



New York City Comptroller
John C. Liu

STATEMENT

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LIU: MAYOR’S BUDGET MATH DOESN’T ADD UP

NEW YORK, N.Y. – Comptroller John C. Liu stated the following on the Mayor’s final budget modification released today:

“The Mayor’s math doesn’t add up. The facts are clear, not only will the next Administration not inherit a balanced budget but it will also be greeted on Day 1 with a fiscal mess of historic proportions – 300,000 employees working with expired contracts.

“Mayor Bloomberg’s final budget modification continues to conceal huge fiscal risks and rely on one-shots like selling City property and depleting the Retiree Health Benefit Trust. His budget may seem balanced on paper, but the fiscal reality points to multi-billion-dollar budget gaps on the fiscal horizon.”

Background:

There is a multi-billion dollar budgetary risk associated with the fact that all City unions are currently working under expired contracts. The Bloomberg Administration’s negotiating position with the unions does not include retroactive pay for any contract settlement. The current financial plan includes funding for a settlement of a five-year contract in which the first three years would have no increases followed by two years of 1.25% increases. The unions have all rejected this proposal. Any wage increases above and beyond the funding already in the financial plan would need to be funded through increased revenues or decreased services.

An analysis by the Comptroller’s office has found that if all unions agreed to a minimal 1% increase a year over the five-year term of the contract, the City would need to fund \$1.3 billion in retro pay. If the wage increase were instead linked to inflation, this number could balloon to \$3.1 billion. These numbers are on top of the potential \$3.5 billion in retroactive wages that the United Federation of Teachers (UFT) and the Council of School Supervisors & Administrators (CSA) members are seeking.

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