Massachusetts can tax people who used
6 to work in Massachusetts who now are residing full
7 time in — they were always residing in New Hampshire
8 but now they are also working in New Hampshire. And
9 whether the state of Massachusetts can tax that
10 income. If New York State were to lose the ability
11 to tax nonresident income, uh, that accounts for
12 about uh, \$5 billion out of the states roughly \$47
13 billion or \$48 billion debts from the personal income
14 tax.

15 So, that's a significant amount of money that the
16 state has at risk. Uhm, depending on how these
17 taxing relationships can work out. New York City
18 uhm, I guess this is a small silver lining, we lost
19 our commuter tax more than 20 years ago now. Uhm, if
20 we still had it, we would be concerned about losing
21 some of that revenue now. But uh, so it doesn't
22 effect directly the New York City budget but New York
23 City budget is very much impacted by whatever happens
24 to the New York State Budget. And losing \$5 billion

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2 would be a significant blow to the state. Uh, which
3 might very well have consequences for the city.

4 CHAIRPERSON DROMM: That's very interesting Mr.
5 Sweeting because you know I am getting near term
6 limited and getting near the age of retirement and
7 uh, I was looking at whether other states tax
8 retirement. You know in New York State, we don't tax
9 the local and state taxes on pensions and uhm, the
10 issues of the states you know, having a mutual
11 agreement between them.

12 So, if you move to a state that doesn't - that
13 has an agreement with New York, like Massachusetts
14 and New York do for example, uhm, you don't have to
15 worry too much but outside of that, you do have to
16 work and consider it. So, it's an interesting
17 question about how working from home would also
18 effect that. I had not thought of that before.

19 GEORGE SWEETING: Just to continue, it also to
20 some of those decisions about - you know, if states
21 have agreements before you know, the recent changes,
22 it was on a pretty small amount of money relatively.
23 So, like New Jersey could afford to uhm, offer a tax
24 credit for New York State taxes paid by New Jersey
25 residents.

2 If there are not people who you know, if there
3 are a number of people residing in New Jersey and not
4 actually come into a New York City office, it is
5 going to grow significantly. It is going to be
6 harder for New Jersey to tolerate paying that credit
7 and they may very well be interested in looking at
8 that relationship between New Jersey and New York.

9 CHAIRPERSON DROMM: Very interesting. Thank you,
10 I appreciate that. I think that my Co-Chair may have
11 questions. Is Co-Chair Rosenthal there?

12 CHAIRPERSON ROSENTHAL: Yeah, thank you. Thank
13 you so much. Uhm, and it is always great to see you
14 George and Ronnie, you insights are always so
15 helpful.

16 Uhm, I just have a couple of real quick
17 questions. Uhm, although a quick one based on what
18 you were just talking about George. You know
19 everyone is thinking about this notion of people
20 staying home and not coming into the city for their
21 job and what impact that would have. Would there
22 also be an element to which it would make the office
23 building space more desirable for affordable housing?
24 Is that sort of part of it at all or no?

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2 GEORGE SWEETING: It could be. I mean, that's
3 making the assumption that there is no longer a
4 sufficient demand for the office space, which I think
5 is a possibility but certainly not a certainty.

6 I think you know; it remains to be seen exactly
7 you know, how employers, organizations, public
8 sector, private sector uhm, you know what they take
9 from the experience over the last year and you know,
10 I am sure there will some reduction in office space
11 by current tenants but uh, certainly not all of them.
12 Certainly not all of New York. So, we don't know
13 what that's going to be.

14 Uhm, but yes, if you wind up with surplus office
15 space, one of the things you know, that may well be
16 on the table would be incentives to convert to
17 residential use. I think some of the initial poking
18 at this and this is not an area we have done any work
19 on but after repeating some of this that you know,
20 it's not clear that you know, exactly how cost
21 effective it is to convert uhm, very large office
22 buildings with very large floor plates and not — you
23 know, if you build out around the periphery of the
24 building, you are going to leave an awful lot of
25 apartments inside that have no windows and you know.

2 So, exactly how you do it uh, is not clear. The
3 city had some success with offering a tax exemption
4 to incentivize conversion of old office buildings in
5 lower Manhattan. It was the 421G program. But uhm,
6 there you were dealing with a stock of buildings that
7 were more immutable to conversion to residential use
8 than certainly you know a new modern office building.

9 RONNIE LOWENSTEIN: I agree with all of that but
10 the other thing to say is that uhm, looking to the
11 hotels -

12 GEORGE SWEETING: Right.

13 RONNIE LOWENSTEIN: All of the hotel stock is not
14 necessary. That would be more immutable to convert.

15 GEORGE SWEETING: Yeah.

16 CHAIRPERSON ROSENTHAL: Thank you and I think the
17 city is pursuing that. I think they are. I will
18 follow up with you another time. It's a really
19 interesting thing to try to think through -

20 GEORGE SWEETING: Uh, huh.

21 CHAIRPERSON ROSENTHAL: Yeah, uhm, let me ask you
22 uh, actually, would you be interested in doing a
23 study on this looking at uhm, like what degree
24 companies might choose to have at least a portion of
25 their workforce working remotely on a permanent

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2 basis? And whether or not the city could target
3 areas in the way that you just described George with
4 the 421G program. Where it's you know the type of
5 real estate that would be convertible?

6 RONNIE LOWENSTEIN: I think we have yet to see to
7 what extent - I am sure there is going to be more
8 work from home. More work remotely but whether it's
9 10 percent or 20 percent or 50 percent, not at all
10 clear. As soon as these trends begin to shake out
11 and it will shake out not just for the City of New
12 York but for City's across the country, particularly
13 high cost cities like New York, then we can take a
14 look at that and look at New York City's own
15 industrial mix and try to get some feeling from that.

16 But jumping in now I think would be premature.

17 CHAIRPERSON ROSENTHAL: Yeah, it makes sense,
18 thank you. Last question, the Mayor's Preliminary
19 Budget included the hiring control plan that we have
20 been talking about. It only allows the hiring of one
21 employee after the loss of three. Can you give us
22 your thoughts on how fast pitfall you think this
23 could be in terms of programs and what kind of
24 pitfalls should the city be aware of on implementing
25 the program.

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2 RONNIE LOWENSTEIN: Let me say broadly that this
3 is a blunt instrument uhm and how effective it will
4 be in making the City of New York more efficient,
5 which is a very good go to have. It's going to
6 depend on how it is done and I think Jonathan has you
7 know may have more insight into all of this than I
8 would. Have we lost Jonathan or?

9 CHAIRPERSON ROSENTHAL: No, he is here luckily.

10 RONNIE LOWENSTEIN: Here, okay, I don't see you.
11 Okay, is there anything you would like to add?

12 JONATHAN ROSENBERG: No, I mean, I think some of
13 the stuff that's kind of been said by prior people
14 today holds true. Obviously and as you would you
15 know Madam Chair having been at OMB, you know well
16 that the way that the management of this is very
17 important. Right now, OMB gives the line that they
18 are taking this on a case by case basis and that
19 agencies can come to them and ask for some sort of
20 dispensation from the this, from the rules.

21 So, it really kind of matters how they manage
22 this and how well it is managed I think. Uhm, you
23 know, as a general rule that's taken so you know,
24 generally used and across every single instance won't

1
2 work well. So, they have to - as they have said,
3 they have to take it case by case basis.

4 I was actually not totally aware of how they were
5 exempting certain agencies and certain groups of
6 people prior to their testimony earlier today. That
7 wasn't clear, so we weren't looking at it as that but
8 definitely they did make statement about public
9 health and safety will be considered. I didn't know
10 that was a blanket consideration for all.

11 So, I think that you know, a lot of that stuff, a
12 lot of people, a lot of positions could be considered
13 type like that.

14 CHAIRPERSON ROSENTHAL: Yeah, I mean, I think
15 Council Member Dromm asked about that, so uhm, I
16 guess it was the health agencies and maybe NYPD that,
17 I don't know if it was NYPD, definitely the health
18 agencies were uhm, going to be allowed to hire right
19 back and then I think they said for DOE, the
20 attrition was in place and they were not - DOE was
21 not exempted.

22 I was surprised to hear you know, when we were
23 talking about the capital budget that you know, you
24 know they sort of have these two competing goals. On
25 one hand they want to get those certificates to

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2 proceed out the door really quickly for the capital
3 investments but yet they are going to endure the
4 attrition plan as well, which could very much get
5 right you know, right in the face of being able to
6 execute that capital plan and I just am always and
7 part of the reason I was asking was, you know, the
8 Mayor says this is a priority and not just a
9 priority, he announced he was so excited that we
10 would be spending over \$17 billion in capital
11 projects and you know, trying to understand today the
12 reality of it, I was concerned.

13 RONNIE LOWENSTEIN: I can understand that.

14 CHAIRPERSON ROSENTHAL: Fair, alright, well,
15 thank you all so much. Thank you Chair Dromm. I
16 really appreciate having this time with you. It is
17 always great to chat with IBO. Thank you.

18 RONNIE LOWENSTEIN: Thank you.

19 GEORGE SWEETING: Thank you.

20 CHAIRPERSON DROMM: Thank you very much for
21 staying here and I want to thank you for coming in
22 and for giving testimony. We do not have any further
23 Member questions. I do have a formality to uhm
24 follow the text but we are going to go right into the
25 public session.

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2 Again, thank you to IBO for coming in. So, just
3 let me find where I am. Okay, this will conclude
4 this portion of today's hearing. Thank you Director
5 Lowenstein for being here.

6 Next, we will have the public portion of the
7 hearing. I ask my colleagues who will be joining us
8 for the public portion to remain in this Zoom with
9 your microphone muted and we are going to go right
10 into it.

11 So, with that. This is portion of the hearing is
12 gaveled out [GAVEL]. And we will now begin the next
13 portion of it. Thank you again to IBO.

14 RONNIE LOWENSTEIN: Thanks.

15 CHAIRPERSON DROMM: Okay, well, welcome to the
16 public portion of this hearing again, [GAVEL]. Good
17 afternoon, my name is Daniel Dromm and I Chair the
18 Finance Committee. I just made my dogs jump. Uh, we
19 are joined by Speaker Corey Johnson and the
20 Subcommittee on Capital Budget Chaired by Council
21 Member Helen Rosenthal and we will now hear from the
22 public.

23 I believe we are joined by a number of my
24 colleagues. Yes, I see that we are joined of course
25 by Speaker Johnson, uhm, by Council Member Ampry-

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2 Samuel, Council Member D. Diaz, Council Member
3 Perkins, Council Member Powers, uhm, just double
4 checking for any other of my colleagues. Okay, not
5 seeing any, I think others will probably join us
6 shortly.

7 Uhm, as a reminder, each of you will have two
8 minutes to deliver your testimony and we will request
9 that out of respect for other people who are waiting
10 to speak, that you please stay within your allotted
11 time. If there is anyone who would like to submit
12 written testimony for the record, they may do so by
13 emailing their testimony by this Thursday to
14 testimony@council.nyc.gov.

