



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

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CONTACT: pressoffice@cityhall.nyc.gov, (212) 788-2958

**RUSH TRANSCRIPT: MAYOR DE BLASIO TAKES QUESTIONS ON FISCAL YEAR 2017
PRELIMINARY BUDGET**

Mayor Bill de Blasio: So, again, we'll take a host of questions. If they get particularly detailed or technical, we'll save that for the technical briefing after. Let's lift off on our questions.

Courtney?

Question: Mr. Mayor, is there a PEG program? Some people – some council members – 24 of them, to be exact – have said that you need to save more, you need to cut, which is surprising coming from the Council, you don't normally hear that argument. So, are there cuts in this budget? If so, how much? And, if not, why?

Mayor: So, look, there's savings for sure in this budget. There are some things that we chose not to continue. We talked last year about the summer after school program, which is something we had thought was a good thing but wasn't necessarily a priority we could devote to, so that's not in here. But in terms of a potential program – a PEG program, I should say – that's something we are looking at seriously, and that is something that will be a relevant discussion leading up to the executive budget. We didn't feel that was appropriate for this point, but we are seriously considering it for the executive budget.

Question: Can you describe what those savings are in more detail? You said there are savings –

Director Dean Fuleihan, Office of Management and Budget: On the chart, once again, it's over a billion dollars, and we can go into more detail. I mean, the mayor identified one – there are significant – about \$400 million in debt financing savings, different interest rate assumptions. There are other savings in there – I'm happy to – you know, we're happy to go through them. For example, we – in the epidemic – with significant benefits from moving people out of shelters, into permanent housing, and those actually have serious savings – they roughly will account to about \$20 million dollars.

Question: Mr. Mayor, [inaudible] or Dean – I don't know – how much of the savings was driven by agency savings?

Director Fuleihan: About half of it is agency and half of it is debt service.

Mayor: Yes?

Question: Mr. Mayor, you've announced the number of homelessness programs – it looks like the DHS numbers are not changing too much, but it looks like HRA from last year's executive budget has increased about \$400 million dollars – is that right? And are most of these programs going to be run through HRA?

Mayor: I think it's a mix in terms of what we've done in the last budget and this – but Dean, you can speak to –

Director Fuleihan: I'd like to clarify – I don't see \$400 million. There are significant increases in both DHS and HRA. It's one of the significant areas, and it's about \$100 million dollars in this presentation, but we'll get you – since the beginning of the administration for this year, it's about \$300 million. So, some of that may actually be Medicaid money. So, because HRA is where the Medicaid dollars flow through, so, we'll have to go into more detail for you on that.

Mayor: Jillian?

Question: Mayor, there's significant money in this budget for Rikers Island [inaudible] you've already invested a lot [inaudible]. I'm wondering what kind of return on that investment you feel you paid for – and I know you'll be hiring a lot of new officers – I'm wondering where the conversation is on building a new training academy?

Mayor: So, a few different points there – yes, we are seeing a return on our investment, because in the facilities where we implemented the new strategies, violence has gone down markedly. So, we are very hopeful here. We see a lot of new leadership emerging from the staff. We are very excited to bring in a new generation of officers who have been trained in a much different way, screened in a much different way. Look, it would have been better for the City of New York for these issues to have caught, you know, five and ten years ago, and dealt with more foundationally, but I'm convinced that these initiative are working. It's going to take time. This is one where I'm not promising people a rose garden – this is a tough, tough situation. But it is – there's clearly progress, and we're going to keep investing until we get it right. In terms of the training academy, that is something we intend to resolve shortly. It certainly has to be resolved. We want a good facility, but there's still a few more decisions that have to be clarified before we can make our final determination. I think that's something – exec, right – we expect to be resolved by the exec.

