



OFFICE OF THE MAYOR

Stephanie A. Miner

January 30, 2017

2017 Joint Budget Hearing

Local Government Officials / General Government

Hearing Room B – Legislative Office Building

Good afternoon. I want to thank committee chairs Senator Catharine Young and Assembly member Denny Farrell for convening this hearing. I am also grateful to the other members of both the Assembly Ways and Means Committee and the Senate Finance Committee, especially those who are in attendance today, for this opportunity to testify. And I want to specifically thank every member -- both Senate and Assembly -- who have steadfastly fought for, and won, critically-needed increases in funding for education and infrastructure. Our state is a better place as a result of your tireless advocacy. Thank you.

I represent the fifth most populous city in the State of New York with nearly 145,000 residents. Syracuse has a proud 170-year long history. From the Erie Canal to Syracuse University to Upstate Medical Center, the Salt City has been home to world-class institutions served and supported by some of the most welcoming, industrious individuals you will ever have the pleasure to meet. But Syracuse has and continues to face serious challenges. We are a poor city. More than forty-five percent of our children live in poverty and we have the highest concentration of black and Hispanic poverty of any city in the nation.

I would like to take this time to thank the Legislature for their efforts to increase school aid and fight to add more money for infrastructure in the budget. I also encourage them to continue the fight to fully fund local schools in accordance with the Campaign for Fiscal Equity. Stand up for the children of New York and deliver the approximately \$4.3 billion owed to public schools.

I. Reform

It is customary to use this time to plead for additional state aid. Last year, I largely broke with that tradition to address some different issues. First, I spoke to you about corruption and its corrosive influence on our democracy. And second, I raised issues related to how the state allocates its economic development resources. Sadly, since I last appeared before you, the headlines have been dominated by the intersection of these two issues: corruption in our state's economic development programs. Those headlines are what we get when we don't ask tough questions, demands answers, or holds the powerful accountable. The result is personal greed eclipsing the public good; followed by corruption, scandal, and further erosion of the public trust.

In Central New York we have felt acutely the effects of this corruption while at the same time reaping the rewards of principled economic development. This principled approach has resulted in \$1.5 billion in economic development during my tenure while at the same time ensuring local hiring requirements to put our most marginalized citizens to work. We have watched the Hotel Syracuse be re developed, a cornerstone of downtown restored with hundreds of local jobs created and the goodwill of our community to carry it forward.

I have been a consistent promoter of a radical idea: that tax breaks for developers must be balanced with a commensurate public benefit.

But there is a problem at the heart of our democracy in New York. Corruption of our state's economic development programs is the symptom of a more systemic problem, a government that has become increasingly insulated from the will of the people.

A government that seeks to limit voting rights, while protecting the right of LLC's to influence our laws.

A government that forces consolidation on local communities while refusing to provide mandate relief.

A government that promotes ribbon cuttings while neglecting sustained investment in our shared infrastructure of opportunity; our schools, roads, and water mains.

II. Government Reform

We must provide the foundation for a healthy democracy to flourish. Just two weeks ago, I again travelled to Albany, joined advocates supporting Common Cause's agenda, and advocated for critically needed reforms, including: closing the LLC loophole; comprehensive contracting oversight; and modernizing our elections.

New York State law treats limited liability companies as individuals, as opposed to corporations, subject to the much higher contribution limit. This "loophole" allows companies to wield outsize influence, drowning out the voice of average voters. For instance, an LLC can give \$60,800 to a statewide campaign while an individual is capped at only \$5,000. This allows special interest groups to funnel hundreds of thousands of dollars to individual candidate by circumventing individual donation limits. The consistent increase in LLC giving and the role it has played in recent high profile corruption cases has called into question whether government is truly acting in the people's best interest. All across the State I talk with average people who are concerned that government only works for those who can contribute the most money to campaigns. Our New York State leaders should answer that question emphatically by closing the LLC loophole. I have unilaterally decided to forgo campaign contributions from LLC's and I challenge each of you to do that today. As I'm sure you are aware, last year, multiple high level officials in the Governor's office were arrested for rigging economic development contracts worth more than \$780 million. Central New York has been at the center of this alleged scheme and unfortunately been a victim of this lack of oversight.

I am here to support five clean contracting reforms that will help to make our democracy more responsive to the people of this State.

1. Require competitive and transparent contracting for the award of state funds by all state agencies, authorities, and affiliates. Use existing agency procurement guidelines as a uniform minimum standard.
2. Transfer responsibility for awarding all economic development awards to Empire State Development Corporation (ESDC), and end awards by state non-profits and SUNY.
3. Empower the comptroller to review and approve all state contracts over \$250K.
4. Prohibit state authorities, state corporations and state non-profits from doing business with their board members.
5. Create a 'Database of Deals' that allows the public to see the total value of all forms of subsidies awarded to a business – as six states have done.

