



CBC Statement on the NYC Adopted Budget for FY2021

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New York, NY – June 30, 2020 - Citizens Budget Commission (CBC) President Andrew S. Rein issued this statement on behalf of the CBC:

"New York City leaders may be breathing a sigh of relief for meeting the budget deadline after particularly arduous negotiations, but the fiscal crisis is far from over. The budget for fiscal year 2021 is precariously balanced, and actions taken do not go far enough to shrink large budget gaps in fiscal year 2022 and beyond. New York City's leaders did not make sufficient hard choices needed to put the City on a firmer fiscal foundation for the long term.

Mayor Bill de Blasio and the New York City Council agreed to a budget that is balanced with reserves, federal aid, cuts, potentially optimistic economic and revenue assumptions, questionable savings from police overtime, and unspecified savings from working with municipal labor unions. Reducing police overtime by almost \$300 million is highly unlikely given the weak history of overtime management. While savings from collaboration with labor are necessary, the budget's lack of specificity on the actions needed to produce \$1 billion in savings is highly concerning. Although details on the new savings program are forthcoming, agency spending reductions are likely to produce largely one-year savings; failure to implement a program of recurring efficiency savings and aggressive attrition places New York City residents, businesses, and employees at risk of drastic service reductions and layoffs in coming months.

The fiscal crisis will extend long past the coming fiscal year. The uncertainties presented by the economy, State budget, and potential federal aid will likely require future budget modifications. City leaders should sharpen their pencils and focus their management on actions that reduce the yawning multiyear budget gaps presented by the fiscal crisis."