15 I will now turn it over to the Committee Counsel
16 to go through some procedural items and then we will
17 call up the first panel. Counsel.

18 COMMITTEE COUNSEL: Thank you Chair. Panelists,
19 as a reminder, you will be on mute until it is time
20 for you to testify. At which time your name will be
21 called on and you will be unmuted by the Zoom host.
22 If you mute yourself after you have been unmuted, you
23 will need to be unmuted again by the host.

24 Please wait for the Sergeant at Arms to tell you
25 when your time begins. The Sergeant will also let

1
2 you know when your time is up. As a reminder, you
3 will have two minutes for your testimony. After you
4 are done finished, you will be removed from the Zoom
5 meeting by the host and you may continue watching the
6 hearing at www.council.nyc.gov/livestream.

7 We will now proceed with the panelists. First,
8 we will hear from MJ Okma followed Ralph Palladino.

9 SERGEANT AT ARMS: Time starts now.

10 MJ OKMA: Good afternoon Chairs Dromm, Kallos and
11 Rosenthal. My name is MJ Okma with the Human
12 Services Council. A membership organization
13 representing over 170 human services providers in
14 NYC.

15 Last year I testified at this person in hearing
16 and a lot has changed since then. The stakes were
17 made by city government when they had to make life
18 and death decisions about what to prioritize in the
19 face of COVID-19. The Fiscal Year '22 budget is a
20 chance to address those mistakes.

21 The human services sector has lost 44,000 jobs
22 since this time last year, that's a net loss. City
23 contracted human services workers; the majority who
24 are women of color were abandoned by the city. They
25 were not provided PPE, they were not given a call out

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2 in the Fiscal Year '21 budget and their jobs were not
3 protected while New York City, New York State
4 withheld funding for human services.

5 The city cannot call human services workers
6 essential when refusing to pay them fairly and not
7 fighting for their jobs be preserved. The city
8 cannot praise the work of human services nonprofits
9 while balancing the budget on their back and
10 retroactively calling back indirect funding.

11 In Fiscal Year '20, the Council saw this crisis
12 and fought hard for the Indirect Cost Rate Funding
13 Initiative and for the Human Services workforce.
14 Since then, the ICR funding initiative was dismantled
15 and retroactively cut before it was ever implemented.

16 And the crisis facing the human services sector
17 is now much larger. So, I am here once again to ask
18 for you to fight alongside the sector and demand that
19 the Fiscal Year '22 budget include the following:

20 One, the restoration COLA on the personal service
21 line of all human services workers on a rate of at
22 least three percent.

23 Two, comprehensive emergency pay for human
24 services workers, retroactive to March 23, 2020, when
25 non-essential workers were ordered to stay at home.

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3 And three, significant funding to fund and honor
4 the indirect cost rate funding initiative for Fiscal
5 Year '20, '21 and going forward.

6 None of these needed investments should come as a
7 surprise for the Mayor and OMB. Last June, leaders
8 from across the human services sector and the Mayor's
9 own task force advised the Administration to provide
10 comprehensive pay parity and a renew the [INAUDIBLE
11 2:10:24] among other recommendations.

12 SERGEANT AT ARMS: Time expired.

13 MJ OKMA: And human services providers, advocates
14 and our allies in Council have been raising the alarm
15 about the cuts to indirect funding. The time to act
16 is now. New York City's continued COVID-19 response
17 recovery, which relies heavily on the human service
18 sector is in great risk. Thank you so much.

19 CHAIRPERSON DROMM: Thank you very much. I think
20 we are there with you. I know that Council Member
21 and Chair Helen Rosenthal has been a champion of this
22 cause and uhm, Chair Rosenthal, would you like to say
23 something?

24 CHAIRPERSON ROSENTHAL: Thank you for – thank you
25 Chair Dromm. I mean, just MJ, we count on you.
Thank you for those statistics that lay bare the

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2 injustice that's happened on this community and we
3 have to keep talking about it, keep raising it until
4 the city gets it right.

5 So, it's just thank you. Appreciate your Chair
6 Dromm.

7 CHAIRPERSON DROMM: Thank you. Thank you again
8 and let's go to our next witness.

9 COMMITTEE COUNSEL: We will now hear from Ralph
10 Palladino followed by Nora Moran.

11 SERGEANT AT ARMS: Time starts now.

12 RALPH PALLADINO: Good day. I am Ralph Palladino
13 Local 1549. Uhm, thank you for having us and I am
14 going to start by talking about our savings plans
15 which we have for the city. Which we have had for a
16 number of years now. And we call on the city to do
17 what it was promised to do eight and four years ago
18 that civilianize the NYPD and remove higher paying
19 uniformed officers from performing the duties of
20 police administrative aids and clerical associates.

21 If this was done seven years ago, we would have
22 saved, the city would have saved over \$210 million by
23 now.

24 Civilianization goes hand and hand with the
25 social justice movements. It's about decent jobs and

1
2 it is about more civilian faces in the NYPD. If you
3 really care about the outyear budget gaps,
4 civilianization makes sense.

5 We ask you to join us in getting DCAS, the city
6 and all the agency, especially ACS and HRA from
7 stopping its attack on the civil service system by
8 reducing the number of civil service positions and
9 replacing them with higher paid, non-competitive and
10 managerial personnel. Doing so will save millions of
11 dollars.

12 By the way, my testimony in writing documents and
13 has a lot of statistics and information, which you
14 can get into.

15 We want to increase staffing in certain areas
16 that's important. And the New York City Police
17 Department, we want 911 and PAA's to be increased.
18 PAA's have been severely reduced in the Police
19 Department in favor of uniforms doing our work.

20 HRA, SNAP, HASA and Medicaid research severely
21 understaffed. 311 with a call volume was jumped 10
22 percent and texting 68 percent with the same staffing
23 needs it.

24 Finally, we ask you to support our public
25 hospital system and to fight like hell in terms of

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2 the state budget and the position of the invest in
3 New York program for taxing the rich.

4 SERGEANT AT ARMS: Time expired.

5 RALPH PALLADINO: And I want to thank the City
6 Council for the staff by the way and it needs to be
7 commended for showing interest in the recently and
8 having a discussion with us about HRA. And it was
9 very enlightening for them and enlightening for us
10 and HRA is in rough shape and it's mismanaged.

11 So, thank you for that and hopefully we will move
12 forward with a successful budget this year. Thank
13 you.

14 CHAIRPERSON DROMM: Thank you Ralph. We always
15 enjoy hearing from you and providing the information
16 that you give us. It is always productive. Thank
17 you.

18 RALPH PALLADINO: Thank you.

19 CHAIRPERSON DROMM: Next witness please.

20 COMMITTEE COUNSEL: We will now hear from Nora
21 Moran followed by Gerson Fernandez.

22 SERGEANT AT ARMS: Time starts now.

23 NORA MORAN: Good afternoon. My name is Nora
24 Moran, I am the Director of Policy and Advocacy at
25 United Neighborhood Houses. We are a membership

1 organization working with New York City settlement
2 houses.

3
4 There is a lot that we are looking at in this
5 budget and are concerned about. I am going to just
6 uplift a couple of key things for you all.

7 You know, I certainly want to echo the comments
8 that MJ raised from the Human Services Council about
9 our deep concerns about the fact that there is no
10 resolution right now for the Indirect Cost Rate
11 Initiative. That is something that you know,
12 providers put a lot of money into and spent time
13 trying to you know, make sure that their rates were
14 up to date and we still don't have a commitment for
15 this Fiscal Year when there is only four months left
16 as to what will happen there.

17 Uhm, also very concerned about lack of COLA for
18 human service workers in this budget. They have done
19 so much to keep programs running over the past few
20 months.

21 Uhm, pivoting for a minute over in a similar
22 range for the youth services. There are some bright
23 spots in this budget around you know, compared to
24 where we were last year. We do know that funding for
25 the Summer Youth Employment Program has been restored

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2 as well as Summer Camp for elementary school students
3 but we are still back in yet another budget dance
4 where summer camp funding for middle school students
5 was completely eliminated in this budget in addition
6 to an extra \$5 million being cut from the baseline.
7 That has not happened before. It's really
8 unconscionable to think that our middle schools have
9 been closed for all this time and now we are saying
10 we are not going to provide any sort of enrichment
11 activities for these middle school students over the
12 summer.

13 We definitely need that funding restored in the
14 Executive Budgets that providers have time to prepare
15 and plan. In early childhood education, we have
16 spoken about this some recently but are worried about
17 the lack of slots in center-based programs,
18 particularly in gentrifying neighborhoods as a result
19 of the DOE's birth to five RFP and would love to see
20 greater investments in center-based care for infants
21 and toddlers as well as -

22 SERGEANT AT ARMS: Time expired.

23 NORA MORAN: Today, an extended year programming.
24 Uhm and on senior services, the last thing I will say
25 is that uhm, we are you know, deeply concerned about

1
2 the Department for the Aging moving forward with an
3 RFP or to rebid at senior center programs when we
4 still don't have a commitment to fund the previous
5 model budget and when centers really are focused
6 right now on COVID relief and getting older adults
7 connected to vaccines instead of fitting for a new
8 RFP.

9 I will stop there. Thank you so much for your
10 time and my written testimony has more comments.

11 CHAIRPERSON DROMM: Thank you very much, very
12 informative and I appreciate you coming in to give
13 testimony. Thank you.

14 COMMITTEE COUNSEL: We will now hear from Gerson
15 Fernandez followed by Mohammed 3.

16 SERGEANT AT ARMS: Time starts now.

17 GERSON FERNANDEZ: Good day Chair and Co-Chair.
18 I am Gerson Fernandez. I am a taxi driver and owner
19 of the yellow taxi. I am with the New York Taxi
20 Workers Alliance, with Ms. Bhairavi Desai as our
21 leader.

22 We are just asking for debt forgiveness for us
23 owner drivers, so that all our loans come down to
24 \$125,000 with a monthly of \$757. This proposal was
25 prepared by Ms. Bhairavi Desai. You can get it to

COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 245

1
2 the table and she can discuss more so that it becomes
3 practical for the city and also for all of her
4 drivers.

5 She has a good proposal, so that even the city
6 doesn't lose but we owner drivers can get back on our
7 feet and the yellow taxi industry is back to normal.

8 So, that's all I am asking. Thank you.

9 CHAIRPERSON DROMM: Thank you very much and I am
10 very familiar with the issue. I have a number of
11 taxi cab drivers who live in my district. I have a
12 very big South Asian community and I think it is just
13 horrible what has happened to our drivers in terms of
14 the mortgages on their medallions and the value of
15 those medallions.

16 GERSON FERNANDEZ: Thank you.

17 CHAIRPERSON DROMM: So, I look forward to
18 fighting with you to find a solution here and thank
19 you for giving your testimony.

