



New York City Comptroller
Scott M. Stringer

NEWS

PRESS RELEASE

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COMPTROLLER SCOTT M. STRINGER ANALYZES NEW YORK CITY'S PRELIMINARY FISCAL YEAR 2015 BUDGET

Contact: Eric Sumberg (212) 669-3535, esumberg@comptroller.nyc.gov

NEW YORK, NY— New York City Comptroller Scott M. Stringer presented his office's analysis of New York City's Preliminary FY 2015 budget in the context of the city and national economies today at the Municipal Building in New York City.

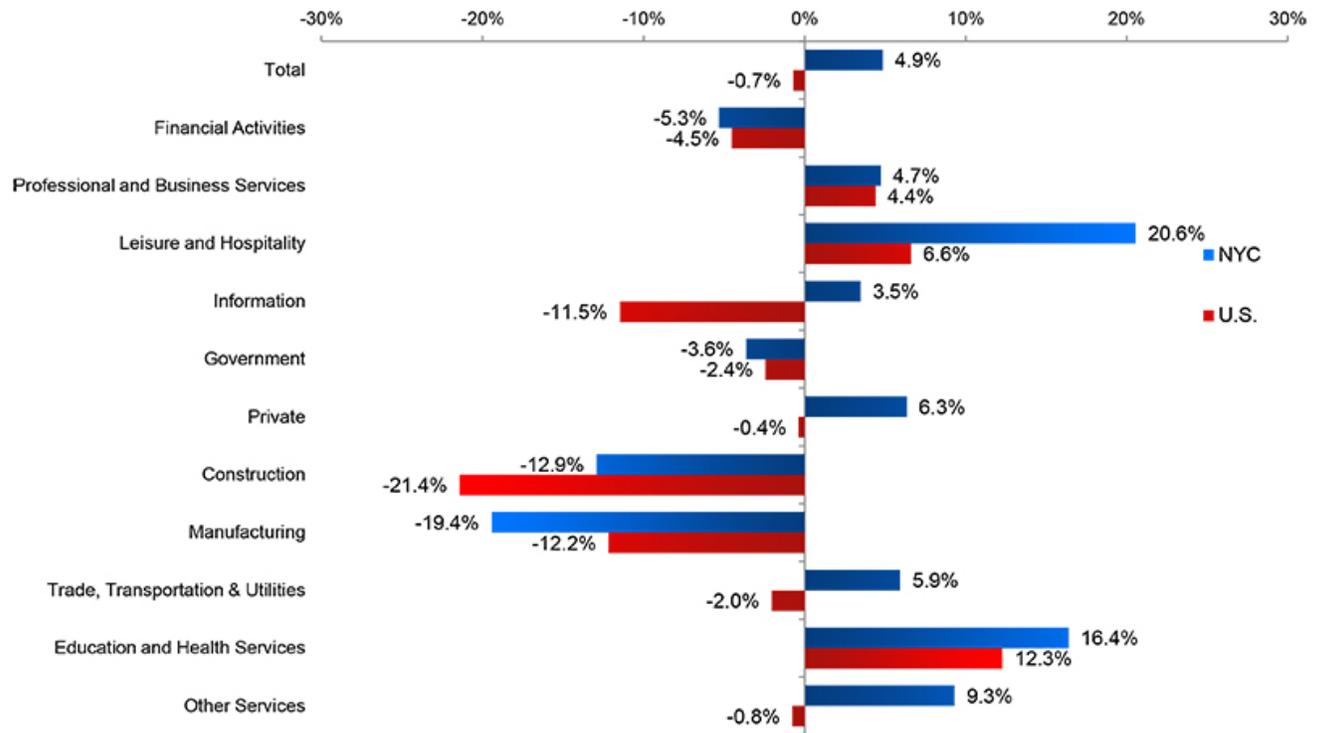
"We are at a moment of great transition in our City," Stringer said. "Mayor de Blasio's Preliminary Fiscal Year 2015 Budget strikes a prudent balance between funding vital programs while putting aside money for future needs. But we are still facing some big unknowns that must be resolved between now and the end of the fiscal year on June 30th."

As Chief Fiscal Officer for New York City, the Comptroller has a charter-mandated duty to comment on the financial condition of the City. Today's analysis focused on the economic and fiscal trends affecting the City such as weak wage growth, some bright spots in the local economy – including the city's burgeoning tech sector — and the importance of resolving more than 150 expired labor contracts.

