

FOR IMMEDIATE RELEASE

January 17, 2007

No. 14

www.nyc.gov

**MAYOR BLOOMBERG DELIVERS 2007 STATE OF THE CITY ADDRESS
"TAKING THE NEXT STEP"**

*The following is the text of Mayor Bloomberg's State of the City Address as prepared at
New York City College of Technology in Brooklyn:*

Marty Markowitz, and a marching band, as they say in Brooklyn, Fuhgeddaboutit!

How about those Brooklyn Steppers!

Thank you, Marty, for those very kind words, and for welcoming us here to the New York City College of Technology. I also want to thank Dr. Russell Hotzler, the President of City Tech, for hosting us.

Of course, being a gracious host comes naturally at this school, which has one of the finest hospitality management programs in the nation. That includes outstanding training in the culinary arts and and I can vouch for that first hand. One of City Tech's current students happens to be the most important man at Gracie Mansion, the executive chef, Feliberto Estevez.

I think I get to eat his final exam, so I hope he does well.

Speaker Quinn, a true partner in government, members of the Council, Comptroller Thompson, Public Advocate Gotbaum, Borough presidents, distinguished guests, my fellow New Yorkers.

Last year, we began a new term and promised that we would come out of the gate stronger than ever. I think it's safe to say, we've blazed through the first year at a record pace. Behind me, you see a visual record showing the progress of the year just passed, and the promise of the years ahead.

During 2006, so much went right throughout this great city, even if that Subway Series I promised somehow slipped through our grasp. In 2006, unemployment hit an all-time low, while our bond rating hit an all-time high. Our population surged to new heights 8.2 million and counting and we hosted a record number of visitors 44 million. We drove crime to historic lows and made our streets their cleanest ever. We won our campaign to convince the State to pay its share of our historic school construction plan.

And all across New York from the Freedom Tower rising in Lower Manhattan to the new Yankees and Mets stadiums in the Bronx and Queens, to the new rail link at Howland Hook on Staten Island to right here in Brooklyn, where from East New York to the East River, new homes are going up and new businesses are opening. The evidence is all around us. This is a great time for New York an encouraging, optimistic time. And our spirits have been lifted higher still by the special guests whom I'm honored to introduce now.

First please join me in recognizing someone whose service to our nation fills us with pride: Marine Captain Ray Lopes. Born on Staten Island now a Manhattan resident and awarded the Purple Heart for his service to our nation in Iraq. Thank you, Ray, on behalf of 8.2 million New Yorkers.

I'm also proud to share the stage with some other exceptionally brave New Yorkers: Two winners of the Sanitation Department's Gold Medal of Honor. They rescued a little Borough Park girl who had been struck by a van by actually lifting the van off of her with their bare hands.

Please welcome men who are truly our Strongest Ralph Cimmino and John Talmadge. Three weeks ago, our next special guest was off-duty and shopping with his family when a pair of armed bank robbers tried to steal his car for their getaway. They picked the wrong guy. He fought them off and despite being wounded, chased them down. He's definitely one of New York's Finest: Officer John Lopez!

Next, a man who captured the attention of the world last month emonstrating once more the compassion and bravery of New Yorkers. A guy who today barely needs an introduction. The Harlem superhero: Wesley Autrey!

And you know, heroism comes in all forms, as our final guest shows. He gashed a tendon while helping apprehend a criminal here in Brooklyn last week and he is fresh out of the hospital. But he told us he wouldn't miss the State of the City for anything. Please welcome one great German shepherd Ranger of the NYPD's K-9 unit and his handler, Officer Neal Campbell.

Just take a look at these amazing New Yorkers!

How can you not feel that New York's future is bright with promise and that the State of our City is alive with hope. Now fueled by the energy of New Yorkers like these we are ready to take the next strong and confident steps forward to reach our goals.

In the year ahead, we'll make the long-term investments, and pioneer the innovations, that will ensure New York's future, and our continued national and international leadership. We'll make them in reforming our schools, growing our economy for all New Yorkers, making the safest big city even safer, and improving the efficiency of our government.

All those investments and innovations will mobilize the ideas and energy of the people of New York City empowering everyday New Yorkers to step forward to take fuller control of their destinies and to pass on to our children a city even greater than it is today.