Question: On uncertainty regarding the state budget – it seems like you've been in a bit of roller coaster where after the governor's speech it looked like the city was going to be hit with \$800 million dollars in extra payments for Medicaid and CUNY. Now, you're saying we don't actually need to worry about that – you're been assured that that's not –

Mayor: I'm not saying we don't have to worry about it. I'm saying I am taking the governor at his word, and I will hold him to that word. And I think a lot of other people – the Council, and, you know, I think legislators, I think a lot of people all over the city feel the same way. He said he wants to find collaborative process to find reforms and savings. That's something we would always be happy to engage in, but we cannot accept a cut that would undermine the education of our young people or the healthcare of our people. So, you know, we'll work in good faith, and we'll work from the assumption – given what he said – that we do not have to lay out what almost a billion dollars in cuts would mean for the people of New York City. If anything changes, we'll certainly speak to it.

Question: Has he given you any personal assurances? Or you're just basing that on his –

Mayor: No, no, I've spoken to him several times about it, and you've heard his public assurances. So, again, I'll take him at his word like any other of our partners in different levels of government – we'll hold them to their word.

Yes?

Question: The state budget proposal also includes another element that would impact New York City that the governor didn't specifically talk about last week. The state would take the savings that the city achieved from a refinancing of its debt on the bankruptcy decades ago. Are you assuming that that is not going to happen?

Mayor: No, that's something – look, we need to have a lot more conversation with the state about that. We do not like the look of that and we don't think it's appropriate, but it's something we need to talk through. There may be a solution. As we've, you know, found a potential solution here on these other things, there may be a solution there as well. So, we'll continue conversations with the state, and I'll certainly have more to say when we get to our budget testimony.

Question: [inaudible] has the governor made the same promise that he made publicly –

Mayor: To be fair, I have not spoken to him about that issue, per se, and I look forward to doing so.

Question: Were you aware of it?

Mayor: I was aware of many things in the budget at the time of its publication and not before. So, as we have – and we've been very clear about the fact that we, like other years, have been going through the state budget with a fine-tooth comb, finding some areas that were not evident at first, finding some areas where we still need substantial answers. So, we're doing this in stages. We've got 10 weeks, thankfully, until the final decisions. But that's an area, again, where I'm looking forward to talking to him directly. Let me give other people a chance – go ahead.

Question: Maybe this is being overly simplistic, but you have all the increased expenditures and investments – is there anything on the other side of the ledger? Maybe tax increases?

Mayor: No. I'm glad you asked – no, no, I've been very committed since I became mayor to not raising property taxes. We are not raising property taxes again. We are protecting against an increase in property taxes by the way we're handling our fiscal dynamic, whether it's the labor contracts, the healthcare savings – you name it – all the things we're doing for fiscal discipline. And, obviously, by having strong reserves, we're protecting against future property tax increases. So, this is a real bottom line for me – I want to do everything I can to avoid my fellow New Yorkers having to experience a property tax increase.

Yes?

Question: You're investing a lot more in the public healthcare system [inaudible] Staten Island doesn't have a public hospital, and local elected officials have been pushing the city to invest in RUMC's emergency room, for example, because of the need on the borough. Is that something that you're going to consider, going forward? Have you thought about the healthcare system on Staten Island?

Mayor: I think we're going to have to wrap that into this bigger discussion. Clearly, I'm aware of the disparity, and I'm concerned about it, and have been – Dr. Raju happens to live on Staten Island, so he understands it personally and directly. This is a long-standing issue that we have to do something to address. That being said, we're also going to have to do a lot of other big changes at the same time. So, an atmosphere where the finances of HHC are deeply stressed is a tough time to try and address historic inequities, but there may be a way to creatively do both at once, and we'll be looking for that.

Yes?

Question: Mr. Mayor, you warned of some economic risks facing the city during your preliminary budget presentation last year. How much more concerned are you about the risks you face this year? And are the reserves you set aside enough?

