



Statement on the NYC Program to Eliminate the Gap (PEG) for the November 2022 Financial Plan

Contact:

Andrew Rein
(212) 279-2605, ext. 313

Ana Champeny
(212) 279-2605, ext. 329

New York, NY – September 12, 2022 - Citizens Budget Commission (CBC) President Andrew S. Rein released this [statement](#) on behalf of the CBC:

"We applaud Mayor Eric Adams' implementation of a Program to Eliminate the Gap (PEG) in the November 2022 Financial Plan. This is a prudent and fiscally necessary step to stabilize New York City's budget in the long run. In June, [we called for a 3 percent to 5 percent PEG](#), and the fiscal outlook has weakened since then. Budget Director Jacques Jiha's PEG letter correctly points to the myriad forces increasing the City's future budget gaps by billions of dollars, including higher pension contributions, future collective bargaining agreements, and looming fiscal cliffs as federal COVID aid is exhausted.

This is a timely call that rightly focuses on increasing productivity to reduce recurring costs while preserving services that New Yorkers rely on. The directive to identify savings of 3 percent this year, growing to 4.75 percent in future years, is reasonable and provides agencies runway to restructure programs and operations to achieve the PEG targets. With the City's current 28,000 vacancies, it should be able to hire critical service-providing positions and still meet this PEG target.

Importantly, the City is currently negotiating its next round of labor contracts. Changing work rules and other contractual components to increase efficiency and provide PEG savings is the best way for the City to raise employee salaries without creating an unsustainable fiscal burden."

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About Citizens Budget Commission

The Citizens Budget Commission (CBC) is a nonpartisan, nonprofit civic organization 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.