

# Spare Change:



## Citywide Savings Plan Should Include Greater Efficiency Savings

March 6, 2020

# What Is The Citywide Savings Program?

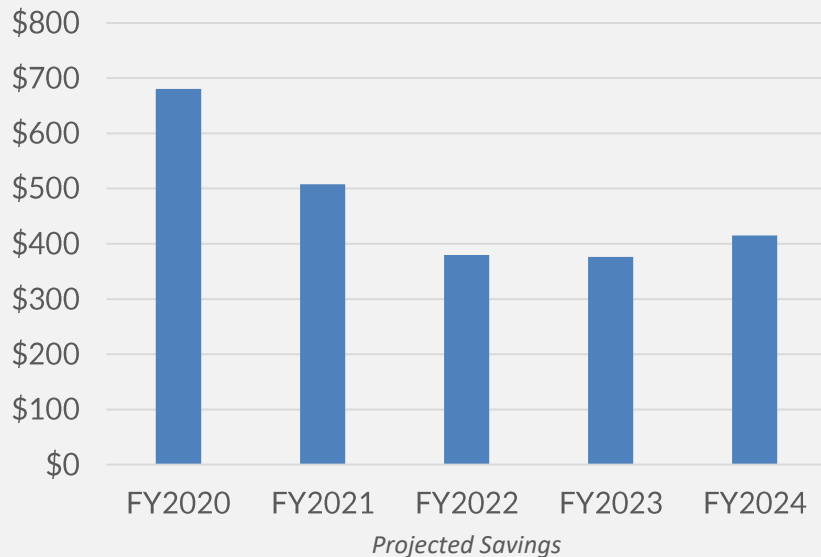
The Citywide Savings Program (CSP) is the de Blasio Administration's strategy to identify and implement cost-saving or revenue-generating initiatives. The initiatives can provide savings in one or several years of the financial plan.

A CSP can be included in any quarterly update to the budget. Savings are identified for the current fiscal year in addition to anticipated savings in outyears.

For this analysis, CSPs announced within a fiscal year are grouped together and identified by the prospective fiscal year. The FY2021 CSP includes savings from the November 2019 Budget Modification and the January 2020 Preliminary FY2021 Budget.

# FY2021 CSP Identifies Five-Year Savings Equal to 0.6 Percent of City-Funded Expenditures

**FY2021 CSP**  
Five-Year Total: \$2,360 million  
(dollars in millions)



0.6%

The FY2021 CSP identifies savings equal to only 0.6% of city-funded spending over five years

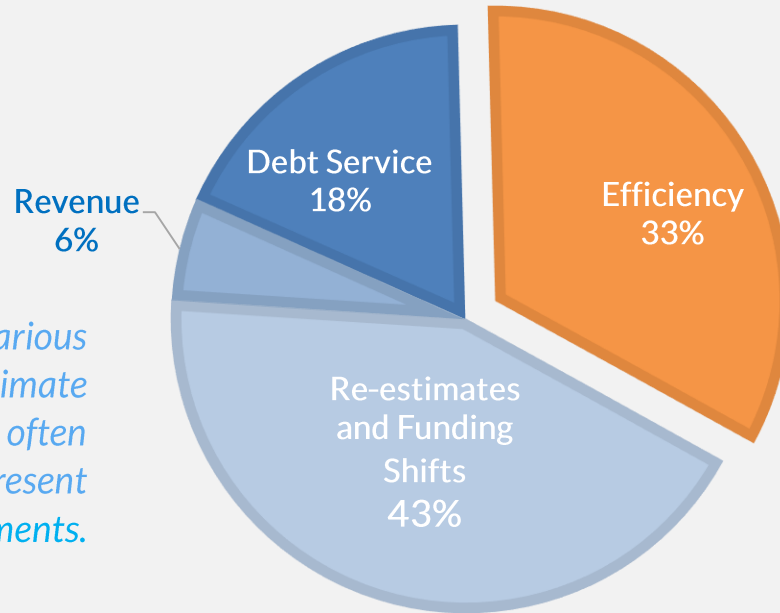
City-funded expenditures are those not funded by federal, state, and other categorical grants. Spending is adjusted by CBC to exclude interfund agreements and deposits to the Retiree Health Benefits Trust, and to adjust for the impact of pre-payments.

# What Types of Initiatives Are Included?

- **Efficiency:** changes to agency practices to reduce spending without reducing service; these savings are recurring
- **Revenue:** higher than budgeted revenue
- **Debt service:** lower than expected debt service expenditures
- **Re-estimates or funding shifts:** lower city-funded spending due to additional federal/State funding; lower spending due to delays or lower than expected costs; savings due to delays in filling vacant positions
- **Service reductions:** spending reduction that results in decreased service to the public

