EDWARD SKYLER

Can Government Work?

58 N.Y.L. Sch. L. Rev. 29 (2013–2014)

ABOUT THE AUTHOR: Edward Skyler served as a member of Michael R. Bloomberg’s administration from 2002 to 2010, rising to the position of Deputy Mayor for Operations for the City of New York. In that capacity, he served as a top budget, legislative, and labor negotiator. Before that, he served as Press Secretary and Communications Director during Mayor Bloomberg’s first term. Mr. Skyler joined Citi as Executive Vice President for Global Public Affairs in May 2010, where he leads external and internal communications, government affairs, branding, corporate sponsorship, the Citi Foundation, and shares leadership of Investor Relations. Mr. Skyler is a graduate of the University of Pennsylvania and earned a law degree from the Fordham University School of Law.

EDITOR’S NOTE: This article is an edited version of remarks Mr. Skyler delivered on April 16, 2010 at the CityLaw Breakfast Series, hosted by the Center for New York City Law at New York Law School. His remarks were followed by a question-and-answer dialogue with attendees. At the time of these remarks, he was serving as New York City Deputy Mayor of Operations. The video of his full address is available at http://nyls.mediasite.com/Mediasite/Play/4ae52b53a584efbe38e83e9b8a3ba5. The citations to some of the information referenced by Mr. Skyler in his remarks were provided by the New York Law School Law Review.
There has been a lot of talk about what a third term means—what it is going to be like, what the Mayor’s vision is—and all these lofty questions about what should be done over the next four years. Having been through two previous terms, I think that you do not necessarily know on day one or day one hundred or day two hundred exactly what the legacy of a term is going to be. For example, in Mayor Bloomberg’s first term, we became best known for the smoking ban. I do not think anybody walked in, in January or April of 2002, and thought the smoking ban was even on the agenda. It was not something we were thinking about.

Similarly, in the second term, the Mayor became known as the “Sustainability Mayor.”1 That was not something that Mayor Bloomberg even mentioned as a topic in his second inaugural speech in 2006. So I would caution people against trying to read too much into things from the last couple of months. Time will show that Mayor Bloomberg will do in this third term what he did in his first and second terms: he will be known for bold initiatives that make the city a better place, and show how those initiatives can really make the country a better place.

I believe we are off to a strong start. We are entering a new golden era for parks in New York City. In 2009, the city took over the Brooklyn Bridge Park, and the Mayor, Governor David Paterson, and New York State Assembly Speaker Sheldon Silver announced a deal for the city to take over Governor’s Island. These development projects are incredibly important because bi-state agencies, like the Port Authority, or authorities jointly run by the Mayor and the Governor, can sometimes be a recipe for dysfunction. Having one entity run both of those important development projects is a very good sign for those areas.

We also achieved a landmark agreement with the United Federation of Teachers in order to end the institution of “rubber rooms.”2 Under this system, the city would

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spend $30 million to pay the salaries of teachers who were pending disciplinary action and were not in the classroom. Now we will be able to accelerate those disciplinary procedures, get those teachers off of the payroll, and not waste precious dollars during these challenging economic times.

We also continue to focus on the environment. For example, Department of Environmental Protection Commissioner Carter Strickland announced a landmark deal to improve the water quality in Jamaica Bay, which is noteworthy because it was done without litigation. In the environmental world, there are a lot of things that you are forced to do by regulators and by courts.

We continue to do the basic things that make New York City great. We had three feet of snow in February and we cleaned it up: six thousand miles of streets were all plowed within twenty-four hours. If you look at some places not too far away, like Washington, D.C., they do not have that type of success. We continue to do not only the big things, but also the “nuts and bolts” things that make New York City great.

