

CITIZENS BUDGET COMMISSION
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**CBC URGES NEW YORK STATE LEGISLATURE TO FOLLOW ITS “10 DO’S
AND DON’T’S” FOR SPENDING THE FEDERAL STIMULUS FUNDS**

New York, NY – February 25, 2009 – The Citizens Budget Commission (CBC) today released a letter that it has sent to the New York State Legislature containing its “10 Do’s and Don’ts” for spending the estimated \$4.8 billion in federal stimulus funds coming to New York State in fiscal year 2009-10 and available for use for budget relief . The letter cautions that the funds need to be wisely spent over the next two years, because in year three of the State’s current financial plan “the budget gap is a whopping \$18.7 billion.”

The “10 Do’s and Don’t’s”, which are discussed further in the letter, are as follows:

- 1. Don’t adopt harmful tax increases**
- 2. Do form a commission to examine the question of how to reform New York’s tax structure**
- 3. Do roll back assessments on health insurance providers that were enacted as part of the deficit reduction program two weeks ago**
- 4. Do make the changes in the Medicaid program that the Governor proposed**
- 5. Don’t adopt the foundation aid cuts to school districts proposed in the budget**
- 6. Do phase out unnecessary payments to the wealthiest school districts**
- 7. Do end middle class STAR**
- 8. Do eliminate programs that are ineffective or unnecessary**
- 9. Do adopt a new pension tier and other compensation changes for public employees**
- 10. Don’t raid public authorities or rely on other one-shots**

“The federal stimulus funds provide short-term relief so that New York can adjust to current fiscal conditions and to life with a smaller economic engine on Wall Street,” said CBC President Carol Kellermann. “The funds should enable New York to make needed budgetary reforms; they must not become an excuse for delay.”

The text of the full letter 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 State and New York City governments.