



CITIZENS • BUDGET • COMMISSION

Contact: Carol Kellermann
212-279-2605, ext. 322

Maria Doulis
212-279-2605, ext. 316

CBC STATEMENT ON MAYOR DE BLASIO'S EXECUTIVE BUDGET FOR FY 2016

New York, NY - May 7, 2015 - The continuing strong performance of the local economy provides a favorable context for the Executive Budget released today by Mayor Bill de Blasio. The tax revenues anticipated in the budget for fiscal year 2016 are \$1,169 million greater than anticipated last June when the current budget was adopted and \$218 million greater than the revisions made in February 2015.

Much of this previously unanticipated money is being put to prudent use. Reserves for potential adverse developments increased by a total of \$1,030 million, including an increase of \$250 million in the general reserve to \$1.0 billion, the creation of a new capital program fund of \$500 million, and an increase in the Retiree Health Benefit Trust of \$280 million.

Another substantial portion of the new resources is used to increase recurring spending and to forego payments from the Municipal Water Finance Authority and the New York City Housing Authority. Added commitments for multiple social service, housing, and other programs total about \$700 million in fiscal year 2016 and are consistent with the Mayor's priorities, but may not be sustainable in the face of out-year budget gaps and risks to the economy.

Finally, the inclusion of a new savings program in the budget is a welcome start for the Mayor's efforts to improve the efficiency of municipal service delivery. However, the current program is relatively small, with a third of the savings derived from lower interest rates on debt rather than productivity initiatives. The baby steps in this program should become bolder strides as the budget process moves forward.

Founded in 1932, the Citizens Budget Commission (www.cbcny.org) 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.