CBC Statement on the New York State FY 2020 Midyear Update

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New York, NY - November 22, 2019 - Statement by Citizens Budget Commission (CBC) President Andrew S. Rein on the New York State FY 2020 Midyear Update:

"The New York State FY 2020 Midyear Update recognized the enormity of the Medicaid-driven budget problem; however, it failed to present the actions needed to address the State’s unbudgeted Medicaid spending. (For more details, see Overdue Bills: Time to Face the Reality of Rising Medicaid Costs.)

The Midyear Update's financial plan adds previously unbudgeted Medicaid spending of $4 billion in fiscal year 2020 and between $3 billion to $4 billion annually thereafter. Recognizing this spending increases the four-year budget gap by $14.5 billion.

The State’s plan to address the Medicaid-driven budget gap is one part gimmick and one part delay. The State will make permanent a $2 billion payment deferral, which simply perpetuates papering over the structural problem. For the remainder, the State again delays presenting a savings plan. Delays only serve to make the solution more painful.

Developing and implementing a plan to solve the entire budget problem need not be done entirely within the Medicaid program. Other portions of the budget also should be considered, including mistargeted school aid and unproductive economic development programs."