Additionally, we continue to drive down crime by taking innovative measures. Despite some of the hype that you read, crime is actually down again this year. Although there is an uptick in murder, the level we were at in 2009 is actually eight percent lower than in 2008.3 We have CompStat to stay on top of all of these trends, and we should not allow a couple of high-profile incidents to color our view of where New York City is going. In fact, homicides by firearms were actually down in 2009, due in large part to the Mayor’s aggressive activities against illegal guns. We have increased the sentencing requirements for people if they are caught statewide with illegal guns, and we have sued out-of-state dealers.

We are raising attention across the country about the gun-show loophole, which has still not been closed. The gun-show loophole refers to an exception to the federal background check requirement. If you go to a gun store, you need to pass a federal background check, but if you are at a gun show, private sellers do not need to conduct background checks on buyers unless the buyer indicates that he or she could not pass a background check. If I had told people in 1999 that we would still not have closed the gun-show loophole eleven years after high school students were slaughtered in Columbine, Colorado, they would think that would be impossible. We had two major-party presidential candidates in 2008, Senators Barack Obama and John McCain, who supported closing the gun-show loophole. Well, we still have not closed it. It is something that just continues to cause harm in our city and in other cities around the country.

We did an undercover sting a couple of months ago in which we caught people on tape asking sellers if they were private—meaning, “I want to know because, if you are a private seller, I don’t need a background check.” Then the seller says, “I’m not


a dealer, so you don’t have to worry about taxes or anything,” and the buyer responds, “That’s good because I probably couldn’t pass [a background check].” After the buyer shows that he is an in-state resident, the seller and buyer make the exchange.

You can actually find interactions just like this in undercover videos online, and they are hard to watch. It is unacceptable that there are people in this country who defend the status quo, and we intend to do everything we can with our coalition of Mayors around the country to close that loophole.

Furthermore, we are continuing to protect the city from terrorist attacks. Since our groundbreaking Lower Manhattan Security Initiative has been so successful, we are expanding it to Midtown. This initiative is being funded by federal and city money, which means that we will have state-of-the-art surveillance information to protect our infrastructure, including our financial infrastructure. We need to bring that technology, which has been successful in Lower Manhattan, to protect other crucial areas of the city, such as Midtown, where we have Pennsylvania Station, Grand Central Station, the Chrysler Building, and the Empire State Building. People should not become complacent in the fight against terrorism. Just because there has not been an attack on New York City since 2001 does not mean that we are not in the crosshairs.

In the fall of 2008, the Police Department and federal authorities broke up the Zazi plot to blow up subway cars. There are a lot of details now which were previously classified, and a fourth person is now being detained in that plot. Najibullah Zazi recently pled guilty. Threats like this are not going to go away, and people should not get a false sense of security because something has not happened. If something has not happened, it is because we have a thousand police officers, detectives, and intelligence and counter-terrorism agents stationed around the world who are working with the CIA and the FBI—it is not because people have not tried to target us.

We also are beginning to see good signs in our economy. Broadway and tourism are continuing to do well. Broadway brought in a record-breaking $1 billion last year, and room and occupancy rates have increased. Also, although the prices have not gone up, the volume of residential sales and commercial real estate transactions are starting to increase, which will help our tax revenue. Furthermore, we are beginning to create jobs after twenty-two months of job losses, and over the last two months our unemployment rate has fallen from 10.5% to 10%, which has a direct impact on our city budget. The Mayor has proposed cutting spending to make up for a projected deficit. We used increased tax revenues to cover a good amount of the deficit, but

5. Id. at 1:35.
6. Id. at 2:04.
there is still a gap to be closed, and there is still an issue regarding what the state will do. Every dollar that is cut by the state disproportionately hurts New York City.

For example, there is a practice known as revenue sharing, which means that out of the $8 billion New York City sends to Albany, we usually get back $330 million that goes toward our tax revenue. In fiscal year 2009, the state cut New York City's revenue sharing from $328 million to zero. Meanwhile, the revenue sharing for every other county in New York State only got cut between two and five percent. Obviously the state was trying to balance the budget on the back of New York City, which is not fair or acceptable, and we will try to lobby both the State Assembly and the State Senate to reverse that. There are also significant cuts to education, which we will try to restore. The Mayor will be doing a budget update on May 7, 2010 and will inform everyone about where the tax revenues are and which budget cuts the city will and will not need to do.