I've always said that our first priority is improving education so let me start by describing further dramatic reforms to our public schools. Four years ago this week on Martin Luther King Junior's birthday in 2003 we spelled out our plan to uphold a basic and fundamental civil right: The right to a quality education.

Under the old Board of Ed, children were abandoned by people who too often put favoritism and patronage first. We've come a long way in leaving those bad old days behind, and believe me- we're not going back. Not ever!

Because the progress we've made is strong and clear: On-time graduation rates are now the highest they've been in more than 20 years reading and math test scores have risen substantially. Our Black and Hispanic students are closing the racial and ethnic performance gap that has long been the shame of our school system. Those successes are evident in schools like the International High School in Prospect Heights -- one of the 332 schools in our Empowerment Schools Initiative.

I'm happy to say we have one special student from that school with us today. Chime Dolma. She fled political persecution in her native Tibet four years ago and started school for the first time ever when she arrived here at age 13. Now a junior, she is an 'A' student, a school leader and her principal says that she is "as college-bound as it gets." I'd like to ask her to stand, along with her principal, Alexandra Anormaliza and one of her teachers, Danny Walsh. Congratulations to all of you and keep up the good work!

We've come a long way in our schools but we've still got a long way to go. Because even today more than half of Black and Hispanic students still do not perform at grade-level standards and only one in four Black or Hispanic students now graduates with a Regents degree. If that's not reversed, too many of our children will face dead-end futures in a highly competitive global economy.

We cannot let that happen.

During our first term, we brought stability, accountability, and standards to a school system where they were sorely lacking. With this strong foundation now laid, we can take the next steps forward, creating great schools where all students can succeed. That means encouraging and expecting leadership, accountability, and empowerment to thrive at the school level.

And now, four fundamental reforms that we'll launch this year will take us toward that goal: First, we'll empower school principals to be true leaders. Second, we'll hold schools publicly accountable for student progress. Third, we'll reform our system of teacher tenure. And fourth, we'll bring fairness to our school funding system. Let me briefly discuss each.

As to empowering principals, we've always known that great principals make great schools. But until now, we haven't always given them the full authority they need in order to lead. Today, important decisions about, for example, teacher professional development, get made for principals by regional offices -- whether the principals like it or not.

But beginning this year, principals will have the power to make such choices themselves. No one, not outside consultants or the DOE, will be able to force such decisions on principals. The principals will be in charge of what's best for their students, always.

With this reform, the regional offices that we established four years ago to stabilize a failing system will be eliminated now that their job is done. And the 32 community school district superintendents will report directly to the Chancellor. Each school will be able to pick the path that's best for its students, parents, and teachers. And the money we save by downsizing the bureaucracy will go directly to the schools to help our kids, where it belongs!

As we give principals more autonomy, the second of our four reforms will also hold them more accountable. By next fall, we'll be sending user-friendly reports on every school to every public school parent across the city. Each school will receive a grade, from "A" to "F", on its year-to-year progress in helping students advance.

Personally, I can't think of a better way to hold a principal's feet to the fire than arming mom and dad with the facts about how well or poorly, their children's school is performing.

Our third reform focuses on the classrooms. Reforming the tenure process – which we'll undertake with the help of the United Federation of Teachers – will allow us to reward teacher excellence and begin to eliminate mediocrity. The UFT shares my view that improving the number of quality teachers is the most critical element of all in driving reform. Too many of our new teachers leave the system after only a few years, frustrated by their inability to make a difference for children.

We must do a better job of keeping new teachers who are effective instructors and we must continue to give them the support they need. But we must also make sure that ineffective teachers are not awarded the privilege of tenure and the near-lifetime job security that comes with it.

Accordingly, we are building a more rigorous review process, one that will assure that tenure decisions are made thoughtfully, and based on the facts. Teachers have been and must continue to be our strong partners, and we look forward to working with the UFT on these important issues.

Fourth and finally, we will overhaul a decades-old school funding system that, solely for political reasons, rewards some schools over others. You won't believe this, but today, funding gaps between comparable schools can top \$1 million, or \$2,000 per student, year after year.

That's not right and we're going to fix it.

Starting in September, we're going to fund students instead of schools, basing our investment on the number of students enrolled, and their particular needs. The goal is equitable funding among our schools and ensuring that each school has what it needs to teach its students.