"Negotiating contracts with the City's workforce is a complex and daunting task, but it is critical that we resolve these contracts if we are going to achieve real balance," Stringer said. "We have always faced budget challenges in this city and we have overcome those challenges by working together. I am confident that we will find ways to keep the City growing, ensure workers are compensated fairly and maintain New York's status as the greatest city in the world."



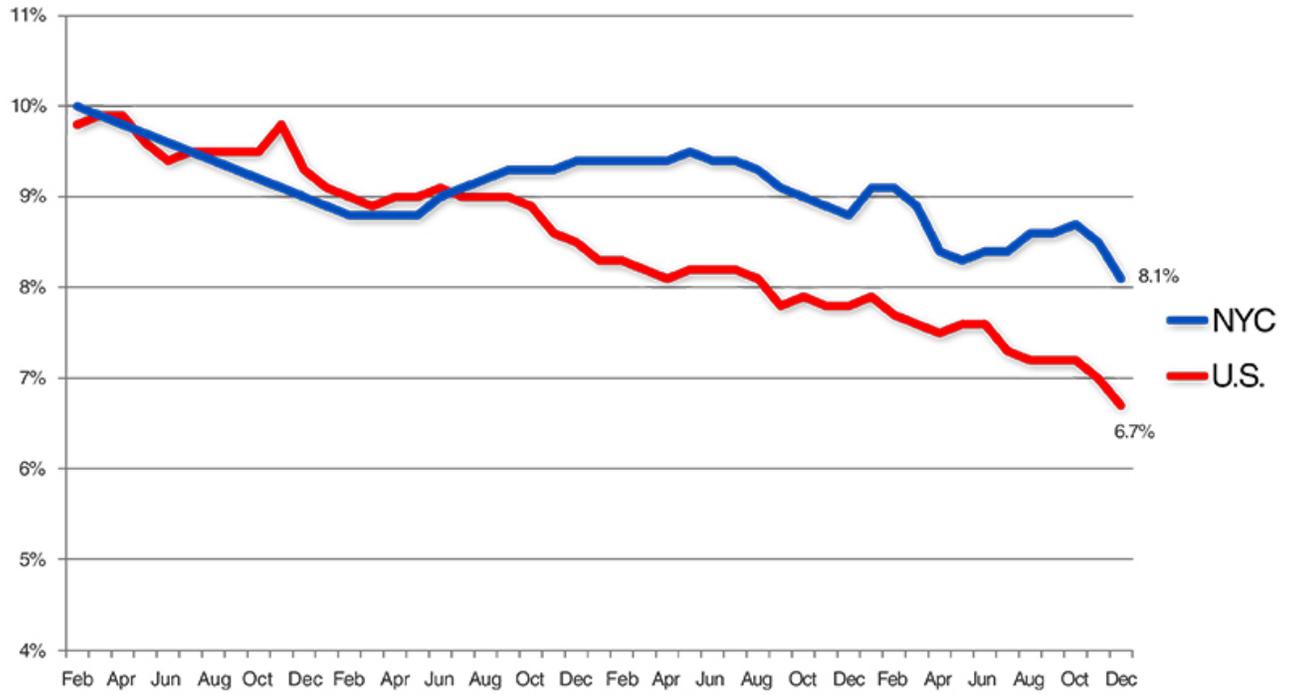
Change in Jobs Since Pre Recession Peak NYC vs U.S.