Mayor: I'm a lot more concerned than I was this time a year ago. Let's go over the facts – you know, someone will have to give me the exact moment when ISIS became, you know, an international front-page non-stop issue, but a year ago we certainly didn't feel the effect of terror the same way we do today in terms of global consciousness and economic confidence. These movements in the stock market – obviously, China – that's happened in the last year, but even some of what we've seen here at home. The slowdown in growth in some of the leading economies is much more pronounced than what we were seeing a year ago. So there's a lot to be concerned about, and then let's also face it – we've tried to be honest about economic cycles. Each “recovery” – I always like to frame it that way, because it has been a very questionable recovery – but each recovery has a time span. And we are at a very mature point in that time span compared to previous recoveries. We're well past the average point at which a recovery turns back to a recession. That alone should concern us. So yes, I'd say – I'm more concerned than I was a year ago. Dave?

Question: And do you think the reserves that are set aside are sufficient, given that level of concern?

Mayor: I do, because they're the most substantial reserves the city has ever had, because they're coupled with a series of other actions. Again, if we were just talking about reserves in isolation, that would be one thing – but we're not. We're talking about the continued healthcare savings, we're talking about the work we've done on the labor front. Again, we're going to be looking at the executive budget in terms of the question of agency savings. There's a lot of other moving parts to the equation, so I feel we have struck the right balance. You know, the trick here is we have to protect against future dangers while continuing to build our economy, and obviously addressing the quality of life and the needs of New Yorkers. When we build our economy, that brings in revenue – right, so I want to be clear. This is a very complicated equation. All that new growth in the tech sector, all that new tourist activity, all those new jobs are benefitting not only the city economy and the people of the city, but they're benefitting the coffers of the city and allowing us to be stronger against any potential downturn. So it is a balance that has to be struck, but we think these investments are right for maximizing our economic potential, and the reserves are very substantial. Now again, I showed you a scenario for the Great Recession: that kind of hit would strain us particularly. That was worse than any other recession, you know, the only thing that was greater was the Great Depression itself. So again, we think \$5 billion is a very healthy number given a typical – if you'll forgive the phrase – a typical economic downturn. Dave?

Question: [inaudible] related to that question, and I don't mean this in a pejorative way at all, but there's not a lot of drama in the budget. And I wonder if, in light of your concerns about the economy, the fact that the state budget was rather splashy with a lot of [inaudible] from Governor Cuomo, that you consciously – that boring is good?

Mayor: Yeah, boring is good sometimes. Look, every year is different. The state has a different reality than the city, obviously. We are very confident in what we put in place in the first two years. I think this is something you will see throughout 2016. A lot of what we're focused on is moving the agenda we started in the first two years: the affordable housing plan, the Equity and Excellence agenda for our schools, etcetera. The big pieces obviously, the neighborhood policing plan – I mean, we don't need to always have splashy new things when we feel that the choices we've made are going to have a huge impact if we implement them right. So this year's going to be a lot about implementing the pieces that are already underway and making sure they reach people – Vision Zero, obviously. We don't need a new Vision Zero, we need to take the one we have and keep deepening it. So the boring part is – and it's a good boring, I agree with your assessment – lots of reserves, lots of fiscal caution, and what I'm saying to you – I have a witness in Dean Fuleihan – I say variations of this essentially in every budget meeting we have. I am the nay-sayer in the room, in the sense of always cautioning that we have to prepare for an economic downturn. And I believe that is the right way to approach it, and God forbid that day comes, when we're able therefore – because we [inaudible] into reserves and we made a series of other tough choices – to continue services to the people of this city: keep our cops on the street, and keep providing education in our schools, and all the other things people need, and we avoid a property tax increase. That prudent strategy will pay off, that's the way I look at it. Henry?

Question: You [inaudible] the presentation with this chart of the inequality –

Mayor: Yep.

Question: [inaudible] most of the income increases going to the top [inaudible] –

Mayor: Yep.

Question: [inaudible] but in spite of all this [inaudible] you don't seem to be talking about a tax on the wealthiest anymore. Have you abandoned that belief that the wealthiest should be paying more taxes to support [inaudible]?

Mayor: What do you take me for, sir? Henry, Henry, Henry.

Question: [inaudible] about it.

