

CITIZENS BUDGET COMMISSION

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CBC CALLS ON NEW YORK STATE TO REIN IN ITS RUNAWAY DEBT, WHICH WILL HIT HISTORIC HIGH OF \$50 BILLION THIS YEAR

Calls On State Legislators To Commit, Before Election Day, To Addressing Debt Problem, If They Return For A Special Session To Approve Their Own Pay Raises

New York, NY – October 17, 2006 – The Citizens Budget Commission (CBC) today called on Members of the New York State Legislature to commit now, before Election Day, to addressing the State’s runaway debt problem if, as expected, they return to Albany for a Special Session this fall to vote themselves a pay raise. New York State’s debt is expected to hit an historic high of \$50 billion during the current fiscal year and had already reached a “danger zone” more than a year ago, according to the Commission’s analysis.

The State is accumulating debt at such a rapid pace that State debt has doubled just since 1993. In the past year alone (between FY 2006 and FY 2007), State leaders have added about \$4 billion in debt, a one-year growth rate of almost 8 percent! And they did that in a year in which there was no need to cover deficits and the State ended with a \$2.2 billion cash surplus. On a per capita basis, the current debt load amounts to about \$2,700 for every man, woman, and child in the State.

“New York State debt is out of control,” said CBC President Diana Fortuna. “Before legislators attend to their personal finances, they should attend to the people’s business and fix New York’s broken debt limit.”

The Commission also released today a publication summarizing the fiscal reforms that emerged from a two-day statewide conference last spring of 120 civic, business, labor, and government leaders from across the state, organized by CBC and held in Armonk, NY. The so-called “Armonk Agenda” contains 12 high-priority steps that should be taken to enact real fiscal reform in New York. They focus on lowering local taxes, lowering and better managing State debt, and making the State budget more accountable and transparent. The “Armonk Agenda” is available online at www.cbcny.org.

“These reforms reflect the views of leaders from across the State,” said Elizabeth Lynam, CBC’s Deputy Research Director. “They should inform public discussion and debate and serve as a blueprint for State legislators and the incoming Governor.”

Founded in 1932, the Citizens Budget Commission is a nonpartisan, nonprofit civic organization devoted to influencing constructive change in the finances and services of New York State and New York City governments.