



Statement on NYS Fiscal Year 2025 Budget Agreement

*State's Late Budget Fails to Rein in Spending; Structural Gap Likely Exceeds \$16B;
State Approves \$237B of Spending without Providing Financial Plan Tables*

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New York, NY – April 20, 2024 - Citizens Budget Commission (CBC) President Andrew S. Rein released this [statement](#) on behalf of the CBC:

“Three weeks late, State lawmakers finally approved the budget and again have failed to publish basic financial plan tables that show New Yorkers essential details about how their money is being spent this year and the budget’s future impacts.

Enacting a budget without basic budget tables is absolutely outrageous, even if it is Albany “business as usual.” Furthermore, messages of necessity were used again, and the “Big Ugly” was passed within hours of introduction.

Despite the clouded picture, the reality of future fiscal problems is clear. This budget leaves the State with a massive, future structural budget deficit, likely exceeding \$16 billion. Instead of using strong receipt growth to shore up New York’s fiscal foundation, the budget adds unaffordable spending that increases future gaps—taking the State further in the wrong direction.

On the positive side, we commend the Governor for her leadership and resolve in ensuring the budget includes no tax increases on New Yorkers, which would hurt the State’s competitiveness, and maintaining reserves, though all reserves should be deposited into the Rainy Day Reserve to protect them from potential squandering.

We also commend the Legislature for rejecting the majority of extraordinary Executive budget powers proposed in the Executive Budget.

CBC will continue to analyze the available budget information and will provide a fuller accounting when the State finally publishes its accounting (which should not take 30 days). Based on current information, it is important to consider notable actions.

Medicaid

While the CDPAP changes will bring moderate savings, not enough was done to rein in the growth of these and other Medicaid costs, as the Legislature rejected most of the Governor's proposals without substituting their own to stabilize this critical program.

Perpetuating Albany's bad fiscal habits, the budget uses a short-term State funding bridge to uncertain federal funds—which are also short-term dollars based on a Medicaid/MCO tax—to support recurring spending. Short-term funds should be used to restructure the system to be more sustainable. This will leave the State with a larger structural deficit.

School Aid

School aid continues to grow at an unsustainable rate, with any hope of stabilizing changes delayed by kicking the can down the road—dereliction by commission. The Legislature was just plain wrong this year to reject the Governor's common-sense proposed removal of the hold harmless provision, which would have rightly started to align aid to enrollment.

Tier 6, Cost of Retirement Benefits

The addition of Tier 6 retirement-plan sweeteners adds roughly \$4 billion to the State's pension liabilities, with \$377 million of unnecessary costs on state and local government budgets next year alone and billions of dollars over the decade; and it imposes an unfunded mandate on localities and school districts.

Housing

We hope the package of housing agreements cost-effectively boosts production of all types in all areas, which is critical to improving affordability and the State's competitiveness. We'll be analyzing the full details of the deal, but we are heartened to see the extension for 421-a-approved projects.

Fare and Toll Evasion

The budget also includes provisions to improve toll and fare collection at the State's transportation authorities. These are crucial revenue sources for investing in the state's roads, bridges, and rails, and an effective compliance system is needed to ensure riders and drivers are paying their fair share.

We continue to be disheartened by the complete lack of transparency and accountability throughout the entire budget process. New Yorkers deserve better. We urge State leaders to produce basic financial plan tables immediately."

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About Citizens Budget Commission

The Citizens Budget Commission (CBC) is a nonpartisan, nonprofit think tank and watchdog whose mission is to achieve constructive change in the finances, services, and policies of New York City and New York State government. CBC's mission is rooted in serving New Yorkers at large, rather than narrow special interests; preserving public resources, whether financial or human; and focusing on the well-being of future New Yorkers, the most underrepresented group in city and state government.