20 COMMITTEE COUNSEL: We will now hear from
21 Mohammed 3 followed by Wain H. Chin.

22 SERGEANT AT ARMS: Time starts now.

23 MOHAMMED HAWK: Hello? Hello?

24 SERGEANT AT ARMS: We can hear you.
25

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 246

2 MOHAMMED HAWK: Yeah, thank you everyone. My
3 name is Mohammed Hawk, I am taxi driver, a medallion
4 owner driving since 2007. I want to thank you, the
5 Committee Chair Mr. Dromm, Speaker Corey Johnson and
6 Comptroller Mr. Stringer because they know all about
7 our situation and they have a heart about our
8 livelihood.

9 You know, we have request we have a proposal
10 already submitted to the Comptroller's Office of the
11 Mayor's Office, the loan restart at about \$125,000.
12 Then we can try to survive. We have a horrible life
13 you know.

14 In my story, you can see New York Times, May 19,
15 2019, June 25, 2019, the day after the last hearing
16 and September 16th basically you can see Mohammed
17 Hawk my medallion number is 8523. It was seized by
18 my broker Omega in March 18, 2019. Around two years,
19 I am out of my medallion, out of my car and I spend
20 here close to \$200,000. And now my loan is \$950 more
21 or less because they change the figure every now and
22 then and I have three kids, 10 years, 5 years and 2
23 years and I spend 7 years my income and I have to try
24 to make the payment loan at five years.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 247

2 So, all of my immigrant life, I have been in this
3 business and now I have -

4 SERGEANT AT ARMS: Time expired.

5 MOHAMMED HAWK: And now I have no work to keep
6 it. So, again, we have a request, the whole
7 industry, we want to start the city, the loan to \$125
8 and that proposal also with every for dollar the
9 union leader Ms. Bhairavi Desai.

10 So, thank you so much and we expect you guys help
11 us. We work in the city; we pay the tax in the city.
12 So, we are begging, we are crying, please help the
13 drivers. We want to start the community back again.
14 Thanks.

15 CHAIRPERSON DROMM: Thank you very much and as I
16 said before, my heart goes out to you and the way
17 that you find yourselves in these situations. I know
18 people who are you know even losing their homes
19 because of the mortgages that they have to pay on
20 both the medallion and their home.

21 So, we must come to a solution on the taxi cab
22 driver situation. Thank you so much for coming in.

23 MOHAMMED HAWK: Thank you so, same to you.

24 COMMITTEE COUNSEL: We will now hear from Wain H.
25 Chin followed by Mouhamadou Aliyu.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 248

2 SERGEANT AT ARMS: Time starts now.

3 WAIN H. CHIN: Hi honorable Speaker Johnson, City
4 Council Member and Chairman. My name is Wain Chin
5 and I am a driver and also a member of New York City
6 Worker Alliance. Even before COVID right, all the
7 driver owners are struggling with the financial
8 burden because of lost business and during COVID, we
9 have lost business at 80 percent.

10 So, most of the owners are unable to pay the
11 mortgage, car insurances. Most of them are putting
12 them in storage, 50 percent. All the taxi cabs are
13 in the storage already. So, in order for us to
14 survive or to save the industry, the need the city
15 cab and also, you know, negotiate with the lender you
16 know, to bring down the debt, so we can make
17 affordable payment. So, most of the owner/driver
18 family can survive.

19 And also you know, uhm, so, we had numerous
20 foreclosure and numerous bankruptcies and people are
21 afraid of losing their house. So, you know, in the
22 last few years, we had across Kenny Charles as you
23 all know had a suicide. So, you know, we need help.
24 So, we have to stop further foreclosing, further
25 bankruptcy. We need help from the city to re-

COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 249

1
2 structure our loan okay, so we can make affordable
3 payment on the mortgage, so we all can provide our
4 families and also start the City of New York. You
5 know, we want to start the City of New York. I have
6 been driving for more than 20 years. So, we want to
7 drive in the city and also, so we need help to
8 survive.

9 And also, you know, -

10 SERGEANT AT ARMS: Time expired.

11 WAIN H. CHIN: Tomorrow to us the federal
12 government to fund the city with driving to
13 Washington DC to make funding for the city. So, all
14 the industry, all the restaurant, yellow cab
15 industry. Also, we need a museum to be brought back
16 to the city.

17 So, we ask the city to help us to survive. Thank
18 you.

19 CHAIRPERSON DROMM: May I ask if you are driving
20 now?

21 WAIN H. CHIN: I am not driving sir. My
22 medallion is in storage now.

23 CHAIRPERSON DROMM: Okay, when was the last time
24 you drove?

25 WAIN H. CHIN: Uhm, back in March, last March.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 250

2 CHAIRPERSON DROMM: Back in March, so you didn't
3 even really get an opportunity to participate in the
4 food delivery program at all?

5 WAIN H. CHIN: Uh, no sir.

6 CHAIRPERSON DROMM: No, okay. Uh, again, we want
7 to fight for you and help you. So, hang in there
8 okay.

9 WAIN H. CHIN: Then you for that sir.

10 CHAIRPERSON DROMM: Thank you.

11 COMMITTEE COUNSEL: We will now hear from
12 Mouhamadou Aliyu followed by Roshni Ahmed.

13 SERGEANT AT ARMS: Time starts now.

14 MOUHAMADOU ALIYU: Hello, good afternoon Mr.
15 Chair. Good afternoon Speaker, good afternoon to
16 everyone and thank you for giving us the opportunity
17 this afternoon to come to this testimony.

18 My name is Mouhamadou Aliyu, I am a New York City
19 yellow cab driver and a member of New York Taxi
20 Worker Alliance. I believe by now everyone knows
21 what really happened to us. I really don't want to
22 go back to it because everyone knows our story.
23 Education is relief, when is it coming? We have been
24 begging for relief. We have been crying for relief.
25 We have been begging for help. We have been crying

1
2 for help because we are desperate. We have been
3 dying. It is a dying situation out there. So, the
4 Mayor goes, they say they need the money. We know
5 soon the money will be there. We need immediate
6 relief because we lost everything we own and we want
7 our life back.

8 We have a campaign out there, a beautiful
9 campaign with New York Taxi Worker Alliance which
10 will help us get our life back. Therefore
11 forgiveness is going to reduce our debt to \$125,000
12 about \$757 a month and we can get our life back.
13 Because everyone by now knows what is going on in the
14 city.

15 There is not enough business. There is not
16 enough money out there. We can no longer pay
17 whatever we want unless we have work and debt
18 forgiveness. And I cannot imagine the city going
19 back to recovery with our yellow cab. Everyone knows
20 the yellow cab is the icon of the city.

21 So, so many have been saying, this time to get to
22 action. So, many promises — we have been promised so
23 much. We need action. We need immediate action now
24 because we are dying. I feel with the stimulus, if
25 we don't get no help, we are finished.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 252

2 SERGEANT AT ARMS: Time expired.

3 MOUHAMADOU ALIYU: So, that's what I was about to
4 say. Thanks for giving me this opportunity and then
5 uh, thank you one more time.

6 CHAIRPERSON DROMM: Thank you Mouhamadou for
7 coming in and for explaining to us what the situation
8 is. You really put a highlight on it and uhm, I want
9 to work with you and I know others will work with you
10 as well.

11 So, thank you for coming in. I appreciate it.
12 Are you in your car now?

13 MOUHAMADOU ALIYU: Yes, I am in my car right now,
14 sure.

15 CHAIRPERSON DROMM: So, you took a break to come
16 in for the hearing?

17 MOUHAMADOU ALIYU: That's right. This is very
18 important to me. I have been listening to fellow - I
19 have been going to City Hall, back and forth to City
20 Hall as well as begging for help. I feel like this
21 is the best chance for us to get something done.

22 If with the stimulus, we do not get nothing, I
23 think for me personally it will be years off my life.
24 My four kids, myself, I have been on this thing for
25 22 years. It is going to be horrible. I cannot

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 253

1
2 imagine us not getting help with the stimulus because
3 this is the last thing the Mayor said he has being
4 waiting for. Everyone is onboard to help us except
5 the Mayor because he said that there is no money.

6 I believe now the money is coming. We are
7 begging. The city and the Mayor's Office, please
8 help us. Give us our life back so we can be part of
9 this good city as we always do.

10 CHAIRPERSON DROMM: Yeah, I agree and I think
11 that to a certain extent, the city was complicit with
12 selling those medallions at the price in which they
13 were sold.

14 So, the city owes it to our taxi cab drivers to
15 right their situation. Thank you Mouhamadou.

16 MOUHAMADOU ALIYU: Thank you sir.

17 COMMITTEE COUNSEL: We will now hear from Roshni
18 Ahmed and Phoebe Flaherty.

19 SERGEANT AT ARMS: Time starts now.

20 ROSHNI AHMED: My name is Roshni Ahmed and I am
21 the Advocacy and Outreach Coordinator for Women for
22 Afghan Women. Thank you Chair Dromm, Co-Chair
23 Rosenthal and members of the Committee on Finance.

24 As part of the 15 percent and growing campaign, I
25 am here to share the needs of the Asian Pacific

1
2 American women and families in the city which have
3 grown exponentially during this pandemic. Our
4 coalition of 45 Asian led and serving organization
5 advocates for budget equity to ensure that the New
6 York City's Budget protects the most vulnerable in
7 our community.

8 Women for Afghan Women is the only social service
9 organization specifically supporting the Afghan
10 community and all of New York City. It is estimated
11 that more than one-third of Afghan families in New
12 York City live below the poverty line but the median
13 household income of \$15,000 a year. 85 to 95 percent
14 of women that come offer services are illiterate in
15 any language. Years of conflict and displacement has
16 made it nearly impossible for most to access formal
17 education.

18 WAW serves as a lifeline for the community we
19 work with. This is a place where many learn to hold
20 a pencil for the first time in their English class.
21 As the rate of domestic violence is 80 to 90 percent
22 among WAW clients, all 15 of our programs seek to
23 prevent and disrupt systems of violence. Our ESL and
24 citizenship classes build community for women to
25 break away from isolation where they are also

1
2 educated on issues such as mental health, their
3 rights and resources available to them.

4 Our senior program has also demonstrated an
5 immense need for older women to have support during
6 this time. One participant who has been in the US
7 for 30 years has said that WAW's programs have helped
8 her "feel human again."

9 Asian led and serving organizations received only
10 \$4.65 of City Council discretionary dollars, though
11 we make up more than 15 percent of the city's
12 population. We call for a restoration and
13 enhancement of critical funding such as DOVE
14 immigrant survivors of Domestic Violence, college and
15 career readiness, support our seniors and immigrant -

16 SERGEANT AT ARMS: Time expired.

17 ROSHNI AHMED: Initiative. Thank you for your
18 time and consideration today.

19 CHAIRPERSON DROMM: Thank you so much. It is
20 good to see you again. We just had our conference
21 last week as well and as you know, I have been a big
22 proponent for increasing the budget for Asian and
23 Asian led organizations. I remember back to the day
24 when it was 12 percent and growing and now it is
25 growing. It is at 15 percent, so we really need to

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 256

1
2 examine our budgets and we really need to make sure
3 as Peter Koo said earlier today, you might have been
4 on when he was advocating with the OMB Director for
5 more funding to Asian led organizations. But it is
6 something that is very important to me and we will
7 hopefully get other Council Members to look at their
8 budgets as well and to up that amount of funding.