We are trying to look at city government as an overall entity and not just cut it agency by agency. We're trying to reduce expenses that go across agency functions, such as how much we spend on vehicles. We reduced our light-duty fleet by ten percent. Because the city leases and owns a lot of space, we are trying to reduce lease costs by cutting ten percent of the amount that the city leases from private landlords, which will save us $36 million. In addition to the traditional ways that the city has saved money, we are trying to find new ways to save money. We want to try to continue to have strong city operations, whether it is cleaning up the snow, sustaining last year's record-low number of fire fatalities, decreasing crime (which has decreased by thirty-eight percent over the last eight-plus years), reducing subway crime (which has decreased by forty-six percent), and keeping up all of the other day-to-day operations.

Government should be measured by how well it does, not by how much it spends. That being said, our plans require partnerships because we cannot do it all ourselves. We need to have health-care reform for the city with our labor unions. We need increased contributions from employees to cover our health-care costs. There are no private businesses that we are aware of—or there are very few—in which all of the premiums for health care are covered by the employer. We are asking for a ten percent contribution from our employees, or other ways to save the same amount of money through different types of co-pays. We also need pension reform. Our pension system was created—and has been ineffectively revised over the years—in a different time and place. Nobody works for just twenty years. We have a pension system that incentivizes our best-trained, most-experienced cops and firefighters to leave after twenty years. Accordingly, we want to try to update that system to reflect the modern age in which people do not retire when they are forty years old unless they are working for Google or something. To achieve this reform, we need a lot of help from the unions and we also need the state to sign off on it through legislation.

We did implement a new tier for teachers in 2009 that will save the city $100 million each year over the next twenty years. That adds up to a lot of money. We need the other uniformed unions and civilian unions to step up and the Mayor will continue to encourage them to accept changes to their pension systems. We are also making investments to update badly needed infrastructure, such as our new 9-1-1
CAN GOVERNMENT WORK?

Center, Police Academy, third water tunnel, and a $12 billion school construction plan—which is creating and renovating thousands of new seats across the city—that will improve our economy and create the long-term infrastructure the city needs. Now when we plan activities for the environment and do lighting upgrades or cogeneration, we are actually making a capital investment that we will repay over six or seven years because of the energy cost savings. Thus, while we are spending money to protect our infrastructure, we will spend wisely on the things that the city needs to grow and to grow intelligently.

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QUESTION AND ANSWER SESSION

Question: Could you tell us some things that others have done to help New York City meet its budget demands? For example, how much have the labor unions given back or yielded? How much has the state helped out with aid? Is there anyone who has come to the city's rescue whom you would like to mention?

Mr. Skyler: Well, the jury is still out. We do not know what the final state budget is going to be, but obviously the city has a lot of needs. The Governor's budget really decimated our spending plan by $1.3 billion. That really was direct aid from the city to the state. The Mayor talked about mass layoffs that would need to happen across every agency if that reduction goes through. We think that we are going to avert that worst-case scenario, but where we land ultimately is really up to the State Senate, the State Assembly, and the Governor. We do not really know where that is going to go. There are also no-cost things the state could do and which we need help on, including providing red-light cameras for safety or supporting our view of pension issues. The Governor in 2009 proposed a new pension tier, which we wanted. It would have saved us $7 billion over twenty years, and it never went anywhere. It was a step forward to have the legislation proposed, but it did not really go anywhere.

I would just describe the unions' attitude towards it as unenthusiastic. We were able to come to an agreement with the United Federation of Teachers, which includes 115,000 people, on a pension plan that reflected our priority to reduce pension costs. That is significant in a public workforce of 300,000, but a lot of the pension money is in the uniformed services. That is where people can retire after twenty years of service. If you think about it, if people in this day and age have a life expectancy into their seventies, that is thirty years of salary and health care that the city is on the hook to pay when the person is retired at a relatively young age.

