



Statement on New York State Budget Negotiations

Contact:

Andrew Rein
212-279-2605, ext. 313

Patrick Orecki
518-944-6167

New York, NY – March 14, 2022 - Citizens Budget Commission (CBC) President Andrew S. Rein released [this statement](#) on behalf of the CBC:

“Both houses of the Legislature released their budget resolutions and bills, kicking off the final stretch of budget negotiations. The resolutions include a broad array of proposed new spending, including funds for child care, housing, higher education, health care, and more.

New Yorkers have significant needs coming out of the pandemic and recession, and fortunately strong tax revenues and unprecedented one-time federal aid provide a great opportunity to help New Yorkers both now and in the future. Still, wise choices are needed to ensure this happens.

In order to support New Yorkers today and bolster the State’s ability to support and protect New Yorkers during the inevitable next recession or emergency, State leaders should:

Hold the top line on spending, and allocate no more than the \$5 billion non-recurring funds already available for fiscal year 2023. The Governor’s Executive Budget proposed to increase State Operating Funds (SOF) spending by \$10 billion next year (adjusted for payment timing and accounting shifts), including \$2 billion to be allocated jointly with the Legislature. To support both Houses and the Governor’s priorities, the State should allocate these \$2 billion, the approximately \$1 billion identified in the consensus revenue forecast, and reallocate some or all of the proposed \$2.2 billion homeowner tax rebate. This totals \$5 billion the State could allocate to non-recurring programs and still keep next year’s budget balanced.

Deposit funds into reserves as proposed to ensure the State can weather the next storm and protect New Yorkers. The Executive Budget includes a multi-year plan to build reserves to 15 percent of SOF spending, which deserves praise yet still is less than the State likely will need to weather the next recession (based on the average timing and fiscal impact of recent recessions). Reducing these reserve deposits would weaken the State’s ability to care for those most in need during the next recession or emergency.

Do not add recurring programs without reducing other recurring spending. The Executive Budget is balanced over the financial plan, assuming the economy continues to grow steadily, which is far from guaranteed given the rocky recovery. The SOF budget already is projected to grow \$4.6 billion annually on average after fiscal year 2023. Any new recurring programs should be funded by reducing planned spending elsewhere. One possible target is the more than \$2 billion New York provides to wealthy school districts that already provide sufficient local funding to provide a sound basic education.

Following these recommendations would allow New York to serve New Yorkers needs today and in the future. Adding unaffordable spending to a budget that already includes substantial increases and is buffeted by billions of dollars in federal aid will only set New York up for a future fiscal crisis just when New Yorkers will very much need their State to be fiscally sound.”