

CITIZENS BUDGET COMMISSION

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NEW YORK STATE LEGISLATORS INTRODUCE BILLS TO INCREASE THE COST OF PUBLIC EMPLOYEE PENSIONS

Proposed Legislation – Costing More Than \$860 Million Annually – Comes Despite State and Local Fiscal Challenges and Over-Burdened Taxpayers

New York, NY – April 11, 2011 – The Citizens Budget Commission (CBC) today released an analysis of bills recently introduced by New York State legislators that would increase the already-skyrocketing cost to taxpayers of retirement benefits for State and local employees. These bills, all introduced in the current legislative session, come despite the high tax burden in New York and the growing need for reductions in the cost of public employee benefits.

Despite the fiscal pressures faced by New York State, New York City and other local governments, legislators have so far introduced 55 bills enhancing or protecting public employee retirement benefits. Most of these bills are so-called “pension sweeteners” that would increase the generosity of public pensions. The most egregious of them would add at least \$300 million per year to the cost of the State’s pension contributions and \$560 million per year to local governments’ costs. Several would roll back the reforms of Tier V legislation passed just 13 months ago. An additional proposed gimmick would increase the costs to school districts in the long run, by allowing them to cap their required contributions in the short run and borrow the remainder.

“It’s astonishing that these bills would be introduced in this fiscal climate,” said CBC President Carol Kellermann. “The bills reflect no acknowledgement of the financial burden that taxpayers already bear.”

“Governor Cuomo and Mayor Bloomberg are proposing reforms that would ensure that future employee benefits are affordable,” said CBC Senior Research Associate Maria Doulis. “But there’s a need for constant vigilance to ensure that existing costs are not increased further by the Legislature.”

A full listing of the bills and their sponsors is contained in a CBC Scorecard, available at www.cbcny.org. For further information, contact Kevin Medina at 212-279-2605 x342 or kmedina@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.