9 So, thank you.

10 COMMITTEE COUNSEL: We will now hear from Phoebe
11 Flaherty followed by Dipal Shah.

12 SERGEANT AT ARMS: Time starts now.

13 PHOEBE FLAHERTY: Hi, good afternoon. Thanks for
14 the opportunity to testify and my name is Phoebe
15 Flaherty, I am an Organizer at ALIGN, The Alliance
16 for a Greater New York. ALIGN is a community labor
17 coalition dedicated to creating good jobs, vibrant
18 communities and an accountable democracy for all New
19 Yorkers. And we coordinate the Climate Works for All
20 Coalition. A coalition of environmental justice
21 groups, labor and climate organizations for climate
22 policy and good community job creation for New York
23 City.

24 As we all know, we are still in the midst of this
25 pandemic and New York's Black and Brown environmental

1 justice communities are bearing the brunt of the
2 impact with the virus and the economic downturn. We
3 are seeing record high unemployment concentrated in
4 BIPOC environmental justice communities. Our city's
5 capital budget priorities this year must prioritize
6 investment in job creation for the communities that
7 have been hit the hardest by this pandemic. The
8 Climate Works Well Coalition created an equitable
9 recovery report, a road map to creating 100,000 good
10 jobs for New York City's Black and Brown communities
11 and moving us out of this pandemic in recession and
12 towards our climate goals by investing \$16 billion
13 over three years.

14 This is a comprehensive plan that we need to move
15 our city through the crisis and towards equity and
16 climate justice. However, we know that the city
17 budget is still reeling from crisis and we have
18 developed in term climate budget priorities that will
19 lead us in the same path towards investment in
20 communities and green job creation, while
21 acknowledging the reality of the budget constraints.
22 Within the city's upcoming capital and expense
23 budgets, we need to see the following realistic and
24 achievable investments.
25

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 258

2 \$80 million to retrofit public buildings, \$50
3 million for schools in environmental justice
4 neighborhoods, \$17 million for public waste
5 management including \$4 million for the
6 implementation of commercial waste zone and \$13
7 million to expand organics collection and \$3 million
8 towards cleaning transportation expansions via
9 electric school buses. This total of \$150 million is
10 necessary to invest in New York's BIPOC and current
11 environmental justice communities, addressing
12 equities of the pandemic and move us out of the COVID
13 crisis while address the climate crisis.

14 We believe these investments will move us forward
15 on the path towards an equitable recovery. Thank you
16 for your time and consideration today.

17 CHAIRPERSON DROMM: Thank you. It has been
18 important for me and I am glad to work with ALIGN on
19 a number of issues from green roofs to uhm, solar
20 power to now the e-bus situation as well. So, we
21 look forward to continuing to work with you. Thank
22 you for coming in today.

23 PHOEBE FLAHERTY: Thank you.

24 COMMITTEE COUNSEL: We will now hear from Dipal
25 Shah followed by Ashram Akhmed.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 259

2 SERGEANT AT ARMS: Time starts now.

3 DIPAL SHAH: Good afternoon Chair Dromm, Chair
4 Rosenthal, Speaker Johnson and so many other members
5 that have been so supportive of the work of the
6 Center for Court Innovation. I am Dipal, Dipal Shah,
7 I am Director of Strategic Partnerships here at the
8 center. It is great to see you virtually. I hope in
9 person someday soon when this is behind us.

10 I submitted written testimony and I hope it helps
11 fill in some gaps. I just want to flag that we are
12 also very concerned around the indirect cost rate.
13 We hope that Council takes a look at this. It is
14 very important to keeping nonprofits like us a float
15 and the smaller ones too. Getting to the core of our
16 work with the populations we serve facing ongoing
17 police violence and a public health crisis are
18 disproportionately impacting Black and Brown
19 communities. The uptick in domestic violence and we
20 want to thank Council Member Rosenthal. Thank you
21 for that beautiful certificate you sent us. The
22 realization of justice reform through community
23 centered efforts is more important now than ever. We
24 have been doing it here for 25 years. We have been
25 working with other organizations but we are seeing

1
2 now that there are people in need more than ever
3 around this work. We need to lift them up, the most
4 vulnerable of them. And so we are asking Council for
5 a new four key initiatives. Our Brooklyn Felony
6 Alternatives to Incarceration Court. Our Bronx
7 Project Reset Programming, which is incredibly
8 important to the people of Bronx. It has been
9 serving thousands of people, it served hundreds
10 already this year even despite COVID. Our driver
11 accountability program, which is keeping people from
12 having to have police interventions. And it is
13 keeping people actually – it's keeping the streets
14 safer and we are hoping that we can sustain it in
15 those four boroughs and also expand it to the borough
16 of Queens actually Chair Dromm and then finally, our
17 renewing, our centers core council funded innovative
18 justice programming, even though that was cut last
19 year, we are hoping to renew it to the full amount.
20 We are doing that work in all five boroughs. It is
21 incredibly important to the communities that we serve
22 there and we are hoping that uhm, you know, the work
23 we do continues unabated and I am happy to answer any
24 questions.

25 SERGEANT AT ARMS: Time expired.

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DIPAL SHAH: You may have.

CHAIRPERSON DROMM: What is it – just give me a brief description of the alternatives to felony convictions program that you mentioned?

DIPAL SHAH: Sure, so the alternatives that's operating out of Brooklyn and we are hoping actually, it's a pilot and we are hoping that it actually is something that we can replicate elsewhere in the city but it is providing those that may have been charged with felonies and mandated based on their felony conviction to immediate services through social work, mental health interventions and in community and also through the courts and so, we are providing them similar services but actually deeper therapeutic interventions to prevent recidivism. We see that in the justice reform setting felonies is actually the next level where we need to dig deeper if we are going to really see reductions and incarceration and cost savings through the jail systems.

CHAIRPERSON DROMM: That's great, so it is the first I heard of it so, I got to learn more about it to. So, thank you. I appreciate it. Okay, thank you for coming in and we will call our next witness.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 262

2 COMMITTEE COUNSEL: We will now hear from Ashram
3 Akhmed followed by Tierra Labrada.

4 SERGEANT AT ARMS: Time starts now.

5 CHAIRPERSON DROMM: Are you there?

6 COMMITTEE COUNSEL: They are present but it
7 appears that they need to be unmuted. Ashram Akhmed.

8 CHAIRPERSON DROMM: Let's go to the next witness
9 and if we get them unmuted we will come back.

10 COMMITTEE COUNSEL: Yes Chair. We will proceed
11 with Tierra Labrada followed by Jane Seldon.

12 SERGEANT AT ARMS: Time starts now.

13 TIERRA LABRADA: Hi everybody, hello Chairperson
14 Dromm and Rosenthal and members of the New York City
15 Council Finance and Capital Budget Committees. My
16 name is Tierra Labrada, I am the Senior Policy
17 Analyst at the Supportive Housing Network of New
18 York. A membership organization representing the
19 nonprofit developers and operators of supportive
20 housing, their staff and their tenants. Throughout
21 the past year, supportive housing frontline staff
22 provided services in the face of a global health
23 crisis, all while being paid low wages under city
24 contracts.

1
2 The supportive housing community adapted rapidly
3 and was innovative in their service delivery and
4 methods to tenants and staff. Our providers maintain
5 the highest levels of sanitation, distributed
6 personal protective equipment, assisted with
7 prescriptions, connected people to meals and
8 mainstream benefits and took on additional caseloads
9 to assist our colleagues who were impacted by COVID-
10 19, all the while also maintaining their normal
11 service deliveries and grappling with the pandemic
12 and their personal lives like everyone else here.

13 Yet, our government contracts drastically
14 underfund the cost of implementing their mandated
15 services. Stretching our providers so thin that it
16 is next to impossible to ensure our workforce
17 receives the pay increases and emergency pay they
18 deserve.

19 Throughout the last year, the city allowed the
20 COLA for human service workers to expire in the
21 middle of the pandemic by not renewing it in the FY21
22 Budget, failed to provide comprehensive emergency pay
23 for city contracted frontline workers and created
24 chaos in the sector by retroactively cutting the
25 indirect cost rate funding initiative. In order to

1
2 rectify this, the FY22 budget must include the
3 following: A COLA increase of at least 3 percent on
4 the personal service line of all human service
5 contracts, comprehensive emergency pay for human
6 service workers retroactive to March 23, 2020 and
7 funding to fully honor the ICR Funding Initiative to
8 FY20, '21 and beyond.

9 In regards to the indirect cost rate, our members
10 spent time and financial resources to comply with the
11 cost manual and determining the ICR only to have the
12 city retroactively cut it for Fiscal Year '20. After
13 providers had already spent their funds. Not to
14 mention, there is no clear decision on funding for
15 FY21 which began nine months ago.

16 SERGEANT AT ARMS: Time expired.

17 TIERRA LABRADA: One of our providers had moved
18 ICR of 19 percent on July 1st, only to have the rate
19 reduced by the city to 11 percent resulting in a
20 \$360,000 whole in their budget. That is not
21 acceptable or sustainable. It is very clear that
22 many in the Council understand plight, so we do urge
23 the City to reinstate the COLA. Fully fund the ICR
24 to ensure nonprofit solvency and pay our essential
25 workforce the emergency pay that they deserve. And

1
2 our written testimony will elaborate on some of these
3 issues. Thank you.

4 Thank you very much for that testimony. I
5 appreciate you coming in. Thank you.

6 CHAIRPERSON ROSENTHAL: Can I jump in sorry, real
7 quickly, is that alright Chair?

8 CHAIRPERSON DROMM: Sure, absolutely, yeah.

9 CHAIRPERSON ROSENTHAL: Thank you so much.

10 Really, as always appreciate you. Uhm, and thank you
11 for that clarity. You are spot on right and I just
12 did not hear an answer from the Administration on it
13 this morning. I think it is going to become the
14 budget dance, which is just unacceptable given the
15 amount of work you all did with the pandemic. I had
16 the specific question though. The \$300,000
17 shortfall, so did that nonprofit have to go to a bank
18 and take out a loan for that? And pay interest on
19 that loan?

20 TIERRA LABRADA: I am not entirely sure but I can
21 get back to you with that information. This was you
22 know, when we put out the call to our providers on
23 how this impacted them, just that significant
24 decrease of 8 percent uhm, you know it hurts. So, we
25 can figure out how they are going to cover that gap

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 in the meantime and I can certainly get back to you
3 with that.

