



BLOG | STATE BUDGET

CBC's New York State Budget Priorities

Fiscal Year 2024

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Resources available in the near term should not cloud the State's significant fiscal and economic risks, and the need to stay competitive for residents and businesses. As the Executive Budget kicks off negotiations, State lawmakers face out-year budget gaps, rapidly growing program costs, recession risk, and affordability issues. This year's budget should:

- 1. Keep fiscal year 2024 spending growth to 2 percent and start closing the \$12 billion structural gap.** Restraining average annual State Operating Funds spending growth to 2 percent through fiscal year 2028 would close out-year budgets gaps and allow the 2021 [temporary personal income tax increase](#) to expire without requiring massive future budget cuts.
- 2. Add at least \$2 billion more than already planned to the Rainy Day reserves.** Currently planned reserves, while highest in history, may well be half of what is needed to weather a rainy day. The \$2 billion in available revenues identified in the [mid-year budget](#) update should be added to planned deposits. The deposit should be increased further with any other excess revenues at the end of the year. Statutory changes should be made to increase the allowed [reserves deposits and balance](#).
- 3. Do not create new fiscal cliffs with recently identified receipts.** Additional funds will be available as the current year closes. The budget should not fund recurring costs with these one-time receipts.
- 4. Omit extraordinary Executive powers.** The budget should not include [extraordinary budget powers](#) to unilaterally transfer spending authority.

5. **Omit lump sum appropriations.** The budget should not include lump sum appropriations that are later allocated to programs not specified in the budget, too often seemingly based on political and not programmatic criteria. Appropriations should tie to the financial plan; thus, billions of dollars of ‘dry,’ unfunded appropriations and re-appropriations should not be enacted.
6. **Publish financial plan tables with the one-house and enacted budgets.** Budget proposals and agreements should include [basic, multi-year financial plan data](#) that identify their multi-year impact and facilitate analysis and comparisons of the Executive and Legislative budget proposals.
7. **Put Medicaid on a fiscally sustainable path.** With costs growing at twice the rate of the State’s receipts, uncertainty about the more than 1 million enrollees added over the past three years, and pandemic-related federal financial support expiring, Medicaid threatens to blow huge holes in future budgets. The budget should take specific steps to ensure [fiscal sustainability and quality of the program](#).
8. **Do not increase State school aid for districts already self-funding a sound basic education.** State aid to wealthy school districts that [self-fund a sound basic education totals \\$3.1 billion](#) in school year 2022-23. To improve fiscal sustainability and equity, the State should not increase aid to these districts. State aid formulas also should be reformed to fold expense-based aids into foundation aid to better [target funding to high need districts](#).
9. **Identify and prioritize the most cost-effective and least disruptive strategies to reduce greenhouse gas emissions and increase resiliency.** Spending for environmental sustainability by the State, residents, and businesses will be significant. New York risks its economic and environmental future if it fails to [identify needs and prioritize investments](#) in strategies that have the greatest impact.
10. **Ensure that efficiency and productivity improvements are a significant part of any plan to address the MTA’s structural operating deficit.** To be competitive, New York needs to stabilize the MTA’s finances and provide quality services at a reasonable cost of government taxes and fees. Any stabilization plan, especially one that includes new recurring resources, should require [greater efficiency](#), which will have to be based on productivity improvements to be negotiated with labor.
11. **Pilot a vehicle miles traveled (VMT) fee to secure reliable funding for the State’s transportation infrastructure.** Successful environmental efforts will appropriately decrease gas tax receipts further. A VMT fee can be an appropriate, stable way to fund transportation infrastructure.

In addition to these fiscal priorities, the fiscal year 2024 budget and 2023 session also should address critical policy challenges, including boosting [housing production](#) and reforming the State's [budgeting and fiscal management](#), among others.

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Additional Materials

Read CBC's [statement](#) on the Governor's 2023 State of the State address.

Read CBC's list of [What to Look For](#) in the forthcoming budget and legislative session.

Watch CBC's [December budget briefing](#) for discussion of the State budget as of the most recent quarterly update to the financial plan.