While we must curtail the influence of money and special interests on our democracy, we must also do what we can to increase the influence of the average citizen.

III. Electoral Reform

A Common Cause/NY report "Election Administration: How Does New York State Compare?" evaluates NY State election policies in relation to the 19 recommendations made by the bipartisan Presidential Commission on Election Administration. The report rated New York at a D- and concluded that New York's laws were some of the weakest in the Country.

Early Voting and Automatic Voter Registration are two simple yet effective means to improve access to our democracy. Early voting has already been proven to increase voter participation and is available in 37 states. I urge the Legislature to pass these reforms.

I also endorse the set of recommendations made by Common Cause New York similar to the Presidential Commission on Election Administration. The following recommendations would improve voting rights and the voter experience across the state:

- Modernize voter registration by making the process electronic and portable
- Shorten the deadline for registration to ten days before an election
- Allow pre-registration of voters aged 16 and 17 years
- Adopt a two-week period of early voting, including two weekends with sufficient public notice
- Transition to electronic poll books
- Revise ballots to make them more easily understandable to both poll workers and voters
- Upgrade poll worker recruitment, training, and standards to ensure effective poll site staffing

IV. Local Government

I would like to take a moment to address the Countywide Shared Services Property Tax Savings Plans Initiative included in the Governor's proposed SFY 2017-2018 executive budget as well as the Municipal Consolidation and Efficiency Competition included in last year's budget.

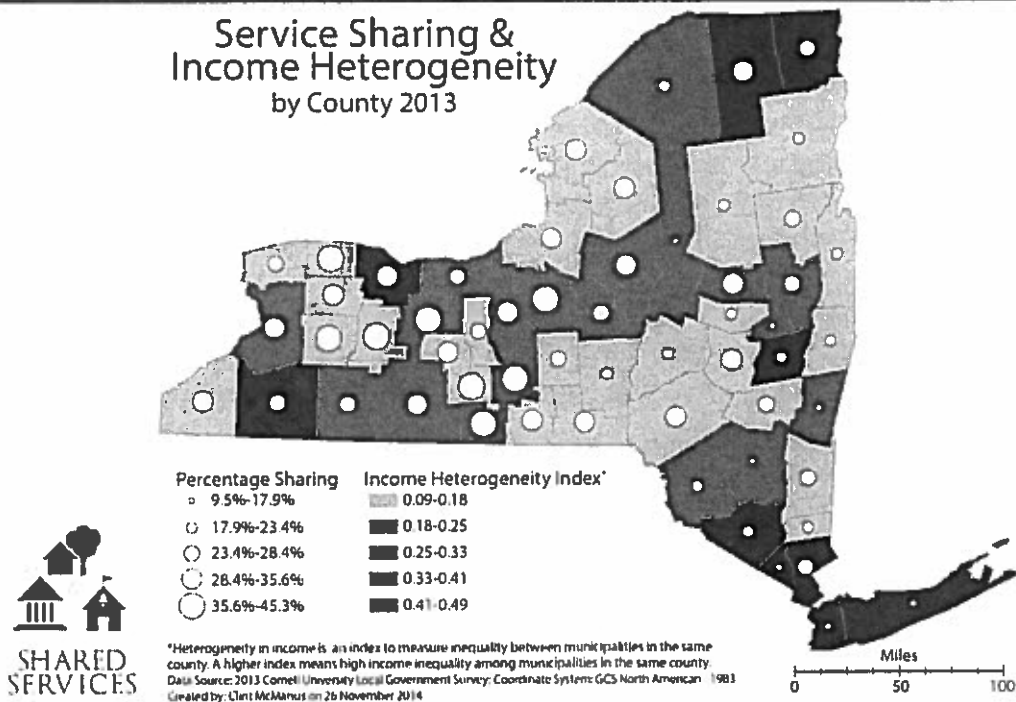
The first point I'd like to make is that many, if not most, local governments, including the City of Syracuse, are already sharing services. According to a study by Dr. Mildred Warner of Cornell University, New York State is already a leader in shared services. We have taken concrete steps over the past seven years to consolidate purchasing, consolidate mail services, and the implement of PeopleSoft for shared financial management platform. In fact I was recognized by Governor Cuomo during his 2014 State of the State address for the City's efforts in attempting consolidation.

"And there is a ray of hope because there are local leaders who are stepping up to the plate and I would like to take a moment to recognize the great Onondaga County Executive Joanie Mahoney and the Mayor of Syracuse Stephanie Miner who are working together. They are working together to see if they can achieve consolidation and shared services between Onondaga county and the city of Syracuse. We wish them well and we hope other leaders follow their example because that is exactly the right course. Thank you very much County Executive and thank you Mayor."