4 CHAIRPERSON ROSENTHAL: Yeah, it just is a nice
5 sweep on the story because you know, you are doing
6 the work. You have to pay the workers and so of
7 course, you have to use a line of credit. And of
8 course, there are interest rates, I don't care how
9 low.

10 So, anyway, thank you very much for that. Thank
11 you for the hard work of all your agencies.

12 TIERRA LABRADA: Thank you Chair. I will get
13 back to you with that information. I will let you
14 know.

15 CHAIRPERSON ROSENTHAL: Thank you so much. Take
16 care.

17 TIERRA LABRADA: Thanks.

18 CHAIRPERSON ROSENTHAL: Thank you Chair.

19 CHAIRPERSON DROMM: Thank you. Let's call our
20 next witness.

21 COMMITTEE COUNSEL: We will now hear from Jane
22 Seldon followed by Margaret Perkins at 350 NYC.

23 SERGEANT AT ARMS: Time starts now.

24 JANE SELDON: Thank you for giving me the
25 opportunity to speak today. My name is Jane Seldon

1
2 and I am here on behalf of 350 NYC, a grassroots
3 environmental group focusing on New York City climate
4 issues. 350 NYC is a member of climate works for
5 all. A coalition of labor, community, climate and
6 environmental justice organizations advocating for
7 policies that address reduction in carbon emissions
8 and incoming inequality.

9 We strongly support the coalitions call for
10 including \$13 million for composting in the 2002
11 budget. 350 NYC recognizes the vital role organic
12 waste recycling plays in confronting the climate
13 crisis. Organic waste makes up one-third of the
14 city's waste stream. If it is composted, it becomes
15 a way of sequestering in carbon. On the other hand,
16 if it ends up in landfill or incinerators, it adds
17 more greenhouse gases to the atmosphere. For
18 example, landfills emit methane, a greenhouse gas 30
19 times more powerful than Co2. Last year's draconian
20 cuts to the DSNY's composting programs also meant
21 that even more waste was trucked to the city's waste
22 transfer stations and incinerators, located in
23 environmental justice communities where residents
24 were already subjected to unhealthy levels of air
25 pollution.

1
2 Exposure to particulate matter produced by diesel
3 exhaust from heavy truck traffic has resulted in some
4 of the country's highest asthma rates and is now
5 linked to more serious cases and higher death rates
6 from COVID-19. A budget allocation of \$13 million
7 will divert tons of organic matter from waste
8 facilities by increasing neighborhood organic drop
9 off and processing sites supporting school composting
10 and establishing recycling programs in municipal
11 buildings.

12 This money can also be used to subsidize studying
13 and piloting organic recycling programs in
14 multifamily -

15 SERGEANT AT ARMS: Time expired.

16 JANE SELDON: To help us move closer to our goal
17 of a citywide composting program. And importantly,
18 at a time of soaring unemployment, especially in low-
19 income communities, these programs will create good
20 green jobs. This past year, we have seen popular
21 support for organics recycling and we ask that this
22 be reflected in the fiscal year 2022 budget and that
23 the Council seriously consider the many benefits
24 expansion of composting will mean for our city and for
25 our planet. Thank you.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 CHAIRPERSON DROMM: Thank you very much. An
3 important issue and we appreciate you coming in.
4 Thank you.

5 JANE SELDON: Thank you.

6 COMMITTEE COUNSEL: We will now hear from
7 Margaret Perkins 350 NYC followed by Katelyn Andrews.

8 SERGEANT AT ARMS: Time starts now.

9 MARGARET PERKINS: Good afternoon everybody and
10 thank you for organizing the budget hearing. My name
11 is Margaret Perkins, I represent 350 New York City
12 and we are here to urge the Subcommittee on Capital
13 Budget to fully fund the 2022 budget for all the
14 projects necessary to guarantee the roll out of Local
15 Law 97. This is the buildings bill that is under
16 threat now from Governor Cuomo's budget. There can
17 be no delays in implementing this Local Law. The
18 equitable path to achieve New York City greenhouse
19 gas emissions and create 40,000 jobs which we
20 desperately need by 2024 is to fund the priorities
21 detailed in the ALIGN climate Works for all plan, the
22 equitable recovery which I am sure the Council
23 Members are familiar with.

24 Just briefly, this will invest \$80 million in
25 retrofitting public schools and retrofitting to

COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 270

1
2 install solar in public schools. These will create
3 good paying jobs, which New Yorker City desperately
4 needs and at the same time that will reduce our
5 emissions of carbon dioxide emissions to fulfill the
6 goals of 2030 to have 70 percent of our energy coming
7 from wind and solar and other renewable resources.

8 Thank you very much.

9 CHAIRPERSON DROMM: Thank you also and for
10 spending this time with us. Thank you.

11 COMMITTEE COUNSEL: We will now hear from Katelyn
12 Andrews followed by Cristobal Gutierrez.

13 SERGEANT AT ARMS: Time starts now.

14 KATELYN ANDREWS: Thank you for the opportunity
15 to testify. My name is Katelyn Andrews, Director of
16 Public Policy LiveOn New York. LiveOn New York's
17 members include more than 100 community based
18 organizations that provide core services to make New
19 York a better place to age. For years, we have
20 shared the importance of the aging services network.
21 However, even with the growing increasingly diverse
22 older adult population, the chronic underfunding is
23 yet to be redressed.

24 In fact, in recent years, providers have been
25 promised millions of dollars in funding for senior

1
2 centers that never came to be allocated while also
3 experiencing significant cuts to the indirect cost
4 rate initiative. Amidst this, providers have
5 confronted a pandemic that put older adults at
6 greatest risk. Not only to the virus but to the
7 negative health impacts of isolation. And response
8 providers have changed their service models virtually
9 overnight, shifting to reach clients via phone or
10 web, navigating new vaccine and food systems and
11 more.

12 These are workers who provide service and are
13 essential but our budgets do not reflect this. Given
14 this, we are advocating for the following: First, I
15 will echo the concerns of U and H and HSA that we
16 desperately need sufficient funding to fully honor
17 the ICR funding initiative for FY20, '21 and going
18 forward. As a note, the cuts to this program have
19 been particularly severe within DFTA contracts. Like
20 other providers, they received only 60 percent of
21 their indirect cost rates in FY20. However, DFTA
22 providers only received this amount for seven months
23 of the contract, while the other five months were
24 neglected. This fact, in addition to FY21 and FY22
25 funding must be redressed.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 272

2 We also request \$16.6 million be added to the
3 funding available for home delivered meals in order
4 to increase capacity to meet new demand that occurred
5 since the pandemic, as well as increase the per meal
6 rate to the national average.

7 Finally, the city must allocate the promised \$10
8 million in funding for senior center staff, that were
9 promised in previous model budget negotiations and
10 were never included in the budget. Thank you.

11 CHAIRPERSON DROMM: Thank you very much and
12 Margaret Chin was right up there today. Because I
13 think those issues to the OMB Director as well and of
14 course, we are very supportive of that. So, thank
15 you.

16 KATELYN ANDREWS: Thank you.

17 CHAIRPERSON DROMM: Let's call our next witness
18 please.

19 COMMITTEE COUNSEL: We will now hear from
20 Cristobal Gutierrez followed by Towaki Komatsu.

21 SERGEANT AT ARMS: Time starts now.

22 CRISTOBAL GUTIERREZ: Good afternoon. I am
23 Cristobal Gutierrez, a Staff Attorney, not a cat from
24 Make the Road New York. Uhm, and I am a proud
25

1
2 resident of the upper west side and I work in near
3 Elmhurst and Jackson Heights.

4 Make the Road is submitting this testimony to the
5 New York City Council on behalf of the Citywide
6 Immigrant Legal Empowerment Collaborative CILEC in
7 support for stabilizing and increasing the low wage
8 worker initiative funding for Fiscal Year 2022.

9 We strongly urge the Council to demonstrate its
10 commitment to low-wage worker immigrants and
11 essential workers and stabilize this critical funding
12 at the baseline of \$7.5 million for the Low Wage
13 Worker Initiative.

14 The Low Wage Worker Initiative has had in the
15 previous years in 2021, had \$2 million, in 2019 and
16 2020 had \$2.5 and we are asking for 7.5. That's a
17 significant increase and you know why that is I
18 assume. We serve mostly undocumented workers who
19 haven't received unemployment insurance who are owed
20 months and months of rent. Who have risked their
21 lives and helped hazards and ordered back illegally
22 to work on their works with poor health conditions.
23 And we have represented Amazon workers who had been
24 retaliated against for asking for more security.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 274

2 We are representing people who are having their
3 hours reduced. Who are not getting paid the minimum
4 wage and not getting paid over time. Our need is
5 dire.

6 SERGEANT AT ARMS: Time expired.

7 CRISTOBAL GUTIERREZ: Thank you and uh, I urge
8 the Council to fund the \$7.5 million for the Low Wage
9 Worker Initiative. Thank you.

10 CHAIRPERSON DROMM: Thank you also for coming in.
11 We admire that work that Make the Road does
12 particularly with the low wage earners. So, I
13 appreciate your testimony. Thank you.

14 COMMITTEE COUNSEL: We will now hear from Towaki
15 Komatsu and Dana Altneu.

16 SERGEANT AT ARMS: Time starts now.

17 TOWAKI KOMATSU: Hi, can you hear me?

18 CHAIRPERSON DROMM: Yes.

19 TOWAKI KOMATSU: Uhm, hi, Mr. Dromm. You live in
20 Jackson Heights we have talked before.

21 CHAIRPERSON DROMM: Yeah.

22 TOWAKI KOWATSU: I told you that I was illegally
23 evicted from my apartment on 81st Street by Queens
24 Housing Court Judge Clifton Nembhard. There is
25 somebody from your City Council his name is Checker

1
2 Christian. He used to live in my building, in my
3 apartment. I am now in what is technically
4 supportive housing. It is actually a shelter.

5 Uhm, since I have testified at City Council
6 public hearings, there were two deaths in my
7 building. Rafael Perez, who is today's meeting, he
8 illegally provided me from attending a public
9 hearing. So, the question is, when I testify in
10 these public hearings and I tell you that the
11 nonprofit provider Urban Pathways is essential doing
12 a bait and switch, taking taxpayer money. They are
13 not providing services. When I beat HRA in
14 litigation, they don't comply with the judge's order.
15 Why is the City of New York still doing business with
16 Urban Pathways when you have two deaths. I got 15
17 punches to my left temple.

18 I mean, the question is, how much more violence
19 needs to occur before the City of New York will
20 properly cancel Urban Pathways business altogether?