We will implement this approach flexibly, and phase it in over time to make sure that important programs and services for our kids are not jeopardized. We may use Campaign for Fiscal Equity funds, or other resources, to achieve this critical goal. But in the end, all kids deserve the same level of commitment from us and they're going to get it.

All four of these reforms have this in common. They're about empowering school leaders, and then holding them accountable. That's the only way we can ensure that the investments we make produce the results we all want. Students who are ready and able to follow their dreams. And to help realize their diverse dreams, we must give them a wider range of schools to choose from. To further empower these students and their parents, we will again demand that the State Legislature expand the number of charter schools this year.

Great public schools will prepare our next generation of New Yorkers for jobs in our growing economy. And it's an economy that today is firing on all cylinders. You can see the sparks here in Brooklyn, where we've cut the unemployment rate almost by half over the past four years from 9% in 2002 to 4.7% today.

In fact, across the city, in the past two years alone we've created nearly 100,000 new private sector jobs. Now it's time to take the next steps forward in growing the economy ensuring New York's position as a global hub of commerce making business districts in all five boroughs stronger and investing in the parks and cultural institutions that make this an exciting destination for visitors from around the world.

We are in an age of information, when technology increasingly makes major financial transactions possible from virtually anywhere and that means that we can't take New York's longstanding leadership in financial services and other industries for granted.

We've got to continue to protect consumers and investors but at the same time, New Yorkers, and the nation, have to balance that objective with the barriers – regulatory, legal, and otherwise – hurting our global competitiveness. Other nations have figured out how to do both, we can, too!

Next week, Senator Chuck Schumer and I will set out the local and national steps needed to ensure New York City's continued leadership in global financial services, including re-opening our nation to the highly skilled workers, from every corner of the globe, who truly make our economy thrive.

As we think globally, we'll also act locally, with policies and investments making all our communities more business-friendly. And because New York's international leadership also depends on our great education and research institutions we will promote projects such as the development of Columbia University's new campus, in a way that also meets the needs of its host West Harlem community.

We'll unveil a master plan to build on the amazing renaissance of the South Bronx and another to transform Willets Point. We'll rezone Jamaica, Coney Island, and 125th Street to catalyze new business development. We'll work with the Downtown Brooklyn Partnership that's doing so much to promote business and the arts in this great borough. And we'll help launch construction of the most exciting private development Brooklyn has ever seen: the Atlantic Yards project!

We'll continue supporting our city's Business Improvement Districts, which bolster the neighborhood businesses that are the backbone of our economy. And to strengthen them even more – this year, we'll launch "NYC Clean Streets" a \$1.6 million initiative making commercial corridors in all five boroughs more attractive.

We'll also keep investing in the transportation infrastructure critical to our economy. That means not only extending the Number 7 line, a City-funded project that will spur the historic development of the Far West Side but also helping Congressman Rangel, Senators Schumer and Clinton, and others, to secure Federal support for Lower Manhattan's rail link to Jamaica, Long Island and Downtown Brooklyn, too. And I also look forward to working with Governor Spitzer to finally create the rail gateway our city deserves one that will be a lasting monument to the great Daniel Patrick Moynihan.

To foster our city's growth, we'll also continue to invest in the cultural facilities that make us the world's most exciting city. Tell me what other town has 500 art galleries, 375 theater companies, 330 dance companies, 150 museums, 96 orchestras, 24 performing arts centers and one Burmese python named "Fantasia" at the Brooklyn Children's Museum?

Every year, tens of millions of tourists flock here to enjoy our cultural offerings, which generate hundreds of millions of dollars for our economy. In fact, two major art events - the Armory Show and the Art Show - are expected to draw more than 60,000 visitors in one weekend next month. And just last month, the Museum of Natural History set a new attendance record - when more than 31,000 people passed through its doors on one single day. (Maybe some of them wanted to spend "A Night at the Museum" with Ben Stiller and Robin Williams.)

So this year we'll restore that Museum's classic 77th Street façade. We'll also go forward - Marty won't mind hearing - with a major renovation of the great New York Aquarium in Coney Island. And we'll continue work on a project that is close to the heart of Yvette Simmons, who is with us today. Yvette's roots in Central Brooklyn, you should know, run deep. In fact, her great-grandfather, Moses Cobb, was one of the first African American police officers in the community.