We also need the Municipal Labor Committee's assistance on coming to a health-care deal. We did get a savings last year that would total $150 million every year going forward and $200 million for the first two years. That is $1 billion over

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six years. That was done by essentially restructuring the health plans to increase co-pays and finding more efficient services. Sometimes an emergency room visit with your insurance could cost the patient a twenty-dollar co-pay. If you increase the co-pay to forty dollars, that results in savings for the plan. We owe money out of that, but now we have gone back and asked the municipal unions for another $350 million in savings. The Mayor very intelligently linked those savings to any potential collective bargaining increases, saying that if unions expect to get increases over the next several years they are going to have to compromise on savings in health care. The city will then convert those savings into salary increases for municipal workers. I think that will hopefully incentivize the municipal unions as we move forward.

Question: Does the city have a specific proposal on pensions before the legislature now?

Mr. Skyler: Yes, we do have a tier-five proposal. Basically, we are talking about a minimum retirement age of fifty years old. We are talking about requiring twenty-five working years as opposed to twenty, and other increased contributions. They vary depending on what branch of service you are in, and whether you are a civilian. We have that legislation. It was out last year, and we can always modify it while it is in negotiation, but that was our starting position.

Question: Will it affect pension health benefits?

Mr. Skyler: It could, but one of the things about pensions and health care is that if you sign on, or if you enter the system in a certain pension tier, you cannot have that taken away from you. Any changes only affect new employees. It is against the state constitution to take away a benefit that you were going to receive when you started employment.

Question: What do you think has been the largest roadblock to making New York City government work? Is it the structure of how the city government operates vis-à-vis the state’s responsibilities and the federal government’s responsibilities? You look at Ground Zero, and ten years ago everybody said the Port Authority was a model of how things should operate. Is that the case today?

Mr. Skyler: I think what we try to do is to fix what we can fix. We are pretty good at holding ourselves accountable in keeping our own house in order. We put a lot of statistics online. For example, the Office of Agency Services in the Mayor’s Office of Operations pioneered our citywide performance reports, which everybody can look at on our dashboard.10 We hold ourselves accountable. If we are not doing something well, it is out there and we will try to fix it. That is one of the reasons that people know that they are essentially being held to task for how well they manage.

I think a lot of the frustrations, or “roadblocks,” are the things that we actually do not have control over. I think it was great that we were able to break the logjam at the World Trade Center site several weeks ago when the Mayor, Larry Silverstein, and Chris Ward announced a deal to finance additional towers there. But that is the question: Why does the Port Authority own that much space in Lower Manhattan to begin with? The Lower Manhattan Development Corporation, which was created after 9/11, is a state-city entity. There are a lot of multi-headed monsters that the city has to deal with.

Then, when you look outside of the city’s borders, it becomes particularly frustrating when you have illegal guns flowing into the city and nobody in Washington is really willing to step up to the plate. If you had told me several years ago that we would have a Democratic President, a Democratic Congress, and a Democratic Senate, but that we would make no progress in the fight against illegal guns, I would not have believed it. Some of the frustrations are where politics trump what is in the best interest of the city. Part of it is when the city, on its own, cannot effect a change it needs to effect. I think you are actually seeing a shift in the other direction with Governor’s Island and the Brooklyn Bridge, so the city can be in better control of its own destiny.

**Question:** Are there any big projects that you wish you could see completed?

**Mr. Skyler:** New York City is one big project, so there are a lot of those initiatives I’d like to see completed. One that is probably closest to my heart is our emergency 9-1-1 transformation because it is so vital to what the city is trying to do. We have had so much success with it, and I am proud of that. In the face of a lot of obstacles, though, I am not satisfied with where it is because it is not yet done. That being said, that project is not going to be done probably until 2013 when the backup site is built in the Bronx. But it has already had a lot of success. For example, we now use automated vehicle locators to dispatch ambulances, which means that computers can measure where the closest ambulance is to a person who needs aid. We are updating that to take into account traffic patterns. So, even though an ambulance might be closer to the individual in need, if that means going across Fourteenth Street during rush hour, maybe an ambulance that is farther away has a better route. We are using technology, and that has already shaved twenty seconds off the average response time. When somebody is having a heart attack, seconds count.