21 Also, with regards to wage theft. Uhm, the first
22 time I testified to the New York City Council, it was
23 on I think February 3, 2016. You guys voted yourself
24 a 32 percent pay raise. I told you that I was
25 suffering from wage theft from a company called NTT

1
2 Data. It's a business part of HRA. So, HRA keeps
3 renewing its business with entity data. I talked to
4 you Ms. Rosenthal before about this. I talked to her
5 about Urban Pathways too. However, today, I am again
6 testifying to both of you that business is still
7 intact. Two deaths in my building. I got 15 punches
8 to my head. I would not be in that building if I
9 wasn't suffering from wage theft by Entity Data. The
10 same person who fired me from my job back in 2012.
11 He signed a business deal with HRA, so the question
12 again, how many more public hearings do I need to
13 testify in before you guys are going to do your job?

14 I talked to Scott Stringer about that too, to no
15 avail. And last point is this, again, I have
16 litigation, I can't rely on you so I am going to be
17 filing a motion -

18 SERGEANT AT ARMS: Time expired.

19 TOWAKI KOMATSU: In court this week to cancel
20 that business decisively. Thank you.

21 CHAIRPERSON DROMM: Okay, thank you very much for
22 your testimony. Let's call our next witness.

23 COMMITTEE COUNSEL: We will now hear from Dana
24 Altneu followed by Beverly Tilery.

25 SERGEANT AT ARMS: Time starts now.

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2 DANA ALTNEU: Good afternoon. My name is Dana
3 Altneu and I am the Assistant Director of Government
4 Contracts at Good Shepherd Services. Thank you
5 Chairs Dromm, Kallos and Rosenthal for the
6 opportunity to testify on nonprofit contracting
7 during today's Preliminary Budget hearings.

8 Throughout the past year, Good Shepherd Services
9 continue to provide the most vital of New York City
10 services in the face of a global pandemic because of
11 our committed workforce, all while be underfunded by
12 city contracts.

13 Staff showed up day and night, 20 to 24 hour
14 residential child welfare programs set up needed grab
15 and go food hubs. Started regional enrichment
16 centers and learning labs to provide safe spaces for
17 youth whose parents and guardians worked.

18 During this time, the city eliminated the cost of
19 living increases and retroactively cut the indirect
20 cost rate initiative that was promised. In order to
21 address the current crisis faced by nonprofits, the
22 FY22 budget must include the restoration of COLA on
23 personal service lines at a rate of at least 3
24 percent.

1
2 In addition, we need to fully fund and honor the
3 IRC funding for FY20, '21, and going forward. These
4 investments are needed while workers, advocates,
5 providers and elected officials continue to work
6 together on a more comprehensive solution to ensure
7 that human service workers finally earn the fair pay
8 for their essential labor.

9 The lack of support for the human services
10 workforce is unacceptable. Since the start of the
11 pandemic, Good Shepherd Services had to layoff over
12 300 staff. This is on top of the massive net loss of
13 jobs in New York City. City contractor human service
14 workers on average make less than half of the
15 compared to those outside of the sector with similar
16 credentials and experience.

17 Many staff have to work two to three jobs just to
18 afford the basic needs to live in New York City.
19 Cuts to the ICR funding in 20-, in FY20 and '21
20 budgets pushed human services providers on the
21 frontlines of New York City's COVID-19 response and
22 recovery to the brink of failure.

23 As Michelle Chair Executive Director testified
24 back in November for Good Shepherd Services -

25 SERGEANT AT ARMS: Time expired.

1
2 DANA ALTNEU: This specifically meant a half a
3 million dollars loss that was promised to our agency
4 in FY20 and then again in FY21. We had to quickly
5 find ways to fund this internally, all while making
6 sure that things like IT and facilities during the
7 midst of a pandemic were covered.

8 It is impossible to ignore that our services and
9 workers are invaluable to the health and well-being
10 of the city and the FY22 budget reflects this. I am
11 also submitting written testimony and I thank you for
12 allowing me to testify during this time.

13 CHAIRPERSON DROMM: Thank you very much. Who is
14 that joining you and giving testimony?

15 DANA ALTNEU: It is my little six month old.
16 It's her first City Council hearing, she is very
17 excited.

18 CHAIRPERSON DROMM: Sure, well thank you for
19 giving that testimony and we appreciate hearing and
20 we got to work on that issue as well.

21 DANA ALTNEU: Thank you, I appreciate it. Thank
22 you.

23 CHAIRPERSON DROMM: Okay.

24 COMMITTEE COUNSEL: We will now hear from Beverly
25 Tilery followed by Andrea Bowen.

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SERGEANT AT ARMS: Time starts now.

BEVERLY TILERY: Good afternoon Chairs Dromm,
Rosenthal and Kallos. My name is Beverly Tilery, I
am the Executive Director of the New York City Anti-
Violence Project or AVP. We appreciate the Council's
past support of our work with LGBTQ and HIV effected
survivors of violence.

During times of crisis, economic instability and
many forms of violence increase. Right now, AVP's
work is more important than ever. AVP is the only
LGBTQ specific victim service agency in the city. We
operate a bilingual 24/7 hotline and provide legal
services, counseling, community organizing and
advocacy. And all of our services are free and
confidential and right now fully remote since last
March.

We work with community members who are among the
most marginalized and vulnerable in this city and who
have become more so during the pandemic. Trapped by
increased economic and housing insecurity, some of
our clients are sheltering with people causing them
harm. Including intimate partners, family members,
roommates, landlords.

1
2 Violence against LGBTQ New Yorkers has not
3 stalled during the pandemic and in fact, 2020 was one
4 of the deadliest years for hate violence especially
5 against Black trans women. As these crisis grow, so
6 do the needs of the community members and the time
7 and effort required by our staff on caseloads. AVP
8 is seeking FY20 level restoration and general
9 operations funding, DOVE, the outreach work to
10 connect persons involved in the sex trade with
11 supportive services initiative. The initiative for
12 immigrant survivors of domestic violence and the
13 legal services for the Working Corp Initiative.

14 We are also requesting a restoration of the Hate
15 Crimes Prevention Initiative which was cut completely
16 last year despite rising violence against
17 marginalized communities and that violence is
18 increasing every day. We know the city is in a
19 challenge and financial position.

20 SERGEANT AT ARMS: Time expired.

21 BEVERLY TILERY: We strongly urge the City to
22 Council to restore funding to at least Fiscal Year
23 2020 levels. We appreciate all the past support and
24 look forward to working with you all. Too as Speaker

1 Johnson stated, build a new more equitable future.

2 Thank you.

3
4 CHAIRPERSON DROMM: Thank you Beverly, you know,
5 I am a little disappointed with some of the responses
6 I get from AVP. Uh, we had some cases where uhm, my
7 Assistants Michael Mallon, Sabastian McGuire had
8 reached out to AVP and we never got a response.

9 So, are you still working with Queens group? So,
10 what are you doing in Queens?

11 BEVERLY TILERY: We are. We are definitely
12 working with Queens. We partner with make the road
13 uhm regularly. Uhm, Council Member Dromm, if you
14 ever have any trouble, reach out directly to me and I
15 will make sure you get whatever you need.

16 CHAIRPERSON DROMM: Okay, it's just that it
17 concerns me that you know, these questions were not
18 returned. It shouldn't have to be that I have to go
19 to you, you know.

20 BEVERLY TILERY: Yeah, no, it shouldn't be. I am
21 not sure what the issue is but I can make sure that
22 we clear it up because you know, we are there. The
23 hotline is still there 24 hours. If somebody you
24 know, you could always call the hotline and that will
25 get directly to somebody, so I am not sure what the

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 283

1
2 issue was but definitely let me know and we can also
3 talk offline more about it.

4 CHAIRPERSON DROMM: Okay, thank you.

5 BEVERLY TILERY: Sure.

6 CHAIRPERSON ROSENTHAL: Uh, can I ask a quick
7 question Chair Dromm?

8 CHAIRPERSON DROMM: Sure.

9 CHAIRPERSON ROSENTHAL: Uhm, and this might be a
10 follow up. Uhm Ms. Tilery, uhm, but to what the
11 Council Member just raised and that is, your
12 mentioning an increase in demand for your services
13 during the pandemic and we have talked about this
14 before. I am guessing you can document it in some
15 way and I am wondering as - I mean, I guess a couple
16 things I should start with. I don't even know, do
17 you have a contract directly with uhm, the office to
18 end gender based violence? Or is the contract with
19 the city, the one that you get through the City
20 Council?

21 BEVERLY TILERY: Uhm, we - the initiatives that I
22 talked about but no, we don't have a direct contract
23 with the uhm, gender based violence.

24 CHAIRPERSON ROSENTHAL: Is it that there are not
25 RFP's out there for your group to apply for or is it

1
2 that there are no RFP's being issued despite the
3 unbelievable increase and demand over the last year?

4 BEVERLY TILERY: Well, I know for a fact that
5 there was one RFP in the last I would say year and a
6 half that we applied for that we didn't get but uhm,
7 there aren't that many to tell you the truth. We are
8 not regularly seeing RFP's to apply for - for city
9 funding. Uhm and you know I think uhm, you know the
10 whole industry is - the whole community is under
11 resourced and you know again, I think sometimes
12 because we are LGBTQ specific you know we are seen as
13 not serving the whole community.

14 So, sometimes we are overlooked in that way. But
15 what we know is that for LGBTQ survivors, uhm, they
16 are not always getting you know affirming service
17 from other providers, even providers who want to.
18 They just don't have the knowledge, the resources,
19 the information to do that.

20 And so, that's why it's so essential that we are
21 there for people, so they always have a safe place
22 that they can go.

23 CHAIRPERSON ROSENTHAL: I see Council Member Diaz
24 has her hand raised but I am not sure, I think she
25 may have stepped away. Chair Dromm, do you want to

1 let her come back after the next person testifies?
2 Or should I just ask a random question? There she
3 is, okay.
4

5 CHAIRPERSON DROMM: Yeah and I have an additional
6 question.

7 CHAIRPERSON ROSENTHAL: Alright, thank you so
8 much Ms. Tilery. Really, you know how much I admire
9 the work you do. Thank you.

10 BEVERLY TILERY: You are welcome.

11 COUNCIL MEMBER DIAZ: Thank you. I was just
12 fussing with my mute button. I am definitely
13 disheartened by your testimony Ms. Beverly and I am
14 hoping that we can get to know each other more so
15 after today's conversation.

16 Coming into this position, I have learned that
17 there is some funding, \$60,000 that was made
18 available to use specifically with the transgender in
19 my community and I am not seeing it.

20 I will share that to say that you know wherever I
21 can and however I can, I want to be of assistance.
22 Is that acceptable? Thank you Chair Rosenthal for
23 the conversation to follow up on it because it is a
24 need and it is a travesty that you are not receiving
25 the resources that are needed.

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2 So, please -

3 BEVERLY TILERY: Thank you, we appreciate it.

4 COUNCIL MEMBER DIAZ: Please and let's make it
5 happen. It is not okay and enough is enough. Thank
6 you.

7 BEVERLY TILERY: I look forward to it.

8 COUNCIL MEMBER DIAZ: Same here.

9 CHAIRPERSON DROMM: And Beverly?

10 BEVERLY TILERY: Yes.

11 CHAIRPERSON DROMM: Is the DOE working with you
12 in terms of their LGBT liaison and the youth
13 conferences, the summits that they have. Is the
14 coordination there with your organization?