By next year, Yvette, family stories like yours will get the showcase they deserve when we complete the new education museum at the expanded Weeksville Historical Society in Bedford-Stuyvesant. Moses Cobb will never be forgotten!

We're also making unprecedented investments in another area crucial to our quality of life: our parks. Just a few blocks from here, for example, we'll proceed with building Brooklyn Bridge Park - the borough's biggest new park in nearly 130 years.

We'll also break ground for the first playing fields in what will become the 2,200-acre Fresh Kills Park on Staten Island - which will be nearly three times the size of Central Park.

As we make New York a better place to live, we'll also make it a more affordable place to live. That's why we're engaged in the biggest affordable housing initiative ever undertaken by an American city a \$7.5 billion plan that will build and preserve 165,000 units enough housing to accommodate the entire population of Atlanta.

But big as it is, we can't stop there - not with our city projected to reach nine million people by the year 2030. To meet the demands of that growing population, this year we'll begin taking the next steps forward to create even more affordable housing in our city.

We'll do that with targeted rezonings around town. And, thanks to the leadership of Speaker Quinn and our partners in the City Council the recently enacted changes to the 421-a program will also begin to generate hundreds of millions of dollars for affordable housing investment.

Creating more housing - and making more housing affordable - was one of the key long-term sustainability goals that we outlined last month. And in March - as part of the "PLAN-Y-C" process - we will present a detailed agenda for implementing those goals and for solving the problems raised by the bigger, older, and more environmentally challenged city New York will be in the year 2030.

Planning for the future includes setting the right priorities now and that's what the city's budgeting process is all about.

Next week, we will release our preliminary budget for Fiscal Year 2008. It will continue the sound policies that have put New York City on a firm budgetary footing and that permitted us to end Fiscal 06 with a record surplus. But, rather than increasing spending in good times, that needs to be cut in bad times -- and thus hurting New Yorkers in the process, I believe that a good portion of the surplus revenues we anticipate in the current fiscal year should go back to the New Yorkers who made sure that the city's recovery from 9/11 exceeded our wildest dreams and who we want to continue living, working, and investing in New York.

So, my preliminary budget will include \$1 billion of tax relief. This is a broad-based package of tax cuts, designed to pump money back into our neighborhoods, create jobs, lower the burden on property owners, and make New York an even more attractive place to live and work.

First I will propose to the City Council that we lower the property tax rate -- for one year -- by roughly 5%, or by \$750 million. I've always said I wanted to cut property taxes and this year we can.

It would be great if we can extend this in the years to come, but we can't know that we'll be as fortunate in the future with our revenues and expenses so right now it would not be fiscally sensible to commit to doing so. Because the best way I know to have the good times continue is to act responsibly now.

We will also seek permission from the State Legislature to continue the \$400 property tax rebate. We expect they will approve our request since the original law said the rebate would be continued only if the city reduced the overall rate - exactly what I am proposing today.

The other \$250 million in tax relief we propose will be included in three other measures.

One: we will seek to help small businesses grow by reducing the Unincorporated Business Tax through a combination of deductions and credits. This tax hurts our ability to attract and retain small businesses; reducing it will strengthen our long term business climate. And remember, one of every two people working in New York are employed by small businesses.

Two: to create the jobs that will continue to fuel our economy and to benefit businesses large and small. We will also propose three targeted reductions in the General Corporate Tax, including a credit to owners of small, or "S," Corporations, as Speaker Quinn has championed.

And three: to make sure that shoppers and visitors continue to flock to great stores in all five boroughs, we will totally eliminate the City sales tax for all clothing and footwear.

And as to the rest of our surplus, we will be prudent and dedicate it to reducing future deficits.

On the expense side of the budget, we will work hard to make sure that all of our money is well spent. And this year, we'll take aim at a problem that has cried out for attention: Medicaid fraud. Working with the State, we'll attempt to root out fraud and waste - and return the savings to City taxpayers.

We'll also put forward State legislation that will help us control costs in a second area that threatens our long-term fiscal health, the unchecked growth of pensions.

It's no secret that the State Legislature has been giving away the store getting no productivity in return and saddling our children with costly pension giveaways. It's time for Albany to stop playing Santa Claus with the city's money!

