May 26, 2020

The Honorable Andrea Stewart-Cousins  
Temporary President and Majority Leader  
New York State Senate  
Legislative Office Building  
188 State Street, Room 907  
Albany, NY 12247

The Honorable Carl Heastie  
Speaker  
New York State Assembly  
Legislative Office Building  
188 State Street, Room 932  
Albany, NY 12248

The Honorable John Flanagan  
Senate Minority Leader  
New York State Senate  
Legislative Office Building  
188 State Street, Room 909  
Albany, NY 12247

The Honorable William Barclay  
Assembly Minority Leader  
New York State Assembly  
Legislative Office Building  
188 State Street, Room 933  
Albany, NY 12248

The Honorable Liz Krueger  
Senator  
New York State Senate  
172 State Street, Capitol Building  
Room 416 CAP  
Albany, NY 12247

The Honorable Edward Braunstein  
Assemblymember  
New York State Assembly  
Legislative Office Building  
188 State Street, Room 842  
Albany, NY 12248

Dear Senate Majority Leader Stewart-Cousins, Assembly Speaker Heastie, Senate Minority Leader Flanagan, Assembly Minority Leader Barclay, Senator Krueger, Assemblymember Braunstein:

I urge you to reject S.8418/A.10520, which would permit the City of New York to issue long-term debt to pay for operating expenses and offset revenue losses the Mayor deems related to the COVID-19 pandemic. While the City arguably faces its biggest fiscal crisis in generations, City leaders have not yet taken sufficient action to reduce expenditures, which is necessary before borrowing for operations is considered. Borrowing at this stage in the crisis would relieve City leaders from their responsibility to make the hard choices necessary now to manage the City budget in this time.

The New York City Executive Budget released in April shows a tax revenue shortfall of $7.4 billion over two fiscal years; nevertheless, spending cuts were just 2.1 percent of city-funded spending in fiscal year 2021. In fact, city-funded spending will continue to grow in fiscal year 2021 and the City projects an increase in the size of the city workforce between fiscal years 2021 and 2024. This does not demonstrate the assertive approach necessary to tackle the City's serious fiscal problems, and borrowing for operating expenses should not be authorized as an "easy way out" of making hard choices.
Borrowing obligates future New Yorkers to pay for today’s services and constrains resources available for future needs. It should only be used as a last resort after other actions are exhausted and federal aid proves insufficient. While the economic decline and recovery may prove worse than currently forecast, the State Legislature should not consider granting borrowing authority until the City has exhausted options for balancing the budget that do not irreparably harm today’s New Yorkers and the city’s long-term attractiveness as a place to live and work.

Please reject S.8418/A.10520.

Sincerely

Andrew S. Rein
President
Citizens Budget Commission