

CITIZENS BUDGET COMMISSION

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CBC URGES THE CITY OF NEW YORK TO TACKLE THE SO-CALLED “UNCONTROLLABLE” ITEMS IN ITS BUDGET

Study Shows That, In Collaboration With New York State, The City Can Save \$2.5 Billion Annually

New York, NY – May 12, 2005 – The Citizens Budget Commission (CBC) issued a report today, analyzing the so-called “uncontrollable” or “non-discretionary” items in the New York City budget. The report – entitled *The Myth of the “Uncontrollables”* – urges the City to take action on these items, rather than accept them as inevitable cost increases. The report identifies four ways the City should take the lead in pursuing \$2.5 billion in annual savings by fiscal year 2009:

Proposal	Savings
• Reduce Pension Costs	\$ 549 million
• Reduce Health Insurance Costs	\$1,197 million
• Reduce Medicaid Costs	\$ 454 million
• Reduce Debt Service	\$ 290 million
Total Savings	\$2,490 million

“These budget items cannot be controlled solely by the City, but they can certainly be controlled,” said CBC President Diana Fortuna. “The City, the State, and the public employee unions owe it to the taxpayers to make a much more concerted effort to keep these costs contained.”

“If these costs aren’t controlled, public services will end up being cut,” said Charles Brecher, CBC’s Research Director. “Then New York’s competitiveness as a place to live and work will be jeopardized. It’s time to focus on reducing those costs that cannot be addressed unilaterally, but which are the real budget busters.”

A copy of the full report is available at www.cbcny.org/05-11-05_Uncontrollables.pdf

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.