

CITIZENS BUDGET COMMISSION

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CBC STATEMENT ON MAYOR BLOOMBERG'S FINANCIAL PLAN

New York, NY – January 28, 2008 – New York City Mayor Michael Bloomberg announced his financial plan for fiscal year 2008-09 on January 24th. In response, the Citizens Budget Commission (CBC) released the following statement:

Mayor Michael Bloomberg is planning for fiscal year 2008-09 and beyond in a period of great economic uncertainty. Thanks to generally prudent financial management in recent years, the City enters this period with a projected surplus of fully \$4.1 billion in the current fiscal year.

This surplus, however, should not be squandered. The Mayor's plan calls for devoting the surplus to support recurring spending in fiscal year 2008-09, but an unexpected surplus should not support recurring expenditures. The surplus would help balance a single year's budget, but it would not close gaps in subsequent years – gaps which will approach \$6 billion in fiscal year 2010-11.

The City should begin to curb spending more aggressively in fiscal year 2008-09 in order to ensure a smoother transition to the tough times ahead and to avoid more draconian steps later. The Mayor's plan would permit city-funded spending to grow 3.7 percent in the coming year, and his planned program of agency savings amounts to only 1.5 percent of the total budget. We will be offering suggestions for meaningful expenditure actions and hope the Mayor and the City Council will be responsive.

Additional information about CBC is available at www.cbcny.org.

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 City and New York State governments.

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