15 BEVERLY TILERY: Not with the Youth Summits. We
16 did a little bit of work with them I feel like it was
17 about two years ago now specifically around trans-
18 employees within the DOE and we did uh, uhm, uhm, uh
19 assessment bringing together some trans employees to
20 help them think about how they can make the DOE more
21 affirming so that they can attract more trans
22 employees. But in terms of the youth work, I have
23 not heard from them. Of course, you know, it could
24 be somebody else in our agency but we haven't really
25 been working with them around the Youth Summits.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 287

2 CHAIRPERSON DROMM: Okay great, you know, I would
3 like to make that happen more.

4 BEVERLY TILERY: Yeah, we would love to.

5 CHAIRPERSON DROMM: Yeah, okay, definitely.

6 Thank you.

7 BEVERLY TILERY: Thank you.

8 CHAIRPERSON DROMM: Okay, I think that's it.

9 Anybody else have a question? No, okay, we are going
10 to go to our next witness. Thank you Beverly for
11 coming in.

12 COMMITTEE COUNSEL: We will now hear from Andrea
13 Bowen followed by Veronica Wong.

14 SERGEANT AT ARMS: Time starts now.

15 ANDREA BOWEN: Thank you Chairs Dromm and
16 Rosenthal, Speaker Johnson, Council Members and
17 Council Staff. I am Andrea Bowen; Principal of Bowen
18 Public Affairs Consulting and I am here to discuss
19 some of the asks of my clients who are that I really
20 believe in.

21 Thanks to Chair Rosenthal for your leadership on
22 supporting the Worker Cooperative Business
23 Development Initiative or WCBDI. Worker cooperatives
24 are business owned and manage them by people working
25 there. WCBDI, which received \$3.06 million in FY21

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 provided many times that in grants and loans to
3 cooperatives in light of the COVID crisis while
4 helping other businesses get off the ground and
5 receive technical assistance in various ways.

6 WCBDI partners building off of Council support
7 and working with the Mayor's Office created a new
8 website owner 2 owners. It's the number 2. Owners 2
9 Owners at NYC as well as the helpline to provide
10 assistance to owners seeking to convert their
11 businesses to worker ownership. We seek a
12 restoration of \$3.06 million in FY22. Meanwhile the
13 Sex Workers Project at the Urban Justice Center or
14 SWP provides clients and legal services to
15 individuals who engage in sex work. Regardless of
16 whether they do so by choice, coercion or
17 circumstance. We are seeking a restoration of
18 \$100,000 in Speakers initiative funds cut in FY21.
19 The Speaker has been very supportive of – or Council
20 Member Levin has been very supportive of. And the
21 continuation of \$50,000 of our FY21 support for
22 persons involved in the Sex Trade Initiative funding.
23 We want to fill the gap in legal services around
24 workers' rights for those in the legal sex trades.
25 As folks are at a disadvantage and wage theft, sexual

1 harassment and many other problems and don't have the
2 workers' rights really seem to or worked on.

3
4 And we also seek elimination of funding for the
5 Vice Enforcement Division. Approximately \$18.2
6 million with reinvestment of that and human services
7 that can actually support sex workers in surrounding
8 communities. You may have read the public article
9 that explains in depth -

10 SERGEANT AT ARMS: Time expired.

11 ANDREA BOWEN: How they target communities of
12 color. Thank you so much and I am happy to answer
13 any question you have.

14 CHAIRPERSON DROMM: Any question? Alright, it is
15 always good to see you Andy. Thank you for coming in
16 and always happy to work with you. Thank you.

17 ANDREA BOWEN: Always a pleasure. Thank you sir.

18 CHAIRPERSON DROMM: Okay.

19 ANDREA BOWEN: We will now hear from Veronica
20 Wong followed by Chicago Crosby.

21 SERGEANT AT ARMS: Time starts now.

22 VERONICA WONG: Good afternoon. Thank you for
23 the time to speak. My name is Veronica Wong and I am
24 the Advocacy Director for University Settlement, a
25

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 290

1
2 135 year old settlement house with holistic, all ages
3 and family programming across Manhattan and Brooklyn.

4 University Settlement echoes other human services
5 organizations and nonprofits to call on the city to
6 fully honor the indirect cost rate funding initiative
7 for Fiscal Year '20, '21 and going forward. We are
8 currently working out our budget this year and
9 without – for next year sorry. And without this
10 funding, we could be forced to make significant
11 reductions to our programming.

12 We risk losing \$875,000 which is the equivalent
13 of nearly 240,000 meals for older people or providing
14 875 tenants with rental arrears. Every year we serve
15 over 40,000 New Yorkers with programming that ranges
16 from early childhood education to exercise classes
17 for our elders.

18 For the last year, our older people programming
19 has moved virtually and we hear over and over from
20 our older neighbors that they are eager to return to
21 in person programs to be with friends, to be able to
22 be back enjoying the City that they love. We want to
23 rerun after school and summer programs which our
24 children will need to help them recover from this

1 necessary but difficult year of separation from
2 friends and in person school.

3
4 We also offer housing counseling and eviction
5 prevention programming. And as we draw closer to the
6 end of the statewide eviction moratorium, we
7 anticipate an increase of neighbors needing housing
8 support.

9 In short, emerging from COVID will be a time when
10 the city will rely on nonprofits even more. In
11 nonprofits like University Settlement act as
12 [INAUDIBLE 6:12:23] and times of economic uncertainty
13 and catalyst spur economic recovery.

14 Fulfilling its indirect rate commitment is the
15 bare minimum of what the city should do to support
16 nonprofits. We are asking the city to honor a
17 commitment for reimbursement that it made, so that we
18 along with so many other community based
19 organizations can focus on providing the services
20 that we know our neighbors need.

21 We are asking the city to -

22 SERGEANT AT ARMS: Expired.

23 VERONICA WONG: To value the care and service
24 that we give. Looking forward, we also ask that any
25 future RFP's respect the labor expertise and

1
2 dedication of nonprofits by including a reimbursement
3 rate that more accurately reflects the cost of
4 running community programming.

5 Under funding human services contracts come at a
6 direct cost for communities most impacted by COVID-
7 19. Due to income inequalities, structural racism,
8 agism and ablism. It hampers our ability to bridge
9 any gaps of care or education that has been
10 exacerbated by this crisis. And it will lead to a
11 more unequal New York at a moment where we can choose
12 to remake the city into one where all, no matter
13 income or assets possessed can thrive.

14 Thank you so much for your time and your support
15 for nonprofits and human service organizations.

16 CHAIRPERSON DROMM: Thank you very much and don't
17 forget homophobia too and its impact during the
18 pandemic. I appreciate that and uhm, I forget now
19 what I was going to say to you.

20 Anyway, thank you for coming in, I appreciate it
21 very, very much.

22 VERONICA WONG: Thank you. It's been a long day.

23 CHAIRPERSON DROMM: It's been a long day, yes.

24 COMMITTEE COUNSEL: We will now hear from Chicago
25 Crosby followed by Eileen V.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 293

2 SERGEANT AT ARMS: Time starts now.

3 CHICAGO CROSBY: Good afternoon. My name is
4 Chicago Crosby. I am a Canner. That means I collect
5 and redeem bottles and cans to earn income. I am
6 also the Co-Chair of the Board of Directors of Show
7 We Care. New York City's only nonprofit organization
8 dedicated to serving the canning community.

9 Our mission is to uplift and empower marginalized
10 people by providing services, support and
11 opportunities that many simply aren't able to access
12 otherwise. We also serve the needs of the broader
13 community and the planet.

14 In 2020, we distributed over 100,000 face masks
15 in Bushwick the Bed-Stuy and Williamsburg areas and
16 diverted more than 10 million bottles and cans from
17 the way stream that otherwise would have ended up on
18 our streets, in our landfills or in our ocean.

19 COVID-19 has been an unprecedented trial for all
20 New Yorkers and has had a disproportionate impact on
21 already marginalized people. I would like to praise
22 the dedicated, determined and passionate elected
23 officials and government officers and workers who
24 have done so much to keep our special city alive
25 during this terrible crucible. Thank you all.

1
2 But you can't do it all alone. Now more than
3 ever, New York City needs organizations like Sure We
4 Can. We are here and ready to work with the city
5 government to support communities in crisis. During
6 the pandemic canners incomes were decimated. Sure We
7 Can has been a refuge for the communities hardest
8 hit. Low income, minority and immigrant groups in
9 partnership with the city test and trace program. We
10 distribute PPE, provide multilingual education
11 material about COVID-19 and serve as a testing site
12 in addition to distributing food and warm clothing to
13 those in need.

14 Through it all Sure We Can has been and continues
15 to be a pioneer in the circular economy.

16 SERGEANT AT ARMS: Time.

17 CHICAGO CROSBY: Merging environmental awareness
18 with economic empowerment and yet we find our work
19 and livelihood under threat by the gentrifying forces
20 with which most New Yorkers are all too familiar.

21 At our center where we have worked for over a
22 decade to build trust, community and the capacity to
23 serve. We face eviction if we cannot purchase our
24 lot. As a small organization, built from the ground
25 up by canners, determined to transform their

1
2 situation, we don't have resources or connections to
3 purchase the lot out right. So, we are asking the
4 city for help.

5 We have heard that capital funding cannot be
6 provided without three consecutive years of over
7 \$50,000 in direct city contracts and yet, there is no
8 existing city contract for the crucial work that we
9 have been performing for over a decade.

10 Though other organizations have received
11 exemptions to this requirement, we have been refused
12 without justification. So we ask, will the New York
13 City government allow us to collapse and simply for
14 the sake of bureaucratic red tape.

15 I thank you. I appreciate the opportunity and
16 thank you for listening.

17 CHAIRPERSON DROMM: Thank you very much and I
18 think Sure We Can is a great organization. How much
19 is the purchase of the land? I can't hear you; you
20 are on mute. Still can't hear you.

21 CHICAGO CROSBY: \$2.6 million and we replied.

22 CHAIRPERSON DROMM: Okay, alright and uhm, uh,
23 okay. I would love to follow up with you on that
24 okay.

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2 CHICAGO CROSBY: Would be ready and willing to.

3 Thank you sir.

4 CHAIRPERSON DROMM: Alright, thank you very much.
5 I appreciate you coming in.

6 CHICAGO CROSBY: Thank you.

7 COMMITTEE COUNSEL: We will now hear from Eileen
8 V followed by Lakshmi Sammuganathan.

9 SERGEANT AT ARMS: Time starts now.

10 EILEEN V: Hello, my name is Eileen V., I am a
11 resident of Astoria Queens and a member of New York
12 City DSA, the Democratic Socialists of America, which
13 has more than 7,000 member in New York City fighting
14 to defund the NYPD, tax the rich and build an economy
15 organized for public good instead of private profit.