Mayor: I think my belief structure is quite intact. I've spoken a lot about the need to make changes where they would be most valuable, at the federal level. We have to have a more progressive taxation system, we need to implement the Buffett rule, we need to implement the – you know, close the carried interest loophole. The candidate I'm supporting for president would do those things. And I think we're certainly going to look at the state picture in terms of what New York City needs in terms of revenue, going forward. But I'm also realistic about the fact that this is not a year to pursue that particular initiative in Albany. We want to focus on something that we think is exceedingly important, and one of the – we think the number one tool for getting people out of poverty and addressing income inequality is raising the wage to \$15 dollars an hour. That has a real chance of passage in Albany in the next six months. That's what we're going to focus on. Other opportunities we will leave to the future.

Question: Mr. Mayor, the comptroller has been outspoken about his belief that there should be about 12 to 18 percent of the city-operated budget in the reserves. [inaudible] I'm just wondering – you know, I know that reserves are at an all-time high, but in terms of a percentage of the budget – you say yourself in this document that the city blew through \$7 billion dollars in under two years, so how confident are you that [inaudible]?

Mayor: Again, based on what we know today, I'm confident. We'll always keep looking at the situation, but I'm confident that this is the right figure for what we have now – why? Because we have to strike a balance of – I've had this conversation with the comptroller. I met with him earlier today. I respect his position. I think we have some real difference on how we're counting what our surplus is, but I do respect that impulse – every comptroller should feel some of that. I think you make a very fine point – the rating agencies always like more reserves, but they still think we're doing very well, and they appreciate the labor – the fiscal responsibility of our labor deals, they appreciate the healthcare savings – you know, they appreciate a lot of the things we've been doing. So, this is about the balance point, right? \$5 billion almost in reserves is a very, very healthy number by any measure. The investments we're making – think about what people care about in this city. They clearly want to see the economy keep growing. They want more jobs, and better paying jobs. They want better schools. They want to continue progress on public safety. They want us to address the homelessness problem in a way that it has not been addressed before. All of these pieces require investment. They all also make us stronger for the long-term – more able to weather any storm that comes. And, again, they bring in a lot of revenue ultimately, because if we're a place that keeps growing, that means a lot more revenue. Even additional job we create, you know, all the additional investment coming in from around the world brings in revenue. So, I would argue this is the balance point. We're going to constantly look at it though, and if we ever feel that we have to do more, we'll be ready. But, today, we think this really is the balance point.

Question: You keep saying that – you’ve said in the past that property taxes aren’t going up, but tax bills are going up –

Mayor: Right.

Question: – And the [inaudible] up. So, I mean it’s a little frustrating –

Mayor: Well, it depends on, obviously, the neighborhood, etcetera. Go on.

Question: It’s a little frustrating for homeowners to hear that you’re saying that property taxes aren’t going up, when really they’re seeing an increase.

Mayor: I disagree that homeowners can’t understand that difference, because I’m a homeowner, and I sure know when the property tax rate goes up, and the people of this city do not want their property tax rate to go up. It has gone up in the last decade or two a few times. I was there – people don’t like it, and I understand why – because most people are struggling to make ends meet. So, the fact that have said resolutely that we are not going to not let that property tax rate go up – I assure you, go talk to any homeowner, and they will tell you they approve of that. Now, you’re right if you say because of assessments, and the changing values of real estate, and other factors, people in many cases are having to pay more – I respect that and understand that, but we believe that we have to strike a balance in all things, and the investments we are making – for example, again, I think if you ask most homeowners, do you agree with the investment we made to get 2,000 more cops on the street – I bet they’d say yes – or to make our schools work not only better for our children, but so we can have the workforce we need in the future – I bet they’d say yes. So, we believe this is the right way to do things – invest and guard against the property tax rate increase that I think would cause real pain to lots of property owners and homeowners in this city.

Question: Mr. Mayor, can you talk a little bit more about the city’s – the necessity for the city to prop up Health and Hospitals – you know, how long do you anticipate that’s going to need to happen? And how much do you anticipate?

