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Is the Mayor Spending Too Much Money?

Key numbers in de Blasio's budget

By Greg David

Bill de Blasio is both a big spender and a big saver. Two numbers from his executive budget submitted this week tell the story.

15.4%

Start with the spender on the first crucial number in his budget: the 15.4% increase in city spending in his first term.

The Citizens Budget Commission calculated that number from the last budget turned in by former mayor Michael Bloomberg through the projected budget for de Blasio's fourth year in office. The CBC adjusted the spending number to factor out the various reserves and prepayments.

In an era when inflation is running less than 2% a year, 15.4% represents a very significant increase in spending, which is possible because the strong economy is producing even faster growth in tax revenue.

\$5.2 billion

The second most important number is the \$5.2 billion the mayor plans to sock away by the end of the 2017 fiscal year: Of that, \$3.7 billion will go to a retiree health care trust, \$1 billion to a general reserve and \$500 million to a capital reserve. Don't be misled by the name "retiree health care trust." Bloomberg built up the reserve and then drew it down to stabilize the budget after the financial crisis. De Blasio is likely to mirror Bloomberg's actions the next time revenue declines.

The problem is that while \$5.2 billion sounds like a lot of money, it is expected to be exhausted in two years if the next recession mirrors the 2008-09 downturn, which, of course, was the mildest of the last four New York recessions.

It is the timing and severity of the next economic cycle that will show whether the mayor increased spending too much or whether he saved enough to protect the budget from severe cuts.

Year	Spending
2014	\$74.1 billion
2015	\$75.6 billion
2016	\$81.4 billion
2017	\$83.4 billion
2018	\$85.5 billion

For fiscal year ending June 30

Source: Citizens Budget Commission