If they want to fund pension increases, they should pay for it. But this year, let's put the city's pension decisions where they belong, on the collective bargaining table. That's what accountability is all about!

To control our destiny, we must control our budget, so we can invest in a better city for all New Yorkers. And that includes pragmatic ways to help more people achieve the dignity of work and to help more working people achieve the goal of self-sufficiency.

Over the past five years, we've moved more than 400,000 people from welfare to work. Our welfare rolls are down 18% from 2002 - and are now lower than at any time since 1964. Still... nearly one in five New Yorkers - many of whom set the alarm clock and punch the time clock every working day - live below the Federal poverty line.

Last fall, our Commission for Economic Opportunity presented a realistic, cost-effective roadmap to help thousands of poor New Yorkers help themselves. We're already realizing many of the Commission's recommendations.

And today, let me describe just three of the ways more New Yorkers will begin to achieve further self-sufficiency this year.

First - building on the great work our Department of Consumer Affairs does each year we're going to help even more hard-working New Yorkers claim tax credits to which they're entitled. This week, the Department of Finance will start sending tax forms to about 120,000 households who were eligible for City, State and Federal Earned Income Tax Credits in 2003 and 2004 but who never claimed them.

The average household is due well over \$1,000 - and some are owed considerably more. We're so determined to help New Yorkers get that money that we've already done the math on their tax forms!

Now they will simply have to sign the forms, mail them in and get ready to receive money they've already earned. For working families with children, that money is going to make a huge difference in helping them get ahead and it's money that will be spent in their local communities, thereby helping local businesses, as well.

By the way, this will generate more in sales tax revenue for the city than our share of the EITC expense.

The second Commission recommendation we're announcing today will help working students at CUNY's community colleges step forward to earn higher degrees - and then, higher incomes. Right now, the demands of their jobs prevent far too many of them from completing their studies and without degrees, they often remain among our working poor.

So this September the City University will establish dedicated morning, afternoon, and evening tracks, enabling some working students to do all their schoolwork during hours convenient for them. As far as we know, no community college system anywhere has ever attempted this approach. But every successful business offers services that reflect customer needs. And so should government!

Finally, the third recommendation that we'll put into action will help break the long-term cycle of poverty in our city.

When it comes to improving the odds for poor mothers and infants, it's hard to beat our Nurse Family Partnership program. Through one-on-one nurturing and guidance, NFP helps first-time mothers build stronger futures for themselves and their children. And by this September, we'll have expanded this proven program by more than 50%. Because of its track record of success, I'm a big believer in NFP.

But you don't have to take my word for it. Just ask Sheena Persaud. She was 17 when she enrolled in NFP. And she wasn't attending school and didn't plan to. But with the guidance of her nurse, Carol Coleman, she not only learned about taking care of her beautiful little girl, Serena, she also stepped forward and got her GED. By the time she finished the Partnership last November, she had her current full time job in a bakery and she hopes someday to have her own catering business. Sheena, Carol, we're all very proud of you. Now we're going to help more New Yorkers like Sheena step forward and create better futures for themselves and their children.

As the NFP shows, improving public health is key to reducing poverty. So in the year ahead, we'll also focus on reducing chronic illnesses that take their heaviest toll in low-income communities. We are, for example, rapidly expanding voluntary HIV testing.

And with more than \$40 million in city and federal funds, we will expand the electronic health records that help doctors and patients in poor neighborhoods improve preventive care. We'll continue to be a national leader in promoting systems that shift focus from reacting to illness, to preventing it. We know that reducing poverty won't be easy but over the past five years, we've shown that we can craft solutions to our toughest problems.

That includes protecting children who are most at risk. Last year - in the wake of Nixzmary Brown's appalling death - we took a hard look at the Administration for Children's Services, and then took decisive steps. Now, police officers and case workers collaborate more efficiently on the most severe cases of abuse. Medical providers have better training in recognizing and reporting the warning signs of child abuse or neglect and later this year, we'll expand such training to child care providers, too.

During 2007, we'll take the next steps in protecting our most vulnerable children. In March, we'll open a Leadership Academy for Child Safety which will serve ACS social work managers. We'll also propose amending State law to give ACS the power to check criminal records when child abuse allegations arise. Because how can we thoroughly determine a child's safety if we can't find out about prior criminal convictions in the home?