# Efficiency Savings Are Just 33 Percent of FY2021 CSP

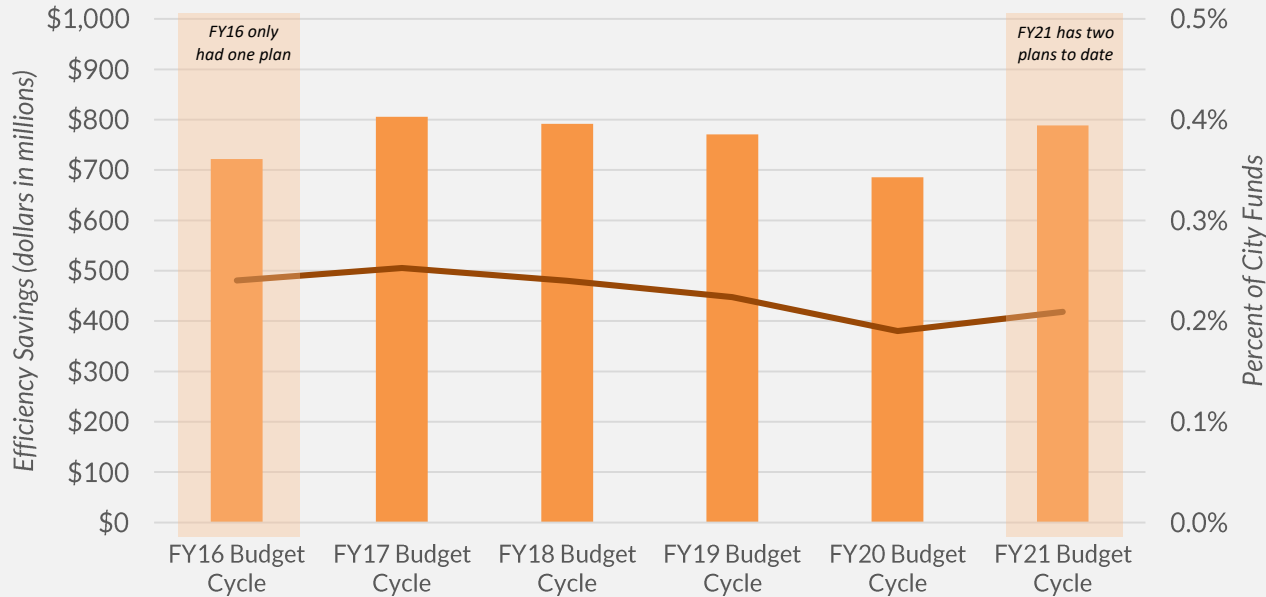
FY2021 CSP



*The CSP includes various revenue and re-estimate initiatives as savings; often these initiatives represent routine budget adjustments.*

# FY2021 CSP Efficiency Savings Similar in Size to Prior CSPs

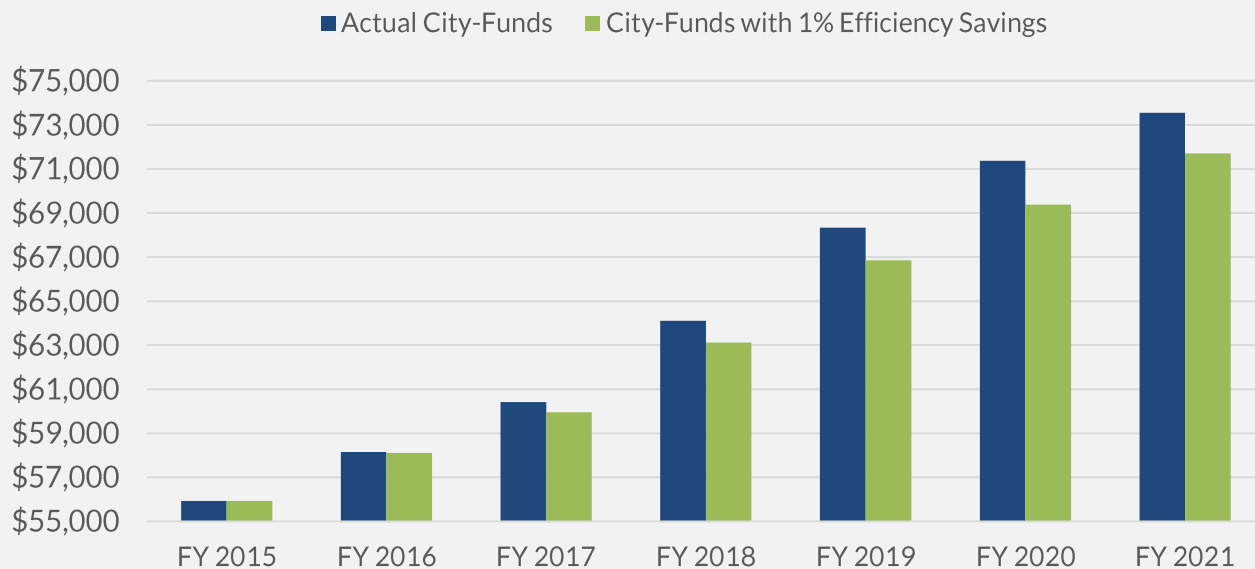
Efficiency Savings, in Dollars and as a Percent of City Funds, CSPs, FY2016 - FY2021



Between FY2016 and FY2021, efficiency savings averaged just **0.23 percent** of city-funded spending

# 1 Percent Annual Efficiency Savings Since FY2016 Would Have Reduced FY2021 Budget by \$2 Billion

**City-Funded Spending and Hypothetical City-Funded Spending  
If 1% Efficiency Savings Had Been Achieved, FY2015 – FY2021  
(dollars in millions)**



*Had 1 percent efficiency savings been identified in each budget cycle since FY2016, the City-funded budget would have grown at an average **4.7 percent** annually compared to the **5.2 percent** growth now projected between FY2015 and FY2021.*

One percent efficiency savings calculated based on CBC-adjusted city-funded expenditures in each year of a financial plan. Efficiency savings calculated as of the Executive Budget of each fiscal year. Savings applied to the year in which they would have been achieved. FY2020 and FY2021 spending projected as of the Preliminary Budget for FY2021.