

January 17, 2010 5:59 AM

City, state budget woes Rising waters won't lift this boat

In his Jan. 11 column, Greg David notes that the recession's damage to New York City's economy has been less severe than anticipated, with more local tax revenue than predicted when the city's current budget was adopted.

Yes, the currently projected gap of \$4.1 billion may be narrowed due to the good news, but that is only half the story. The budget contains one-shot measures that should be avoided—notably, a \$395 million drawdown from a retiree health insurance trust fund—and fails to recognize mandated items such as about \$200 million in new pollution-remediation operating expenses previously capitalized. The mayor's plan also assumes \$500 million in future concessions from labor unions.

We must not let this additional tax revenue be an excuse to avoid needed cost-cutting.

—Carol Kellermann
President
Citizens Budget Commission