

CITIZENS BUDGET COMMISSION

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CBC ISSUES REPORT ON NEW YORK STATE'S DEBT BURDEN

Report Says the State's Level of Debt Is in the Danger Zone

New York, NY – March 9, 2010 – The Citizens Budget Commission (CBC) today released a report on New York State's debt burden, which raises serious concerns about the existing levels of debt and comes at a time when the State is considering ways of addressing a budget gap of more than \$9 billion. The report – titled “In The Danger Zone: A Comparative Analysis of New York State's Long-Term Obligations” – reveals the following:

- **New York State's debt burden is greater than that of all but three states: New Jersey, Hawaii, and West Virginia.**
- **All four of those states, as well as Delaware and Louisiana, have debt burdens that fall within a “danger zone;” their burdens are far above national norms and make them divert resources from service provision to debt service.**
- **In order to fall below the danger zone threshold, New York would have to reduce its long-term liabilities by \$20.4 billion – from the 2008 level of \$120.0 billion.**
- **New Yorkers are currently paying about \$5.6 billion in debt service, and in four years that cost will rise to more than \$7.1 billion, or one out of every ten dollars paid in taxes.**

“New York State tax dollars are increasingly being diverted from providing public services to paying off loans,” said CBC President Carol Kellermann. “This problem will only continue to grow, unless the State controls future borrowing.”

A full copy of the report is available at www.cbcny.org.

For further information, contact Kevin Medina at 212-279-2605 x342.

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.