



## Statement on the New York City November 2023 Financial Plan

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**New York, NY – November 16, 2023** - Citizens Budget Commission (CBC)

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

“While the City’s November update delivers some needed savings through the first round of budget reductions, much more needs to be done to close the massive remaining gaps and stave off a fiscal reckoning.

Due to the City having to cover the vast majority of the increased cost of serving asylum seekers and migrants combined with the pre-existing budget gaps caused by added City spending outpacing recurring revenues, the fiscal year 2025 gap widens to \$7.1 billion from the previously estimated \$5.1 billion. While large, this gap understates the magnitude of the problem, since it excludes the cost of the fiscal cliff (\$2.4 billion) and the City’s underbudgeting of programs (\$1.1 billion) (detailed in CBC’s [“What to Look for...”](#)). Adding these brings the fiscal year 2025 gap to \$10.6 billion.

To protect the City’s ability to provide key services to New Yorkers—now and in the future—the City continues to face hard choices. The budget gaps have been in plain sight and growing for years, signaling the clear need for a citywide look at program impact and efficiency to identify all opportunities to reduce costs without cutting critical services. Doing this well requires hard work and collaboration across all stakeholders to determine service priorities. The City cannot do everything for everyone. But managed well to get the basics right, the City can lay the safe, strong foundation that New York and New Yorkers need to thrive.

Deeper analysis is needed to assess whether this first of possibly three rounds of the Program to Eliminate the Gap (PEGs) minimized reductions in critical services and maximized efficiency. However, a preliminary review reveals that City leaders haven’t found significant steps to reduce costs by working with labor to improve efficiency while sparing critical services. Consolidating

welfare benefit funds, for example, could save [\\$150 million](#) without cutting actual benefits. Notably, some share of the PEG savings are due to eliminating vacancies (which should not affect services if headcount overall is managed well) and the City re-estimating the spending that is needed to provide services New Yorkers will use.

Services will be best preserved if the City works with labor, making changes as needed to work rules and job titles, with a focus on maintaining high-quality critical services while reducing costs. These efficiencies are necessary.

Asylum seeker and migrant costs continue to drive a significant portion of the budget gaps. The need for savings overall would be greatly reduced if the federal government would share a fair portion of the costs. New York State has provided funds, but a greater share also would be appropriate. The City increased projected spending in this area by nearly \$10 billion over four years, with more than 90 percent of that coming from City coffers. The City should do all it can to reduce these costs, which appear high, by efficiently providing only the most critical services."

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