Similarly, we have eliminated seconds from the fire response system, which is a system from the 1960s. People used to have to call police precincts for any emergency. Then 9-1-1 was created, but there were still separate dispatch operations for fire and Emergency Medical Services (EMS), which was not always part of the Fire Department. That was a merger that happened relatively recently. So if I were reporting a fire, I would call 9-1-1 and talk to the police operator. They would take down the information, dispatch a police car, and then they would say, “Okay, now I want you to talk to the Fire Department.” Then the Fire Department would ask the same questions. Meanwhile, the house is burning down, you could be in danger, or
your cell phone could have bad reception, and you would have to go through the same information twice in order to get a response to a fire.

Using the technology we have now, the second call-taker is not necessary to dispatch the fire engine. Instead, the police call-taker at 9-1-1 now takes the information, electronically sends it to the Fire Department, and the Fire Department sees it and dispatches the engine or the ladder. We have cut response time by about fifteen or twenty seconds. And as I said, seconds count. Our response time for the year for fires since January is under four minutes, which is hard to do in New York City with the density and the traffic. We now want to expand that so that if you have a medical emergency, the police call-taker will take over that function so that you talk to one person and one person only. We have done it with the Fire Department and we want to expand it to EMS.

We are also going to have EMS move into a new center in Brooklyn, which means that we will now have a backup site for the EMS function. We have upgraded the fire communication offices around the city, the antennas, and the radio systems, all of which are dependent on technology. The city does not build this technology; we contract for it. When that technology does not meet our standards, we do not accept it. The project is delayed, which is unfortunate. We have seen that happen with a number of projects and there are different reasons for it. Many projects have been successful, and several have not moved as quickly as we would have liked, but overall, as it stands now, the city has reaped incredible benefits from these technologies.

**Question:** Could you share with us the administration’s view of the closing of St. Vincent’s Hospital and its impact on emergency response?

**Mr. Skyler:** With respect to the emergency response issue, we are putting additional ambulances in that area to make up for the fact that St. Vincent’s will not have the capacity it used to have. We have done that where other hospitals have closed. Basically, we increase the number of ambulances on the street on our EMS tours, and we are doing that in this case. The city will probably experience some expense because of it, but that is the government’s job and we will fill that void.

**Question:** Do you have any thoughts about privacy issues concerning the expansion of the downtown security program to Midtown?

**Mr. Skyler:** We have a transparency policy available on the Internet to explain how we use the images and how long they are kept. There is a balance between privacy and security and it is a balance we strive to meet, but there is no expectation of privacy in a public space. That is why you can have your picture taken and be on the cover of the *New York Times* if you are sitting in a park such as Union Square. That is the reality.

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Can Government Work?

The Police Department harnesses technology and it is incredibly useful, even in addressing conventional crime. When a crime is committed and the police do not know who the perpetrators are—for example, if a woman is assaulted in the vestibule of her building and they do not have a good description—the police go to every store, bank, and building and pull up the security tapes to see who walked by. Then the police can push out those images, put the video online, and ask the public for help—saying they suspect that this person might have been involved in this incident. We need to take advantage of this technology. Like anything, it is about finding the appropriate balance, but the appropriate balance needs to account for protecting public safety as a priority. That also means that you need to have officials in government whom you trust with that information, and I think we have a pretty good track record. I do not mean to be cavalier about the sensitivity of the issue, but as long as it is done appropriately it is not even a close call.

