CBC STATEMENT ON THE CITYTIME SETTLEMENT

New York, NY – March 14, 2012 – The $500 million CityTime settlement announced today is welcome news to New Yorkers. It is important that the recouped funds be used, not for short-term budget relief and restorations, but to help defray the costs of the City’s capital program.

The CityTime project was part of a growing capital program for modernizing information technology in the City, and many of the costs associated with the project were financed with debt. An appropriate and responsible use of settlement funds would be to (1) retire debt issued to finance technology projects, or (2) use the funds as pay-as-you-go capital financing, reducing the need for additional borrowing.

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.