Mayor: We’re going to come back with a plan again – that combination. Essentially, this is about overall healthcare economics. You saw three major changes that happened because of – two of them really because of federal policy, one more because of state policy. But the sum-total is, you know, a perfect storm of things hitting at once that have really buffeted Health and Hospitals. Before the executive budget, we will come back with a plan – a very strong analogy to what I said in terms of the housing authority. So, the housing authority does not have a simple road either – \$17 billion in capital needs that are unmet, but the NextGen NYCHA plan actually does address those over the long-term and stabilizes the finances. We’re going to do the same thing with Health and Hospitals. Dr. Raju has already started the process. He is a well-known reformer in terms of figuring out how to fix systems. And this is happening in public healthcare systems all over the country – we’re going to have a very different approach, but we’ll be bringing that back to you over the next couple of months.

Question: [inaudible] last year at the lack of afterschool programs associated in the summer –

Mayor: Yup.

Question: – You’re cutting some of those.

Mayor: Yup.

Question: Can you talk about that since that’s such a big part of your overall education agenda?

Mayor: I believe fundamentally in afterschool, but the thing that I've committed to, and we will be committed to for the long-term is afterschool during the school year for every middle school child. That is effectively a guaranteed right now in New York City. We have in the course of the last two years doubled the number of middle school kids, approximately, who are taking advantage of afterschool for free. And if more want it, they will get it. That's during the school year – that's where we think the most important impact can be made. The summer programs are a very good thing, we just don't feel we can afford it at this point. We'll take another look going into the executive budget. But, again, we admitted last year, you know, we did not handle it correctly and we decided to fund it at the end because so much had already started down the road towards the summer. But this time, in the cool light of day, we're saying, no, we're not going to fund that. People should not assume it's coming. They should not prepare for it. If something changes in the exec, we'll cross that bridge when we get to it.

Yes?

Question: This is somewhat obliquely related to today's announcement –

Mayor: Somewhat obliquely – not just obliquely, but somewhat obliquely – okay, let's see what we've got.

Question: [inaudible] Anyways, my question is, how much is your administration estimating that your housing plan will increase city revenues and property tax revenues?

Mayor: That's less "somewhat oblique" than I thought it would be. We have to – that's a great question – we'll have to get that. You know, we'll get it to you.

Yes?

Question: The governor did not account for the MTA capital plan in his budget. Does your budget account for it?

Mayor: Well, we're committed to it. Do you want to speak to the mechanics of that?

Director Fuleihan: Sure. The capital plan does, and did have, \$657 million over the five years of the MTA capital plan. As a practical matter, the MTA capital plan has not been sent yet to the capital review – sorry, the capital review board for approval. It actually needs to go for approval before it can actually be executed by the MTA. So, we're waiting for that. The additional money that the city put forward – the \$600 million is actually a cooperative arrangement with the MTA that has to be worked through. Those are joint economic – taking advantage of joint – joint places that we both have some control over. And then the additional \$1.25 billion was to be consistent with what the state did. So, we need to actually see exactly what those details are.

Mayor: Emily?

Question: Are you concerned that when you go up to Albany later this month to deliver testimony in response to the governor's budget that legislators won't be as receptive to the city's requests because we have such a robust reserve [inaudible]?

Mayor: Look, it's a fair question, but I think what I'm going to say incessantly – and, by the way, I believe those who represent New York City understand this fully, and I think a lot of people who represent other places can relate to it in terms of their own localities. Certainly my colleague mayors around the state and I talk a lot about the fact that we know in the downturn, each city is going to be very vulnerable and have to deal with its own problems. So, I would say, intellectually, I think a lot of people will understand when I say this budget is based on reserves to protect against a downturn, because in that downturn we will be on our own. A lot of people will actually acknowledge that either publicly or privately. The things we're going to talk about – I

won't go into detail, but the things we're going to talk about I think are perfectly fair concerns that folks in Albany will understand are motivated by trying to serve 43 percent of the state's population. And, you know, the last two times, there have been very productive conversations at those hearings – so, I look forward to them.