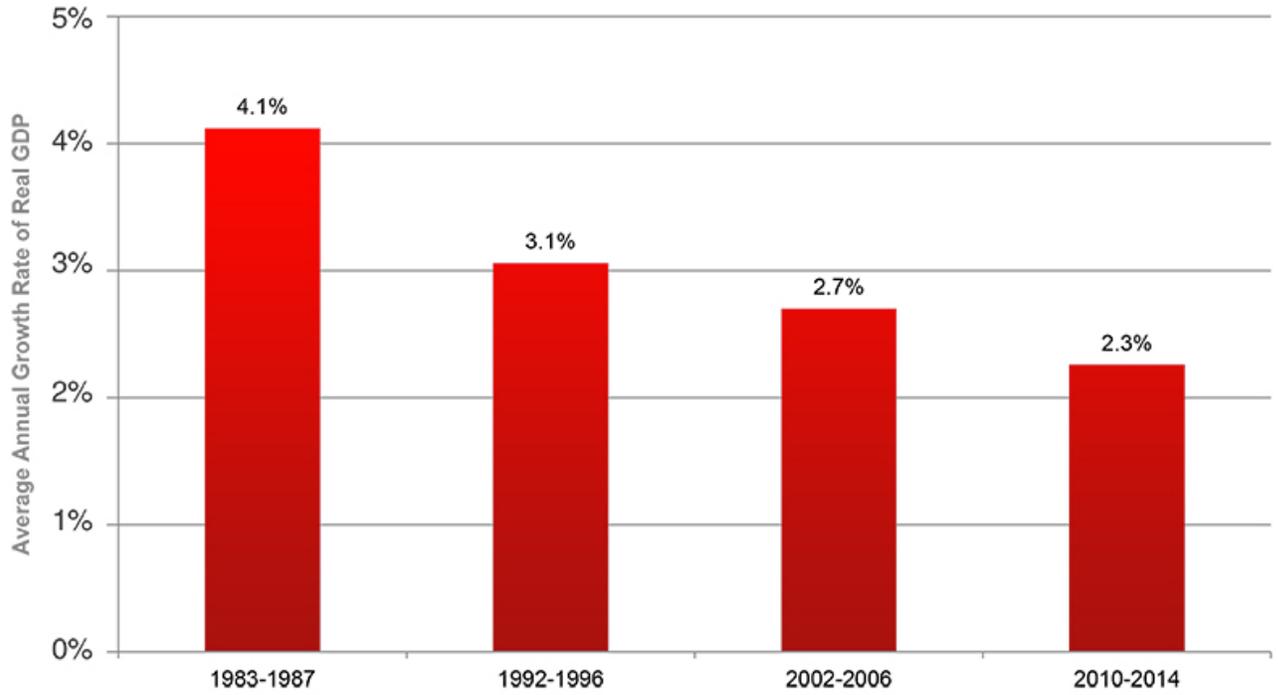
Unemployment Rate NYC vs U.S.