Public safety - in the home and on the streets - is the foundation of civil society. And there's no stronger bedrock than the FDNY and the NYPD and let's not forget our Boldest, the Department of Correction! Today, we're joined by members of all three Departments -- Edgar Pitre and Kelly Lonergan of the FDNY, NYPD Detective Diane Menig and Police Officer Cyrus Johnson, and Correction Officers Emmanuel Pierre-Lewis and Lashana Taylor.

Over the past five years, the FDNY has reduced fire deaths in our city to the lowest number during any five-year period in modern history. The members of the FDNY are famous for always working to find better ways to carry out their mission. We share that commitment. And that's why this year, we're going to launch a major expansion of FDNY training. Currently, our newly appointed firefighters receive 13 weeks of training.

This year, we'll start to lengthen that to 23 weeks. That will give FDNY recruits one of the most comprehensive training programs offered by any fire department anywhere handling hazardous materials, and fire prevention with extended instruction in terrorism preparedness.

We'll step up our protections against terrorism in other ways too. In the next fiscal year, for example, we will invest City capital funds in the Lower Manhattan Security Initiative. It will protect our bridges, tunnels and other critical infrastructure, as well as all those who live, work, and do business Downtown. We will always do whatever it takes to protect our city and we expect the Federal government to do its part to keep the nation's economic engine safe, too.

Keeping our city safe, of course, begins with fighting crime -- and no one does it better than the NYPD. Last year, even as violent crime began to rise in the rest of the nation, the men and women of the NYPD continued to reduce violent and property crime in our city. Today, crime is more than 20% lower than it was five years ago.

One reason we've been so successful is because we've always been ready to look the facts straight-on - whether we liked them or not. And last year, the fact was that even as overall crime went down, homicides in our city went up. Most of those murders were committed with illegal guns. So this year we'll continue to step up our fight against the deadly menace of illegal guns in several key ways.

We'll build on the NYPD's increased enforcement activities - which last year raised gun arrests by 13%. But we did more than simply make arrests. We also expanded the NYPD's work with the district attorneys, intensifying debriefings of gun offenders to learn more about where they buy their guns.

Now, beginning with a pilot program in the Bronx, we'll take the next steps forward. We'll mine that new information to map the illegal gun market and then identify - and go after - gun traffickers to stop the flow of guns onto our streets.

Illegal guns are not just a problem for New York City. Two weeks ago, across the river in New Jersey, an off-duty Paterson police officer, Ty-ron Franklin, was gunned down at a restaurant when he refused to turn over his wallet. The City of Paterson lost one of its finest and a 16-month-old child lost a father.

New Yorkers know the ache and anger of such losses all too well. We remember so many - including Detectives James Nemorin and Rodney Andrews and Detectives Dillon Stewart and Daniel Enchautegui. And we also know that in 2005, when we lost Detectives Stewart and Enchautegui, 55 law enforcement officers were murdered across our country, 50 of them with guns. This has got to stop.

Today, we're joined by the Mayor of Paterson, Jose "Joey" Torres. Mayor Torres, New York City offers its deepest condolences to you and your city. And we'll also join you in working to bring sanity to gun policy in our nation. Next week, more than 50 mayors from across the country - who are part of our coalition of Mayors Against Illegal Guns - will gather in Washington, DC, to take up this challenge.

And I'm happy to say that Mayor Torres will be with us. Our goal will be getting Congress to overturn a wrong-headed law - one that blocks access at the local level to federal data that would let us hold gun dealers accountable for illegally selling to gun traffickers. Mayor Torres and I have a simple message for Congress: It's time to take ideology out of crime-fighting and time to give mayors - the people who are responsible for policing our streets - the tools we need to protect our citizens.

To make New York even safer, this year we'll also launch the most significant restructuring of our juvenile justice system in decades. We're going to do more than ever to hold accountable the children and teens who run afoul of the law and also help them get the services they need.

For the first time, we'll give judges objective, data-based analysis that will accurately assess the real threat posed by young offenders. And we'll provide judges more options for keeping those offenders in the community - but out of trouble.

We'll take aim at chronic truancy so often a precursor to serious delinquency with dedicated truancy courts in Red Hook and Harlem - holding children and their families accountable for school attendance.