Question: Education funding went up since your last preliminary budget – about half-a-billion [inaudible]. Other than your new education initiatives you announced, do you know what else that [inaudible] and do you know how much the city is contributing beyond what the state is for pre-k?

Mayor: Dean will come in – I mean, obviously pre-k did expand substantially, and the Equity and Excellence plan is a very large and substantial plan that we think will help us to remake the school system, and obviously the focus on the renewal schools – there a whole host of things, but – anything you want to add?

Director Fuleihan: It is primarily all the initiatives the mayor has announced since the beginning of the administration. We can go through the details with you after this.

Question: Do you know how much the city is contributing to the expansion of pre-k in Fiscal 17?

Director Fuleihan: We'll get you the exact number. Obviously, we're getting the exact same amount from the state.

Question: Mr. Mayor, the new Staten Island ferry boat – is it more sea-worthy? Is it faster? Smaller?

Mayor: It's just plain better, Rich.

[Laughter]

We'll get you – I mean, obviously we're going to get a state-of-the-art boat. I don't know if we – wait a minute, did we get the data on the age of the three boats that are being replaced?

Unknown: Yes.

Mayor: Who's got that? This was a great discussion last night here in this room at about 11 pm.

Unknown: One boat is 51 years old.

Mayor: One of the boats being replaced is 51 years old.

Unknown: One boat is 35 years old.

Mayor: 35 years old –

Unknown: One boat is 34 –

Mayor: 34 – 34 years old. Okay, these boats have been around. So, we're very proud of the fact there'll be new boats for all of them, and they are –

Unknown: Storm-resistant.

Mayor: Storm-resistant. Thank you, Amy – storm-resistant.

Unknown: [inaudible]

Mayor: Would you please?

Unknown: Yeah, they'll be modeled after the JFK class.

Mayor: They'll be modeled after the JFK – I don't know why I'm believing you're telling me the truth.

[Laughter]

But, you know, just go ahead – let Anna have one draft choice here. Okay, yes?

Question: So any idea after whom you want to name the new boat?

Mayor: We are going to be thinking about that very, very soon, and we'll certainly have something to say on that soon.

Yes?

Question: Are there any plans to make [inaudible] given that the city is [inaudible]

Mayor: Well, again, we're taking about restructuring. We're talking about – again, as we had to do with the housing authority – look at the whole thing and figure out long-term financial stability and viability. So, we're going to come back with a very substantial plan. And it's premature to start to outline it until it's all done, but it's going to have to put Health and Hospitals on a strong footing for years and years to come in a substantially changed healthcare environment. And we now know many good things came out of the changes at the federal and state level – I want to be very clear, a lot of good came out of Obamacare, a lot of good came out of the Medicaid reforms, but some real unintended consequences too. We now have that picture and we're going to have to adjust for a very different future.

Question: Just following up – with the presidential election, do you expect some of these realities will change in relation to NYCHA, HHC, depending on who's in the White House?

Mayor: Damn good question. This is why I've been doing what I've been doing for the last two years, trying to have some impact with my colleague mayors in particular on the entire national discussion on what the federal government should invest in. We have an opportunity to actually go at the heart of the matter in 2017, because it's too early to tell the outcome, but we all know we could have a president in the White House who wants to make investments in healthcare, in affordable housing, in mass transit, in infrastructure in a way that has not been done previously or wasn't reachable previously. We all know we may have a new Senate and a new Senate majority leader. Oh, by the way, those two people could be New Yorkers, so that's extraordinary to begin with. But what we're finding – and I believe this – is that the dialog on the ground is changing all the assumptions. The mayors of this country – a group I'm very honored to be among – have singlehandedly, in many cases, moved the paid sick leave issue, minimum wage – what Seattle did on minimum wage, what so many places did on paid sick leave really helped bring these issues to the fore. That's one piece of the puzzle. The Fight for \$15 movement has changed entirely the discussion around minimum wage. So, the point is, we have a chance to change the entire set of assumptions. In 2015, that moved very rapidly. I think you can see from the national debate, it's continuing to move in 2016. So, what I'm going to try and do is do everything I can as mayor of the biggest city in the country to work with my fellow mayors and certainly to work with progressives all around the country so that when a new president comes in the door, and possibly a new Senate leadership, we are positioned to make immediate changes that could really benefit New York City. And we – just on any of those areas – if we got some important changes on healthcare, it could make a big impact on Health and Hospitals. If we got support for affordable housing, it could make a very big impact on that \$17 billion dollars in capital needs at the housing authority. Certainly, we had some progress in the highway bill, but we could use so much

