

Community Health Care Association of New York State

New York City FY 10 Executive Budget

Mayor Bloomberg proposes a \$59.4 billion FY10 Executive Budget which fills a \$6.6 billion deficit through series of tax increases, job cuts, agency spending reductions, and other actions. In order to generate revenue, Mayor Bloomberg calls for a half a percent increase in the sales tax which is expected to raise \$552 million. If adopted, the sales tax in New York City will be 8.875 percent. The Mayor has also proposed to eliminate the sales tax exemption on clothing to generate \$394 million. Lastly, the Mayor proposes a five cent fee for the use of plastic bags, which he expects to raise \$100 million.

The Mayor's Executive Budget also seeks to close the deficit with cost savings. The Executive Budget calculates the elimination of 13,541 city jobs through attrition and 3,759 city jobs in layoffs. City unions were asked to come up with \$400 million in savings, which is expected to be achieved through the creation of a new pension tier (\$200 million) for newly hired employees and through health care cost containment (\$200 million). A cumulative total of \$3.4 billion in City agency reductions, 16.4 percent of controllable expenses, have been taken to reduce the FY 2010 deficit. The following DOHMH proposals that were listed in the Preliminary Budget are also identified on the Mayor's FY 10 Executive Budget. They remain of importance and concern for health centers in New York City:

1. DOHMH proposes to reduce funding to the City's Primary Care Initiative which was developed to expand primary care capacity to 11 high need neighborhoods. The city will eliminate \$2 million in FY 10 and an additional \$2.01 million in FY 11, 12, and 13.
2. DOHMH proposes to cut school-based oral health programs at 44 sites. This will result in the layoff of 57 full-time and 35 part-time dental staff. The City will eliminate \$2.5 million in funding for this program for FY 10 and an additional \$3.4 million in FY 11 and 12. As such, DOHMH is accepting requests from providers interested in receiving dental equipment to expand/or upgrade dental services in their community sites and in school based health center sites.
3. DOHMH proposes to cut Early Intervention Programs by \$2.9 million in FY 10. DOHMH explains that the State's delays in cost of living increases for Early Intervention providers will reduce the program's available spending.
4. DOHMH proposes to reduce funding provided to community-based and other non-HHC providers for mental health, substance abuse and mental retardation/developmental disability contracts. The City will eliminate \$1 million in FY 10 and \$3 million in FY11, 12, and 13.

CHCANYS is scheduled to testify to the City Council on these and other city budget matters during its Executive Budget Hearing on May 27th at 3:30PM. If you would like your center to also testify, please call the City Council Finance Division at (212) 788-9153 or (212) 788-7040 to register. If there are any questions, please call Darryl Ng, Director of Government Affairs at (212) 710-3814.