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**CITY'S 2008 BUDGET AGREEMENT REACHED – COUNCIL AND ADMINISTRATION
AGREE ON PRUDENT BUDGET THAT PROTECTS VITAL CITY SERVICES**

***Offers Relief to Homeowners with 7 Percent Property Tax Rate Reduction;
6-day library service to begin again this summer***

City Hall, NY – City Council Speaker Christine C. Quinn and Mayor Michael R. Bloomberg announced an agreement on the City's 2008 operating budget, totaling \$59 billion. As part of the budget, the Council and Mayor also reached an agreement on a property tax rate reduction. The 7 percent property tax rate reduction that was negotiated is larger than the 5 percent initially proposed in January, which means tax bills will be lower than anticipated.

Additionally, library service will now be guaranteed six days a week in all of the more than 200 branches in three systems citywide. This new expanded service will begin immediately and will provide thousands of New Yorkers with improved access to valuable summer programs, as well as after school, literacy, tutoring, cultural, job training and other programs offered by the city's libraries. The funding for full six-day library service will be partly baselined, along with the rest of the library funding agreed to earlier this year. As a result, this funding be more secure in future budgets. Traditionally, all library funding had been eliminated in the Mayor's Preliminary budget, resulting in a five-month back and forth battle over funding that was ultimately restored.

The Council was also successful in restoring \$21 million in funding that will allow CUNY community colleges to retain full-time faculty and hire more professors. The budget also increases funding for full-day pre-kindergarten slots.

The budget negotiated between the Speaker and Mayor reflects fiscal responsibility with an eye toward out year planning. The budget also entails a paying down of the out year budget gaps in year 2009 and 2010. And following last year's allocation, the budget places \$500 million in the Health Care Trust Fund.

While fiscally prudent, the negotiated budget also preserves and restores funding for essential city services and programs, including funding that will combat obesity, prevent high school dropout and provide services to seniors and veterans.

This budget also makes good on a promise the Council made a year and a half ago to lower taxes for small businesses by including a decrease in the tax rate for small businesses and freelancers. This will help promote small business and encourage job growth and development.

“Today I am proud to stand with my colleagues and the Mayor to announce an on-time budget that balances fiscal responsibility with the need to provide essential city services to New Yorkers. We are wisely paying down future budget gaps, putting additional funds toward covering future retiree costs, and are saving New Yorkers more than a billion dollars in property taxes while also making good on our promise to cut taxes for our City’s small businesses,” said Speaker Quinn. “Restoring 6-day library service, which was lost in the economic downturn after September 11th, will allow seniors, students and working families to access literacy program, tutoring and job training.”

The new financial plan includes a number of City Council initiatives that were incorporated into the Mayor’s Executive Budget, including the creation of primary care clinics in the highest-need communities over the next five years, and increased funding to District Attorney Offices to combat child abuse. It also includes baselined funding for the City’s arts organizations, parks and childcare. The new funding process for museums and arts groups resulted in allocations being made on a merit-based system, one that was open to more transparent and accountable.

Finance Chair David Weprin stated, “Through this year's budget, the Council was able to meet both the current and future needs of New Yorkers. With innovative, long-term planning and fiscal responsibility, this year’s budget will enhance many city services, while reducing the burden on homeowners. The seven percent across-the-board property tax cut will ensure that peoples’ tax bills will not be higher than the year before, and in many cases, coupled with the \$400 rebate, residents will see a net decrease from last year’s bills.”

Throughout this year’s negotiating process, the Council’s 24-member Budget Negotiating Committee engaged in a substantive debate and made tough decisions on budget priorities. Recognizing that the process of budget reform is an ongoing process that will need continual attention, the Council’s budget negotiating team will continue to meet monthly throughout the year. The team will engage in long-term planning, assess budget priorities and continue to seek ways for reform.

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