Feb 2010 - Dec 2013



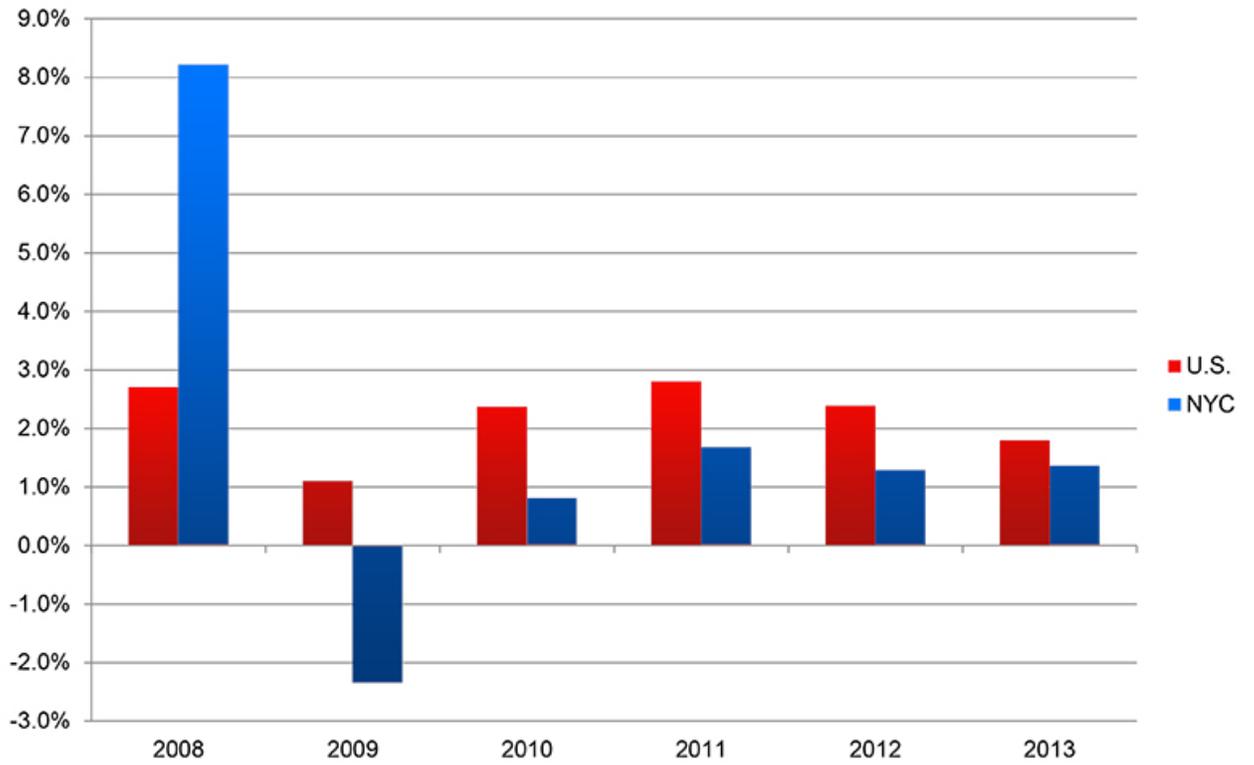


U.S Growth in Four Recoveries



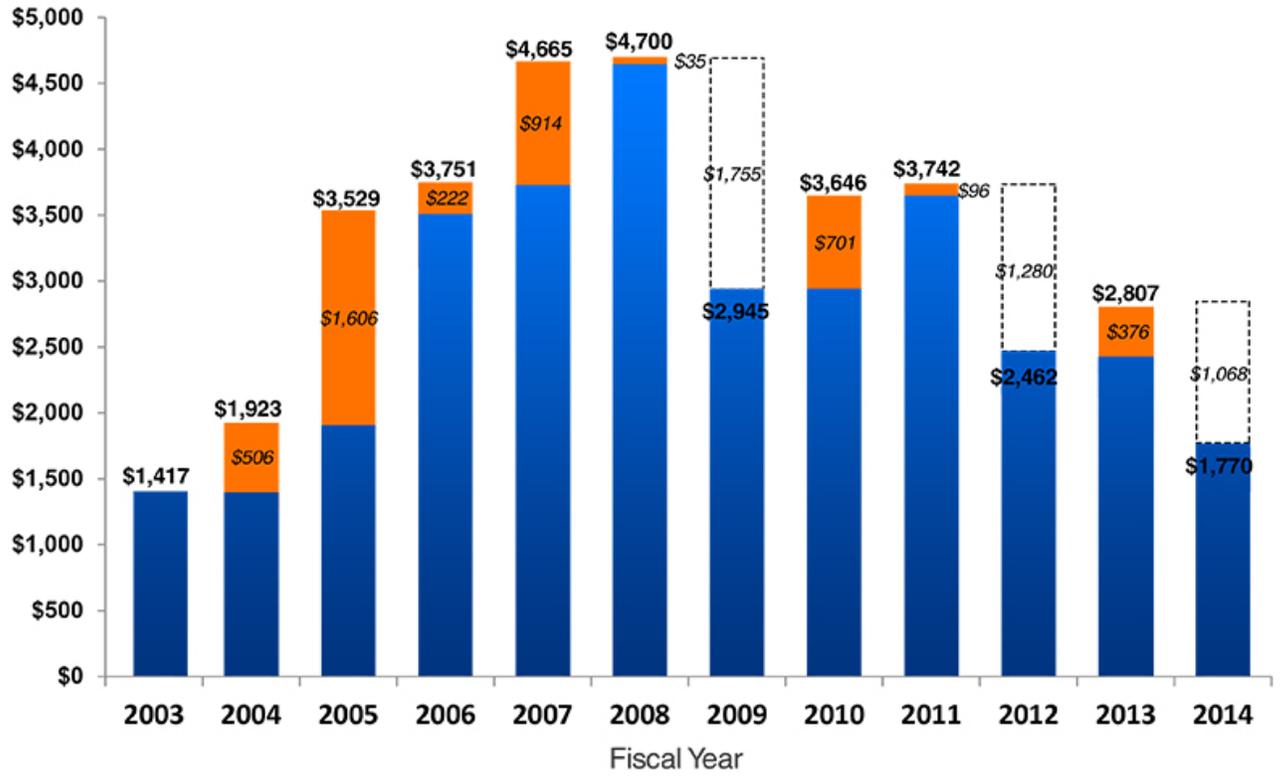


Change in Weekly Average Earnings NYC vs U.S.



