

CITIZENS BUDGET COMMISSION

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CBC Statement on New York City's Executive Budget for Fiscal Year 2011

New York, NY – May 06, 2010 – The Citizens Budget Commission (CBC) today issued the following statement by CBC President Carol Kellermann:

Mayor Michael Bloomberg's Executive Budget for Fiscal Year 2011 is a prudent approach to addressing the City's fragile economic condition and the uncertainties of future State aid reductions. The planned reduction in municipal employment of nearly 11,000 is an unfortunate but appropriate response to the new fiscal realities.

The Mayor rightly seeks reforms to the generous fringe benefits offered to the municipal workforce in the form of modest health insurance premium co-payments and lower retirement benefits for future public employees (Tier V); they would produce savings of over \$550 million next year and more thereafter. While the Mayor proposes using these savings to fund future wage increases, New Yorkers would be better off if the savings were used to restore services that will be lost through the reductions in headcount. In fact, these savings would be enough to prevent the loss of 6,400 teachers now planned in the budget.

The CBC is disappointed that the Executive Budget continues to draw down more than \$1 billion dollars over three years from the Retiree Health Benefits Trust; these funds should not be tapped for current operating purposes and should remain dedicated to future retiree health benefits.

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.