

OMB RELEASES REVISED FINANCIAL PLAN

Mayor de Blasio's Fiscal Year 2015 Executive Budget moves forward this administration's core priorities while keeping the city's finances stable, reflecting the Mayor's budgetary values of fiscal responsibility, progressiveness, and honesty.

The Mayor's budget presentation can be read [here](#).

Today, OMB is releasing a revised Financial Plan that reflects the accounting adjustment announced last week by the Mayor and the Comptroller, related to restructured payments for employees who are eligible to retire on July 1, 2014 or later.

Rather than booking the expenses in the specific year of employees' retirement, the City will now be booking all expenses in FY14.

There is no additional cost being added from the labor agreement – all this accounting change does is simply move costs earlier and create savings later, with no impact to the cost of the tentative agreement with UFT or the total cost as applied to the entire city workforce.

Specifically, this revised Financial Plan now reflects the full \$725 million cost in FY14, with that cost fully offset by reductions in the out-years of the agreement.

The FY14 budget remains balanced. The new cost to FY14, totaling \$725 million, is offset by reducing pre-payments that were initially going to be applied in FY15 and by debt service savings:

- \$696 million will be offset by a reduction in pre-payments that were initially going to be applied in FY15.
- The remaining \$29 million in FY14 will be covered by debt service savings.

The FY15 budget also remains balanced, totaling \$73.9 billion. The \$696 million reduction in pre-payments to FY15 will be covered by savings from the City-MLC Health Stabilization Fund and the reduction in retiree expenditures:

- \$500 million from the Stabilization Fund will be moved from FY16 to FY15.
- There will be \$196 million in savings in FY15 as a result of moving retiree payments to FY14.

There will be an increase in the FY16 gap that will largely be off-set by decreases in out-year budget gaps (FY17-20) as a result of moving the restructured payments from those years into FY14.

[Click here to view the revised Financial Plan Publications.](#)