



Statement on NYC's FY 2024 November Plan PEG Directive

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New York, NY – September 10, 2023 - Citizens Budget Commission (CBC)

President Andrew S. Rein released this [statement](#) on behalf of the CBC:

“Mayor Eric Adams is taking the right step right now, directing agencies to propose 5 percent budget savings—PEGs—for the November plan and to prepare for two more 5 percent rounds in January and April. These are a substantial and challenging lift, but critical to closing the City’s massive budget gaps; the fiscal year 2025 gap alone may exceed \$13 billion if the City’s asylum seeker cost estimate proves accurate.

NYC should not bear this much of the cost of serving new migrants and asylum seekers. The federal government should provide much more fiscal aid, and the State’s recently increased commitment is welcome, but should be bigger. The migrant crisis is a shared responsibility. For the City’s part, the Mayor is right to direct agencies to reduce the costs of shelter and services, which appear extraordinarily high.

While serving the rapid influx of migrants and asylum seekers has massively strained the City’s finances, this cost is not the sole cause of the City’s fiscal problems. Less than half of the potential fiscal year 2025 \$13.8 billion budget gap is attributable to the \$6.1 billion the City estimates services to migrants will cost next year.

The rest is because the Administration’s previous four savings programs, which provide critically important benefits, were overmatched nearly 3 to 1 by additional spending for new and expanded programs, collective bargaining, pensions, and the failure to address the federal and City fiscal cliffs. Restructuring operations to significantly reduce costs would be critical now even without the migrant crisis.

CBC will continue to analyze the Mayor’s directive and agency actions to provide more insights, comments and recommendations.”

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