**Question:** What are your thoughts about bringing people into government out of college?

*Mr. Skyler:* I have talked about how we can make government more accessible to people who want to enter it. The political process is a great way to get into public service because the people who want access to those jobs can work on campaigns and then can have opportunities to follow elected officials into office. The city, and every government, would be served well by making sure it has an open door to young people who want to get involved. That is why we have the Urban Fellows Program.12

**Question:** Is there anything that you would have approached differently over the past eight years?

*Mr. Skyler:* I am most proud of our effort against illegal guns in the second term, which was shaped by our experience in the first term. For me, that meant going with the Mayor to hospitals when police officers were shot—and too many times killed. That is as bad as it gets when you work in government. Those experiences really motivated us to think about the illegal gun problem more comprehensively than we did in the first term. In the first term, our approach essentially was that we have a great Police Commissioner and Police Department and they do a great job—crime is down, murder is down, and they are doing their job. During November and December 2005, and January 2006, which was right after Dillon Stewart was shot in the heart and then died at Kings County Hospital,13 we thought about how the battle against crime was not an even playing field.14


14. *Id.*
There is so much that is happening in New York City that the Police Department cannot control—guns that are being sold in Pennsylvania and Virginia, and regulations that a Congressman named Todd Tiahrt (R-Kan.) in Kansas is passing and attaching to the appropriations to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), which limit the accessibility to trace data and monitor where guns are coming from. Because there is so much happening that it is not within the Police Department's responsibility or mission to combat, there is a role for the civilians to get involved. So we worked with the Law Department to sue twenty-seven out-of-state gun dealers who were selling a disproportionate number of guns, with those guns winding up in criminals' hands and then used in shootings. We got the state to increase the penalty for illegal gun possession from a one-year minimum, which did not really exist because of exceptions, to a three-and-a-half-year minimum with no statutory exceptions. We cannot take away any prosecutorial discretion, but if you are caught with an illegal handgun in New York City or New York State, you will go to jail for three and a half years. That is a very serious amount of time. Considering the crime, you could argue that it is not serious enough, but it is a vast improvement.

We organized 450 Mayors around the country who were similarly frustrated. There is a reason Congress does not care about this issue: Congressmen are not woken up in the middle of the night when cops are shot. They do not go to the funerals or the hospitals because they are not attached to this violence. Mayors across the country are attached to it and they feel it. They talk to the parents. We were able to bring that outrage to bear and come up with constructive policies and initiatives to try to reduce the flow of guns into the city, but it is a war. We were able to use the coalition of Mayors to stop worse legislation from passing. For instance, we mobilized Mayors to pressure the Senate to stop the reciprocal carry bill, which meant that a gun permit in one state had to be recognized by another state. That was a success, but it is sad that this is what counts as a success in this effort. With time, your experience shapes things and you do make an effort to impact important issues where you can. You do not ever really know when the tipping point is, but we were able to find some of those tipping points and hopefully make the city safer as a result.

Question: A critical issue for the city and the region is transportation of both goods and people. The Metropolitan Transit Authority (MTA) is facing great financial problems at the moment. I was wondering if you have any prognosis for where you think we are going with respect to transportation.

Mr. Skyler: That is an area where we have put our money where our mouth is. We have invested several bonds to finance the extension of the Number 7 subway line into the far West Side of Manhattan. It is the first extension of a subway in many decades. That predated the Second Avenue subway line, which is now under construction. We have tried to use our bonding capacity to stretch mass transit and unlock areas of the city that we think are prime for commercial and residential

development, like the West Side. There are also other exciting transportation projects happening, like the Access to the Region’s Core (ARC) commuter rail project, which requires cooperation with the Port Authority. Unfortunately, the MTA is being hit with budget cuts. When the legislature did not pass congestion pricing in 2008, I thought that it was only a matter of time before budget reductions would be necessary. As the MTA continues to feel financial strain, there are a lot of unpleasant choices that will need to be made. When you have issues like taking away bus passes for school kids, it shows that as far as savings are concerned, we are unfortunately reaching into the bottom of the barrel. There is not a lot of money to go around for mass transit, but with some bold thinking, that could be ameliorated.