The Roll

(\$ in millions)



City-Fund Changes from November

(\$ in millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Gaps to be Closed - November 2013 Financial Plan	\$0	\$0	(\$1,472)	(\$951)	(\$1,091)
Revenue Changes					
Tax Revenue Forecast	\$890	\$594	\$933	\$953	\$1,232
Net Revenue Changes	\$862	\$469	\$1,014	\$936	\$1,213
Cumulative Total		\$1,331			\$4,494
Agency Expense Changes	\$132	\$171	\$228	\$208	\$198
Cumulative Total		\$303			\$937
Other Expense Changes					
Debt Service Savings	(\$277)	(\$87)	(\$17)	(\$19)	(\$22)
Pensions	\$7	\$87	\$92	\$28	\$18
State Budget Impact	\$0	(\$2)	(\$2)	(\$2)	(\$2)
Reserve and Future Uses					
General Reserve	\$0	\$300	\$300	\$300	\$300
Retiree Health Benefits Trust	\$1,000	\$0	\$0	\$0	\$0
Total Expense Changes	\$862	\$469	\$601	\$515	\$492
Universal Pre-K and After School					
Universal Pre-K and After-School Program Revenue	\$0	\$530	\$533	\$569	\$594
Universal Pre-K and After-School Program Expenses	\$0	\$530	\$533	\$569	\$594
Cumulative Total		\$530			\$2,226
Gaps to be Closed - February 2014 Financial Plan	\$0	\$0	(\$1,059)	(\$530)	(\$370)

Growth in Expenditures

(\$ in millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 14- 18	Annual Growth
Debt Service	\$5,745	\$6,832	\$7,397	\$7,624	\$7,825	36.2%	8.0%
Health Insurance	\$5,379	\$5,671	\$6,227	\$6,848	\$7,486	39.2%	8.6%
Judgments and Claims	\$663	\$674	\$710	\$746	\$782	17.9%	4.2%
Subtotal	\$11,787	\$13,177	\$14,334	\$15,218	\$16,093	36.5%	8.1%
Salaries and Wages	\$22,102	\$22,161	\$22,443	\$22,712	\$23,034	4.2%	1.0%
Pensions	\$8,197	\$8,205	\$8,324	\$8,428	\$8,605	5.0%	1.2%
Other Fringe Benefits	\$3,337	\$3,417	\$3,518	\$3,625	\$3,772	13.0%	3.1%
Medicaid	\$6,365	\$6,447	\$6,415	\$6,415	\$6,415	0.8%	0.2%
Public Assistance	\$1,376	\$1,396	\$1,396	\$1,402	\$1,402	1.9%	0.5%
Other OTPS	\$21,568	\$20,778	\$21,126	\$21,593	\$21,847	1.3%	0.3%
Subtotal	\$62,945	\$62,404	\$63,222	\$64,176	\$65,075	3.4%	0.8%
Total	\$74,732	\$75,581	\$77,556	\$79,394	\$81,167	8.6%	2.1%

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Stringer noted that unlike most years, the budget was balanced for FY2015 prior to the release of the preliminary budget, which allowed Mayor de Blasio to prudently set aside new revenue — \$1 billion into the Retiree Health Benefits Trust Fund, and \$300 million to the general reserve. The budget provides for important new policy initiatives, such as a municipal ID system, relieving NYCHA of the burden of paying for its own police protection and capping rental costs for HASA clients living with HIV/AIDS.

Stringer presented ten strategies worthy of discussion that could potentially create the savings needed to support our budgetary needs:

1. Restore revenue sharing to New York City
2. Collect education funds due to the City under the Campaign for Fiscal Equity
3. Draw down Federal Medicaid Funds for Special Education Services
4. Claim New York City's share of the \$8 billion federal Medicaid waiver
5. Produce agency savings from efficiencies that don't reduce services or hurt vulnerable populations
6. Achieve savings through productivity and benefit reforms including health care costs
7. Reform tax expenditures
8. Generate additional savings in FY15 debt service through aggressive refinancing
9. Recognize FY14 resources from prior year payables that are not needed
10. Realize savings from ending the budget dance and member item reform

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