We'll also launch a \$9 million initiative to reduce the number of kids sent away to Upstate facilities and instead provide intensive family-based services and monitoring. And we'll partner with John Jay College on an initiative linking young offenders released from detention with the mental health services they need.

At the same time, we have to face facts: more than 50 percent of all gun arrests involve young offenders. We have got to stop treating illegal gun possession among minors as though it were a trivial, youthful indiscretion.

It is not. It is a serious, potentially deadly crime and those arrested for illegal gun possession are the most likely to commit violent crimes in the future. That's why this year -- as we work to keep more young people away from guns -- we will also ask Albany to eliminate youthful offender status for any violent felony committed with a firearm.

As we step up the fight against crime, we're also going to make sure that the NYPD treats every New Yorker equally and with dignity and that all complaints are taken seriously.

We call our police "New York's Finest." That's our term of respect for those who have sworn to protect us. And we must always insist that such respect flows in both directions! This year, we will expand the resources and staffing at the Civilian Complaint Review Board to ensure that all complaints are dealt with swiftly and seriously.

To build stronger trust and cooperation between the public and the police, we're also going to empower more New Yorkers to step forward and join the fight against crime.

This year, we'll begin a revolutionary innovation in crime-fighting: Equipping "911" call centers to receive digital images and videos New Yorkers send from cell phones and computers something no other city in the world is doing.

If you see a crime in progress or a dangerous building condition you'll be able to transmit images to 911, or online to NYC.GOV. And we'll start extending the same technology to 311 to allow New Yorkers to step forward and document non-emergency quality of life concerns holding City agencies accountable for correcting them quickly and efficiently.

Finally, we are going to work to improve training of our police department by identifying a site for a modern new police academy. Our police department deserves a 21st century, consolidated facility to continue to fulfill its important mission. Making government more accountable also means fighting patronage and strengthening ethics.

These days, there's welcome talk of reform in Albany, thanks to Governor Spitzer. And I can't think of a better place to start than by overhauling the last vestige of State-sponsored patronage: the Board of Elections.

We're not only paying for cronyism we're paying for inertia and inefficiency! Enough is enough! This year, we'll propose legislation to take a giant step forward out of the 19th Century

and into the 21st by replacing the broken State Board of Elections with the kind of professional, nonpartisan agency that other cities and nations already have.

And while we're reforming broken State boards and in keeping with Governor Spitzer's call to bring more transparency and accountability to public authorities let's work with our partners in Albany to abolish the anti-democratic Public Authorities Control Board.

Government by three men in a room has turned New York State into a national symbol of governmental dysfunction. Enough is enough!

I was also pleased to hear Governor Spitzer talk about two other areas in desperate need of reform judicial selection, and "pay-to-play" campaign contributions. I hope every elected official in the city will stand with me in supporting Governor Spitzer's proposed constitutional amendment to bring merit selection of judges to New York State. (It's about time, isn't it?!) And I hope every city elected official will support the Governor's call to severely limit I would go further, and say "ban" contributions from those who do business with government.

After all, that's what the voters of New York City expected when they passed a referendum on the issue nearly ten years ago. Working with Speaker Quinn and Chairman Felder, I expect we will craft a law that I hope will be the strongest in the nation.

But if we do not reach agreement in the weeks ahead, the New York City Campaign Finance Board has committed to taking action on its own. One way or the other, we will get pay-to-play reform in 2007 giving New Yorkers greater confidence that decisions by their elected officials are based on merit - and merit alone.

That, and all the other steps we've discussed today, will build on the progress, and the promise, that are so evident in this hall and throughout our city today.

You can see that hope and dynamism in these photos and charts behind me... and more importantly, in the faces of the people of our city. Every reform - every step forward - that we're proposing today springs from a belief that we New Yorkers deserve to hold our own destiny one filled with such tremendous potential in our own hands.

And now New Yorkers are ready to take all the next steps forward that we've described today. Because over the past five years, we've shown what independence, accountability, and making decisions based on the facts can accomplish.

Together, we've achieved more in turning our schools around, improving our quality of life, and bringing our city back than most people ever thought possible. And because we've done all that's necessary and then some the future of our magnificent city is one of limitless promise.

It's time to fulfill that promise for all who are here and all who will come. With confidence and courage, let's take those next steps together.

And let's start today!

Thank you.

And God bless.

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