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Liu Aiming at Cuomo's Budget Plan

By Michael Howard Saul
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ALBANY—City Comptroller [John Liu](#) plans Tuesday to criticize Gov. [Andrew Cuomo](#) for proposing that the city again be left out of a funding package that delivered more than \$700 million to municipalities statewide this fiscal year.

Mayor [Michael Bloomberg](#) is also scheduled to testify in Albany on Tuesday about the impact of Mr. Cuomo's proposed state budget. The mayor is expected to release his preliminary budget for the city next week.

According to an advance copy of his testimony, Mr. Liu plans to take aim at Mr. Cuomo's treatment of the city as it relates to Aid and Incentives for Municipalities, or AIM.

In the current fiscal year, the state returned \$715 million of taxpayer dollars directly to more than 1,500 municipalities across the state. "But nearly 8.3 million New York State residents in one city saw not a penny of these funds," Mr. Liu plans to say in his testimony.

"New York City residents are once again being treated inequitably," the testimony says.

Mr. Liu cites a report issued by the Rockefeller Institute of Government at the State University of New York's Albany campus that says city residents sent between \$4 billion and \$6 billion more to Albany than was received back in state expenditures in fiscal 2009-10.

Josh Vlasto, a spokesman for Mr. Cuomo, defended the governor's overall budget proposal and its impact on the city

"Gov. Cuomo's budget increases funding for education by hundreds of millions of dollars while at the same time reducing government mandates and reforming the pension system that will save the city hundreds of millions more dollars," Mr. Vlasto said.

On Tuesday, Mr. Bloomberg will be the star attraction at the Capitol. The mayor's relationship with Mr. Cuomo has been rocky during the past year, despite a decision to endorse Mr. Cuomo's gubernatorial bid in 2010. But in a signal that some of the iciness may be thawing, Mr. Bloomberg said Monday his testimony will make clear he's generally pleased with the governor's budget proposal.

Mr. Bloomberg said he's "very supportive" of "most" of the governor's budget blueprint, "if not all" of it.

The governor has cited his proposals to reduce pension benefits for future public employees and his demand for an evaluation system for teachers as the "most important" measures in his budget proposal this year. These issues have been longtime priorities of Mr. Bloomberg, who has publicly lauded the governor for pledging to address them.

Last year, Messrs. Liu and Bloomberg jointly proposed a set of reforms to the governance of the city's pensions system. That proposal has generated resistance from some union leaders, but Mr. Liu plans to tout the plan in his testimony Tuesday.

While the city's economy initially rebounded from the financial crisis, the local economic recovery appears to have "stalled," according to Mr. Liu's testimony.

In his testimony, Mr. Liu calls the city's close ties to Europe "a wild card for our economy."

"The continuing European debt crisis clearly represents the most significant economic and budgetary risk to the city as this time," he plans to testify.