more to fix our roads, and bridges, and mass transit. So, that to me is the biggest X factor. It's not what more could happen with the city budget or the state budget – the big X factor for the people of New York City is what could change on the federal level. And, boy, the early indicators are promising that 2017 could be a very, very different reality in our favor.

Okay, last call – yes?

Question: Mr. Mayor, given HHC's finances, will this review consider – or, you know, restructuring considerations – consider closing or consolidating any hospitals or other facilities?

Mayor: I don't see a scenario where we would close any hospitals. We'll certainly look at ways to maximize what we're doing. You know we may be able to put more than one function in a building, and find ways to be more efficient, and save cost. That certainly is, I think, one of the directions we'll be looking at. Obviously, I think Dr. Raju has made a focus on trying to make the services available more appealing in what's much more of a healthcare marketplace, so that more and more customers who have different kinds of insurance will want to take advantage of a Health and Hospitals facility. There'll be a lot to say on that, but certainly from what I know today, I do not see closures as part of that plan.

Question: Do you have a doomsday plan in case those Medicaid and CUNY cuts actually hit the city budget?

Mayor: Well, again, I said we will, you know, fight them by any means necessary, and I meant it. I believe we will prevail. But I also want to start by saying if the governor's put forward an opportunity for us to work out these issues in a productive, favorable way, that's what I think is going to happen, that's what I hope is going to happen. But if for any reason something goes wrong, we will have ways of fighting it. If you say, do we always have in the back of our mind different options? Of course we do. But this one to me on its face is unacceptable and I'm very confident we'll deal with it.

Question: And just to follow up, have you identified any areas where you could find efficiencies?

Mayor: Are you saying in general? Or are you saying on CUNY and –

Question: CUNY and Medicaid.

Mayor: We haven't had those discussions yet. This is something that happened last week. But, again, the governor and I had a good talk about it, and our teams have certainly started to talk about a number of areas. So, we're going to figure out who the last of characters is and sit down and start having those discussions.

Question: Mr. Mayor [inaudible] do you agree, as the governor's said, that [inaudible] administration is bloated?

Mayor: The governor has raised the point that there might be ways to be more efficient – I think that's a perfectly fair concern. I'm not going to offer an opinion on the current state of affairs as much as say most bureaucracies can find savings and efficiencies, and it's certainly a worthy approach. Again, we just went through an extensive approach with the housing authority where we found a lot of ways to save and restructure. So, that's a very valid discussion – we'll go through with them, but I'm not going to start with an assumption. I want to see where it takes us.

Unknown: Last question.

Mayor: Last question – anyone? Going once – going twice?

Question: [inaudible] In the event – how is the city bracing for the possibility that in a year from right now we could have a Republican president, a Republican Senate, a Republican House of Representatives, and that more cuts to from federal government could be forthcoming?

Mayor: You know, look, just as we're not booking in what I would regard as the positive – you don't see me saying, here's the budget, it assumes Hillary Clinton is president and Chuck Schumer is the Senate majority leader, right? We're not doing that – we'd love to, but we're not doing that. We're not also assuming the opposite. This budget is sort of neutral on the question of where Washington will go. If we end up with a leadership in Washington that's against the interests of New York City, and wants to cut further investments in cities, we're going to have to cross that bridge when we get to it. But, you know, there will be time, obviously. A new administration comes in January 20th – the budget is October – you know, there would be plenty of time to make some adjustments. We're letting that sort itself out. We're taking care of our own approach here.

Thank you, everyone.

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