



Statement on the NYS Fiscal Year 2024 Enacted Budget

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New York, NY – May 2, 2023 - Citizens Budget Commission (CBC) President Andrew S. Rein released this [statement](#) on behalf of the CBC:

“More than a month late, New York State’s elected leaders are finally enacting the Fiscal Year 2024 Budget. While the State still has failed to release basic financial plan tables to provide a full accounting of the budget’s fiscal impacts, one thing is clear: this budget was not worth the wait.

Overall, the budget weakens the State’s financial footing and does not include the Governor’s bold, beneficial proposals to address the housing production and affordability crises. Increasing the State’s fiscal instability risks New York’s attractiveness to residents and businesses and increases the chance of future massive program cuts or economically harmful tax increases. New York needs to be both affordable and stable; this budget does not take the steps needed to get there.

The budget adds billions of dollars to already accelerating spending growth, widening next year’s budget gap substantially beyond the \$5 billion projected in the Executive Budget and increasing the long-term [structural deficit to well over \\$15 billion](#). New spending and subsidies—including expanding the film tax credit and financing an economically-inviable horse racing track—are added without any apparent efforts to rein in costs. The lone significant State spending reduction is not a reduction at all; it just shifts hundreds of millions of dollars in State Medicaid costs onto counties and New York City.

This sets the stage for a potentially damaging fiscal reckoning—both from future service cuts and by virtually requiring the State to continue its “temporary” personal income tax surcharge and its “temporary” business tax surcharge, which this budget extends for three years. Having the highest combined (NYS/NYC/MTA region) top personal income and business taxes in the nation threatens New York’s competitiveness.

Furthermore, the budget is being enacted without providing...a budget—[simple financial plan tables](#) that show how much will be spent this year for each function; how much of the new spending will recur in future years; how big are the future budget gaps, and more.

Finally, many budget bills are skipping the public review period via [messages of necessity](#), oversight and procurement provisions are sidestepped in dozens of appropriations, and multi-billion-dollar [lump sum spending pots](#) are continued.

Housing

Rejecting the Governor's housing proposals perpetuates the production and affordability crises. State leaders should enact proven, flexible strategies, like those proposed by the Governor, to streamline environmental review, eliminate the floor area ratio cap, promote transit-oriented development, legalize accessory dwelling units and basement apartments, and extend and enact a successor to 421-a. Until then, our housing crises will keep growing and New York will become increasingly unaffordable.

MTA

The fiscal stability plan does much to shore up the Metropolitan Transportation Authority's (MTA) budget but is incomplete and flawed. It disproportionately burdens New York City businesses, does not share the burden appropriately within the region and with the State, wrongly eliminates the MTA's proposed 1.5 percent fare increase for the missed scheduled 2021 transit increase, requires no contribution from labor, and likely does not sustainably solve the whole problem.

The Governor and Legislature should strongly support identifying and implementing productivity improvements during this round of collective bargaining between the MTA and its unions. CBC found [up to \\$2.9 billion in efficiency improvements](#) are possible. Most stakeholders are being asked for additional support; labor should not be exempted. No rider or taxpayer should pay more than is required to run an efficient transit system that can flexibly respond to changing rider needs.

Reserves

The budget includes deposits to reserves, which are critical to protecting New Yorkers from an economic downturn or severe emergency. Unfortunately, it appears that some of the newly added spending was financed by decreasing deposits from what the Governor smartly proposed. This both weakens the State's ability to respond to crisis and builds recurring spending with non-recurring resources, exacerbating future budget problems.

Fortunately, the budget does expand the maximum size of the Rainy Day Fund as the Governor rightly proposed, allowing the State to save more; additional deposits should be prioritized.

Migrant Funding for New York City

The budget includes \$1 billion to assist New York City in addressing the costs of asylum seekers. This is an appropriate priority of the State, since this should not be a local

responsibility. Ultimately, the federal government should provide both significant fiscal resources to cover costs and provide policy solutions to the crisis.

CBC continues to analyze the budget bills and awaits release of the financial plan in the coming weeks."

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About Citizens Budget Commission

The Citizens Budget Commission (CBC) is a nonpartisan, nonprofit think tank and watchdog 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.