16 I am here today to testify that the Preliminary
17 Budget falls seriously short of my needs, the needs
18 of my loved ones, my community and my city. Budgets
19 are moral documents and are clear statements of our
20 city's priorities.

21 In a time when millions are facing the pandemics
22 combustion of existing social issues like food,
23 housing and healthcare insecurity, the Preliminary
24 Budget proposes to cut even more lifelines to
25 residents that are going through indescribable pain

1
2 and suffering in this very moment. While the NYPD
3 gets more money to continue to pull these poverty
4 communities of color.

5 Instead of adding costs to subways, we should be
6 investing in mental health services that address the
7 roots of this unfortunate [INAUDIBLE 6:19:03].

8 Instead of hiring more SSA's, we should be investing
9 in our children's futures by providing them with the
10 internet access that they need and the tech necessary
11 for them to continue their education.

12 From a personal perspective, the police have
13 never helped me. When I was a teenager and an early
14 driver, I got stopped by a traffic officer and had a
15 gun pulled to my head when I tried to get out of the
16 car to talk to the officer.

17 I thought he wanted to talk to me and he thought
18 I was trying to hurt him. That is the first time I
19 realized that police only see threats and not people
20 and certainly not kids. I will never forget the
21 feeling of horror and confusion that that moment
22 caused me. When George Floyd was murdered, I knew
23 why and I had to protest and when I marched this
24 summer alongside tons of thousands of my New Yorkers,
25 they beat and arrested us for simply exercising our

1
2 first amendment rights. Every single time it was the
3 NYPD who escalated. Every time it was the NYPD who
4 introduced violence. Police don't see us as people,
5 police see us as a threat and at the times of
6 greatest need, they continue to put us in danger and
7 kill us.

8 Seeing first hand of the NYPD's hatred, fear and
9 contempt has taught me that the police cannot be
10 reformed through trainings, body cameras or -

11 SERGEANT AT ARMS: Time expired.

12 EILEEN V: Thank you so much. I implore you to
13 consider what the city needs. The city needs to be
14 focused on its people. The city needs to invest in
15 its people. That is it needs to invest in its city
16 workers. It needs to invest in its students. It
17 needs to invest in its parents and our communities.
18 Thank you so much Council Members and Chairman Dromm
19 for your time. And I would like to thank my City
20 Council Member Jimmy Van Bramer for his work. I
21 really support him and I thank him for his work and I
22 hope his successor follows along the same road.
23 Thank you.

24 CHAIRPERSON DROMM: Thank you. Okay, let's go to
25 our next witness.

1 COMMITTEE ON FINANCE JOINTLY WITH THE SUBCOMMITTEE
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2 COMMITTEE COUNSEL: We will now hear from Lakshmi
3 Sammuganathan followed by Basia Osowski.

4 SERGEANT AT ARMS: Time starts now.

5 LAKSHMI SAMMUGANATHAN: Good afternoon everyone,
6 my name is Lakshmi Sammuganathan. I am the Policy
7 Fellow from the Coalition of Asian American Children
8 and Families. I want to thank Chairman Dromm for his
9 time and the member of the Committee on Finance for
10 holding this important hearing and giving us all the
11 opportunity to testify.

12 Since 1986, CACF has been the nation's only Pan
13 Asian Children and Families Advocacy organization
14 that leads the fight for improved and equitable
15 policies, systems, funding's and services to support
16 vulnerable community members in need. CACF also
17 leads the 15 percent and growing campaign which is a
18 group of over 45 Asian led and serving organizations
19 across New York City that works together every single
20 year to ensure that New York City's budget protects
21 our most vulnerable Asian Pacific American New
22 Yorkers.

23 Our campaign members employ thousands of New
24 Yorkers and serve hundreds of thousands of New
25 Yorkers every single year across all five boroughs.

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2 Currently, the Asian Pacific American community in
3 New York City is also by percentage the fastest
4 growing population nearly doubling every decade since
5 1970 and making up more than 15 percent of the
6 population.

7 Unfortunately, current levels of public funding
8 remain disproportionate to our communities growing
9 population and experience of needs. For example,
10 last year, we only received less than five percent of
11 City Council funding and less than 1.5 percent of
12 social service contract dollars despite our
13 communities vast growth and needs.

14 COVID-19 has also left a devastating impact on
15 the Asian Pacific American community in New York by
16 exacerbating systemic challenges that were already
17 plaguing our communities prior to the pandemic. For
18 instance, Asian Americans have experienced the
19 largest increase in joblessness of all major racial
20 groups in New York City with an unemployment rate of
21 25.6 percent as of May 2020. Nearly 50 percent of
22 all APA's in New York City have lived in the hardest
23 hit areas during the pandemic. Asian Americans are
24 also two times more likely to test positive for
25 COVID-19 than their White counterparts in New York

1 City, yet less likely to be tested at all and of
2 course, over the past year, Asian Americans have
3 experienced –

4 SERGEANT AT ARMS: Time expired.

5 LAKSHMI SAMMUGANATHAN: A 1,900 percent increase
6 in hate crimes in New York City.

7 So, with that in mind, what we are asking is for
8 City Council to commit to expanding funding to our
9 community based organizations that have been critical
10 lifelines to our most vulnerable community members
11 amid the pandemic.

12 CHAIRPERSON DROMM: Thank you for that powerful
13 testimony. We really appreciate it, it's an issue
14 that's been very close to my heart and I think since
15 I have been in the Council, all 12 years now or the
16 12th time.

17 You know, I have been supportive of what was then
18 called 12 percent growing, now 15 percent and
19 growing. So, thank you for that testimony and we
20 need to continue to raise people's awareness about
21 support for Asian and Asian led organizations. Thank
22 you.

23 COMMITTEE COUNSEL: We will now hear from Basia
24 Osowski.
25

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ON CAPITAL BUDGET AND THE COMMITTEE ON CONTRACTS 302

2 SERGEANT AT ARMS: Time starts now.

3 CHAIRPERSON DROMM: Basia, are you there?

4 COMMITTEE COUNSEL: They have been unmuted but it
5 appears that they might have stepped away from the
6 device.

7 CHAIRPERSON DROMM: Okay, let's come back if they
8 come back and we will go to the next witness.

9 COMMITTEE COUNSEL: This is our last panelist
10 Chair.

11 CHAIRPERSON DROMM: Oh, okay.

12 BASIA OSOWSKI: Hello?

13 CHAIRPERSON DROMM: Yeah, you there?

14 BASIA OSOWSKI: Yes, this is Basia.

15 CHAIRPERSON DROMM: Okay Basia, you want to go?

16 BASIA OSOWSKI: Yes, hi. Good afternoon
17 everybody. I just would like to know that uhm I came
18 a long, long time ago and a press conference and I
19 did see an opportunity to help my family overseas.
20 So, I develop on my career as a registered nurse from
21 Thailand and I saved my money to buy the medallion
22 and unfortunately because of the crash and the
23 predatory loans which was approved by the city. In
24 2018, my medallion was seized and you know, I am not
25 any more young kid, I am senior citizen. And you

1
2 know, we didn't have any retirement plan. That was
3 our retirement plan you know. I pay - last time I
4 pay in 2018 in April when the seized the medallion
5 and now they try to go after my house and I am really
6 on the edge. Totally on the edge.

7 You know, hopefully the city is going to help us
8 to go from the problem with the union proposed.
9 Because actually you don't have - the city do not
10 have any resources, most of the guys plan to drive.
11 But these days, the last time the mortgages was like
12 \$3,500, especially now with the pandemic time, it's
13 almost impossible to make maybe \$100. Plus, you have
14 insurance. Plus you have -

15 SERGEANT AT ARMS: Time expired.

16 BASIA OSOWSKI: Expenses of car. So, hopefully
17 somehow we are going to be helped. And uh, the city
18 will start to look into that problem. Why such a
19 great industry become [INAUDIBLE 6:27:12]. Thank
20 you.

21 CHAIRPERSON DROMM: Basia, are you a member of
22 the Taxi Drivers Alliance?

23 BASIA OSOWSKI: Yes, yes, I am.

24 CHAIRPERSON DROMM: Okay, very good.

1
2 BASIA OSOWSKI: [INAUDIBLE 6:27:29] that you
3 know, we don't sleep at night, especially the older
4 generation. You know, because we are just waiting
5 when they are going to knock on the door and put the
6 sign on the house for sale and this is not right. We
7 are really in need for God Sake. You know everybody
8 who came from the other side, that wanted the
9 American dream. To help the family, to raise family
10 be here. You know, I put through college my
11 daughter, she become successful and now she is going
12 to be with me on the streets.

13 So, uh, hopefully we are going to get better.

14 CHAIRPERSON DROMM: Well, I don't know if you
15 heard me earlier but I do want to work with you and
16 support your efforts and I think that what has
17 happened to our cab drivers here in the city is very
18 you know, very horrible and uhm, my heart goes out to
19 you and uhm, we look forward to supporting you and
20 hope that you can sleep better at night, you know.

21 BASIA OSOWSKI: I don't know but you know, it's
22 really hard and all of us got the same problem. So,
23 it would be nice the agency can work with our credit
24 and with our union.

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2 CHAIRPERSON DROMM: Absolutely. Well, thank you
3 very much for coming in.

4 BASIA OSOWSKI: Thank you very much. Thank you.

5 CHAIRPERSON DROMM: Thank you very much.

6 Counsel, am I correct that that is our last witness?

7 COMMITTEE COUNSEL: Yes, that is correct Chair.

8 CHAIRPERSON DROMM: Okay, thank you very much and
9 I want to thank everybody. I want to thank our
10 Sergeant at Arms for the fantastic job that they have
11 done and I want to thank our Finance Committee team
12 for the work that they have done. This has been a
13 great opening to the budget season, so to speak and I
14 look forward to continue the work as we move down.

15 I want to thank also my Co-Chair Helen Rosenthal.
16 I look forward to continuing to work with you and we
17 will see you all at the next budget hearing.

18 And with that, this meeting is adjourned at 4:38
19 p.m. in the afternoon. Thank you very much [GAVEL].

20 [DOGS BARKING]

21 Next time I am just going to use the dogs instead
22 of a gavel. See you all later, thank you.

23 SERGEANT AT ARMS: Thank you Chair Dromm.

24 CHAIRPERSON ROSENTHAL: Bye all, thank you so
25 much. Chair Dromm, you were amazing. I am in awe,

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2 just in awe, that was terrific. Sorry, I am
3 multitasking.

4 CHAIRPERSON DROMM: You are very kind thank you.

5 CHAIRPERSON ROSENTHAL: That was great. Okay,
6 take care everyone.

7 CHAIRPERSON DROMM: Alright, thank you everybody.

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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 April 5, 2021