



Two Penn Plaza ■ Fifth Floor ■ New York, New York 10121

Contact: [Carol Kellermann](#)

212-279-2605, ext 322

[Maria Doulis](#)

212-279-2605, ext 314

Statement on the NYC Fiscal Year 2019 Executive Budget

New York, NY – April 26, 2018 - New York City's Executive Budget for Fiscal Year 2019 increases operating spending at more than twice the rate of inflation and misses an opportunity to bolster reserves as strong tax revenue growth continues. City-funded spending will grow 5.8 percent and total headcount is projected to increase to a record high. Additional revenue, mainly from the personal income tax, will offset increased spending, as the City continues to face challenges managing rising expenses related to homeless shelters and overtime. Finally, the Citywide Savings Program features little in agency savings, instead relying on debt service re-estimates.

The financial plan takes some prudent steps. It includes a reserve for potential increases in pension costs starting in fiscal year 2021 that may be implemented after an actuarial audit is completed and eliminates anticipated revenues from taxi medallion sales that are unlikely to be as profitable as once expected.

In addition to operating spending growth, the five-year capital commitment plan has now ballooned to approximately \$82 billion. As the City's debt outstanding and debt service levels continue to rise, additions to the capital plan should be treated with the same caution and scrutiny as those to the operating budget; however, little data exists to understand, track, and evaluate these projects and the performance of agencies that manage them. Reforms to the city's capital planning and budgeting processes should be part of the approval process for the capital commitment plan.