NY Municipalities Less Likely to Share Across Difference

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Service Sharing & Income Heterogeneity by County 2013



Shared Services, Qian and Warner (2014)

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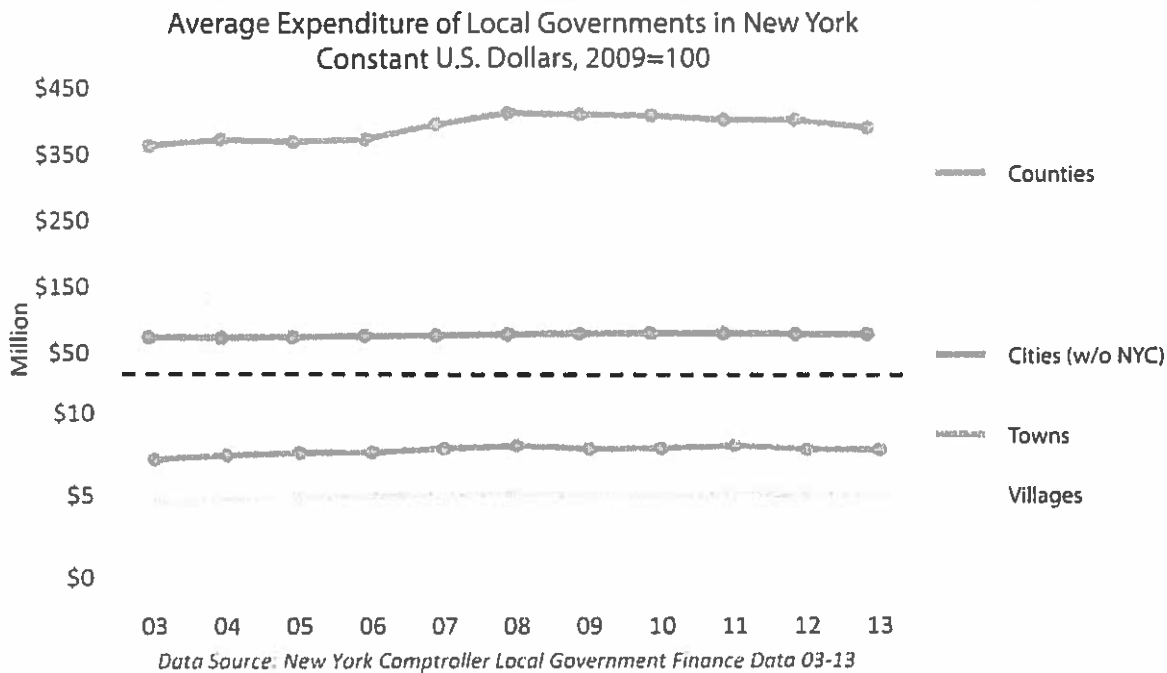
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Research and findings under the direction of Dr. Mildred Warner, Department of City and Regional Planning

Second, and most importantly, while sharing services and finding efficiencies is imperative, the data overwhelmingly points to unfunded state mandates as the root cause of the local property tax burden and the significant constraints on local government's budgets. Despite promises of mandate relief from this administration, and the appointment of a "Mandate Relief Redesign Team" by the Governor in January 2011, as well as the Financial Restructuring Board for Local Governments in 2013, we have yet to see any real progress in the one area that would have a real effect on local governments' bottom line.

Local Governments *are* controlling expenditures

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Changing the Narrative

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What Happened to Mandate Relief?

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- NYS has the highest level of state *decentralization* of fiscal responsibility of any state in the nation.
 - 64% of all state and local expenditures are handled at the local level in NYS! (2nd highest in the nation)
 - 83% of education expenditure is local (1st in nation)
- These are primary drivers of high local property taxes in NYS

State	State Decentralization	Local Share of Education Funding
NY	0.64	0.82
PA	0.51	0.72
NJ	0.53	0.73
CT	0.47	0.73
MA	0.43	0.70
VT	0.38	0.62

US Census of Government Finance, 2012

Changing the Narrative

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I also want to take this opportunity to strongly endorse the Home Stability Support (HSS) program championed by Assemblyman Andrew Hevesi. The proposal will help many housing vulnerable individuals; specifically those who face eviction, are homeless, or face loss of housing due to domestic violence or hazardous living conditions. The Home Stability Support program would keep these individuals in their homes by creating a new statewide, comprehensive rent supplement replacing all other existing supplements. Not only would this proposal help stabilize vulnerable populations; it could also save the state and local governments by reducing our reliance on shelters and other costly homeless services. I strongly urge the members of this committee to support this proposal.

Finally, I want to express my strong support for expanding ride hailing services outside of New York City. Doing so will help our local economy grow while making our streets safer for all.

Thank you again for your time today.