



Published in the

NEW YORK POST

\$82B Budget Includes New Precinct, \$50M Swimming Pool

By Michael Gartland

April 27, 2016

With tax revenues booming, Mayor de Blasio on Tuesday proposed a new \$82.2 billion city budget that included goodies for just about every constituency, from a \$50 million pool on Staten Island to animal shelters in Queens and The Bronx.

But the good-times budget contained one major sore spot: a municipal hospital system hemorrhaging so much money that it needed a \$160 million bailout on top of an earlier \$337 million rescue just to meet this year's bills.

While adding the new funds, de Blasio also released yet another plan — prepared by consultants Manatt, Phelps & Phillips at a cost of \$3 million — to restructure the nation's largest hospital system.

"The status quo is unacceptable," de Blasio said of the struggling 11-hospital system. "We have to intervene aggressively here, and we're taking action to close this gap through a combined series of actions."

In addition to the cash infusion, the city is forgiving \$180 million a year in loan repayments through 2020, when the municipal hospitals' deficit is projected at \$1.8 billion.

The mayor blamed the shortfalls on cuts in state and federal funding, as well as patients without insurance — many of them undocumented immigrants.

In what is sure to set off a storm of controversy, one of his proposed solutions was to sell off under-utilized land on hospital grounds.

Chuck Brecher of the Citizens Budget Commission described the mayor's latest overhaul plan as a rehash of ineffective ideas that went nowhere.

"They had a plan they developed a year ago and the plan isn't working," Brecher said.

"Selling land? A, they don't have a number for it and B, they haven't said how much money. They haven't been able to get the head count down the way they wanted, and they haven't been able to get the MetroPlus numbers up."

MetroPlus is the hospital system's HMO plan.



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Despite the crisis, the mayor pledged to reduce the hospital workforce through attrition and without layoffs.

“Over the past 13 years, 18 private hospitals have closed throughout New York City,” he said. “This plan will not close any more hospitals or layoff any workers.”

The proposed budget, which has to be approved by the City Council, represents a 4.7 percent increase over last year. It covers the 2017 fiscal year, which begins on July 1.

Tax revenues came in so strongly — up \$539 million just since January — that de Blasio was also able to expand the capital budget and to allocate funds to everything from a new \$70 million police precinct in Queens to a \$5.5 million opioid-drug-addiction initiative to more ambulance tours at a cost of \$5 million.

“The good news in our city is substantial,” the mayor concluded.