



## Statement on the New York City–District Council 37 Tentative Contract Agreement

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**New York, NY – February 17, 2023** - Citizens Budget Commission (CBC) President Andrew S. Rein released this [statement](#) on behalf of the CBC:

“The tentative New York City-District Council 37 contract announced today provides raises that are very reasonable given recent and anticipated inflation. The great challenge, however, still is how the City will pay for them.

The City’s budget gaps currently grow from \$3.2 billion in fiscal year 2025 to \$6.5 billion in fiscal year 2027. Assuming this tentative agreement sets the pattern for all other unions, these raises would cost approximately \$16.2 billion more than currently budgeted over the contract period.

Our preliminary analysis estimates the additional spending would total approximately \$2.5 billion in fiscal year 2023, \$2.3 billion in fiscal year 2024, \$3.2 billion in fiscal year 2025 and grow to \$4.1 billion in fiscal year 2027, above the funds already in the budget to cover 1.25 percent annual raises. Consequently, City budget gaps would widen to approximately \$2.5 billion this year, \$2.3 billion in fiscal year 2024, \$6.4 billion in fiscal year 2025, \$9.1 billion in fiscal year 2026 and \$10.6 billion in fiscal year 2027.

The agreement includes some important modernization efforts. One focuses on making salaries for some positions more competitive, which is important in the evolving labor market.

The other includes an important step forward to increase work flexibility, which helps appropriately adapt to hybrid work. While beneficial, these actions do not go far enough. The effort to increase flexibility should be significantly expanded to identify changes in work rules and job titles that increase the efficiency of City operations, providing needed savings to offset the costs of raises, while increasing salaries and improving career paths.

Absent a collectively bargained effort to identify productivity savings, the City should be implementing a growing, multiyear Program to Eliminate the Gap (PEG) in the Executive Budget to offset these multi-billion-dollar collective bargaining costs.

Finally, as the City negotiates other agreements and works to identify how best to adapt to remote work and flexible schedules, it should take great caution not to add economic costs to other contracts if remote work options vary."

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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 and services 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.