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## **COMPTROLLER SCOTT M. STRINGER TESTIFIES BEFORE NEW YORK CITY COUNCIL ABOUT NEW YORK CITY'S PRELIMINARY FISCAL YEAR 2015 BUDGET**

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NEW YORK, NY—New York City Comptroller Scott M. Stringer **testified** about his office's [analysis](#) of Mayor Bill de Blasio's Preliminary FY 2015 Budget and Financial Plan for FY 2014-2018 before the New York City Council Finance Committee this afternoon.

"My office expects tax revenues to be slightly higher than City Hall's forecast in the coming years, driven primarily by additional property tax revenues," Stringer said. "But we identified additional risks as well, including higher than expected overtime spending and lower than projected Medicaid reimbursements. This is a prudent budget given our City's economy, but, as I've said in the past, its Achilles heel remains the City's expired labor contracts."

The February Financial Plan presents a City budget with a stronger economic outlook and relatively small out-year gaps. According to the Comptroller's office, these gaps are projected to be smaller than the City's estimations in each of the fiscal years. For FY 2014 and 2015, Stringer's office projects \$860 million in additional tax revenues, about 1% higher than Mayor de Blasio's outlook. For FY 2018, it is \$1.823 billion higher, a difference of 3.3%.

Stringer's analysis identified expired labor contracts as the major risk to the budget. In addition, the Comptroller identified two additional risks to the City's budget: Uniformed overtime spending will exceed the projected amount by \$128 million in FY 2014, \$122 million in FY 2015 and \$100 million annually beginning in FY 2016. Also, lower than estimated Medicaid reimbursements in the Department of Education could mean a liability of \$30 million in FY 2014, \$110 million in FY 2015 and \$140 million annually beginning in FY 2016.

Stringer suggested several potential sources of revenue and savings to be considered to meet our budgetary demands:

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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