



NEW YORK CITY COMPTROLLER  
**BRAD LANDER**

# The Bottom Lines

## Analyzing the Administration's Proposed Budget Cuts & Their Impacts on City Services

FEBRUARY 2024

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### Introduction

Late last year, the Adams Administration announced that it would require agencies to submit plans for the first of three Programs to Eliminate the Gap (PEGs), each totaling about 5 percent of City spending, as well as restrictions on contractual spending and a citywide hiring freeze in order to address significant budget deficits.

Since that initial announcement, the City announced more favorable revenue projections that resulted in select cut restorations, a scaled-back PEG in January, and an outright cancellation of the upcoming April PEG.

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While we are pleased that agencies will not be forced to further reduce spending, it should not be an excuse to ignore reduced agency capacity, programmatic cuts that were not restored, and long-term structural issues with how we spend our tax dollars.

In *The Bottom Lines*, we take a look at a select set of agencies that were not spared from budget cuts, many of which have seen measurable declines in the quality or quantity of service they are able to deliver to the people of New York.

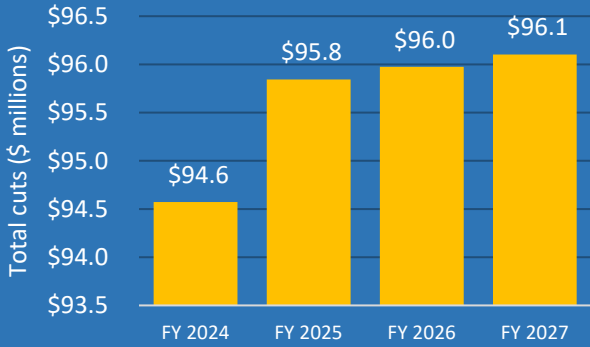
## Shortsighted Programmatic Cuts

The administration's successive Programs to Eliminate the Gap (PEG) have left agencies in the difficult position of choosing which programs to cut and positions to eliminate. The programs that have been scaled back, put on pause, or ended completely contribute meaningfully to the vibrancy of the city.

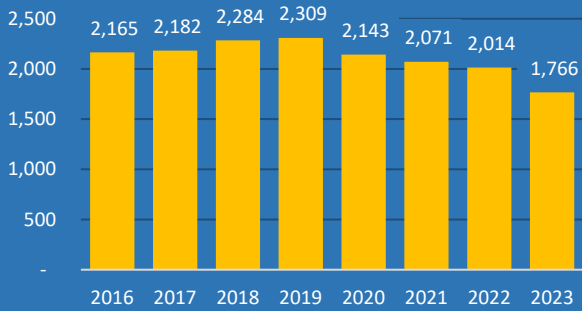


# City University of New York

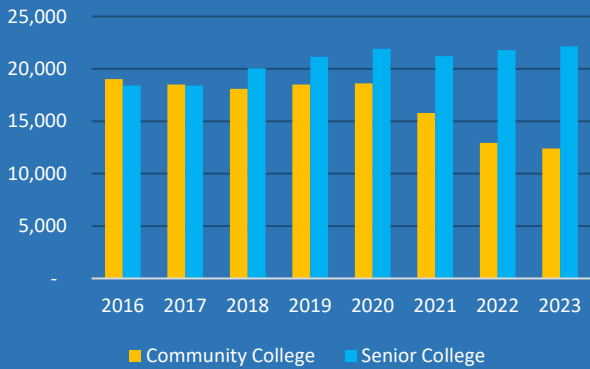
**Cumulative Cuts to CUNY's Budget**  
(January 2022 - January 2024)



**Full Time Faculty**  
Community Colleges



**First-Time Enrollment Shifting**  
Towards Senior Colleges



- **Why are we watching?** CUNY is a major economic engine for New York City, and the City is largely responsible for maintaining CUNY's community college funding, which have severely lagged behind senior colleges in enrollment. Since 2018, CUNY has lost over 1,300 full-time staff cumulatively.
- **Cuts and Rollbacks:** Restrictive hiring rules have devastated both instruction and support staff. In the most recent budget, in addition to savings from health insurance and payroll taxes due to vacancies, CUNY is cutting \$20 million in future spending on adjunct staff, a 13% reduction.
- **What to watch:** Cuts will hit colleges unevenly; 9 institutions unable to achieve budget targets have begun making midyear cuts ranging from eliminated programming, increased class sizes, or further reductions in faculty and staff.

**4.8%**

Vacancy  
Rate

**5.4%**

Citywide  
Average

- 134 FT Staff Since 2022

-171 Headcount Since 2022

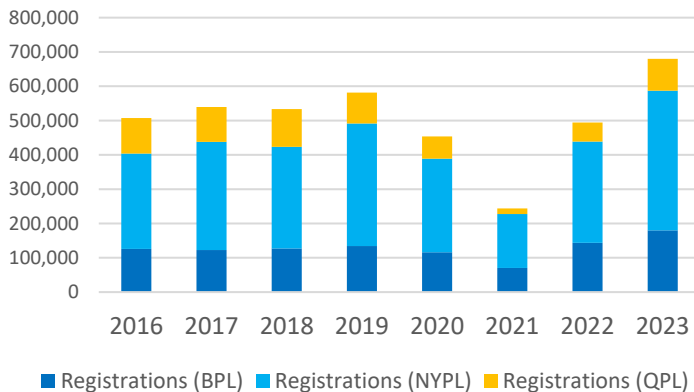
-0 Headcount in PEGs

# Libraries

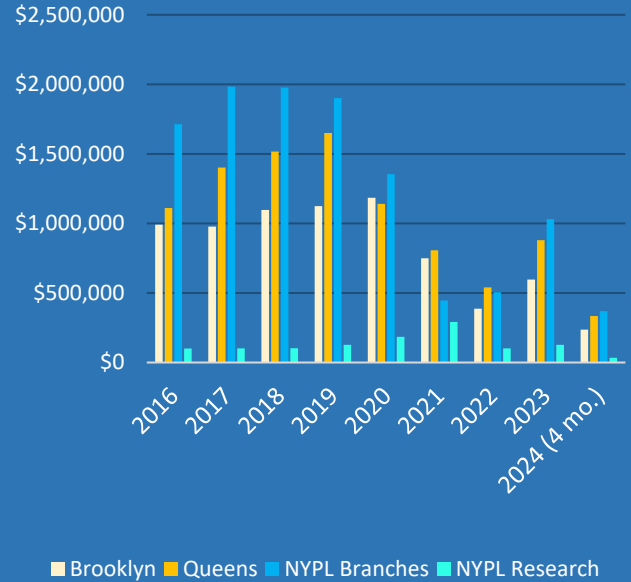
- Why are we watching?** Libraries strengthen community connections and provide New Yorkers with critical access to knowledge, resources, high-quality internet, entertainment, and programming.
- PEG Summary:** The Library system’s overall budget accounts for just 0.4% of the City’s total expense budget – current and future cuts will have an outsized impact on New Yorkers’ daily lives without saving a meaningful amount of money or seriously addressing the fiscal risks NYC faces. An exact 5% cut in the operating subsidy given to Library systems saves a meager \$24 million for the City. While the administration paused any further cuts, they also failed to restore previous cuts from last fall.
- What to watch:** Rising library card registrations show an increased demand for library services, but budget cuts are forcing libraries to close their doors more days of the week, making critical programming less and less accessible to New Yorkers.

**0%** of libraries open 7 days a week in 2024

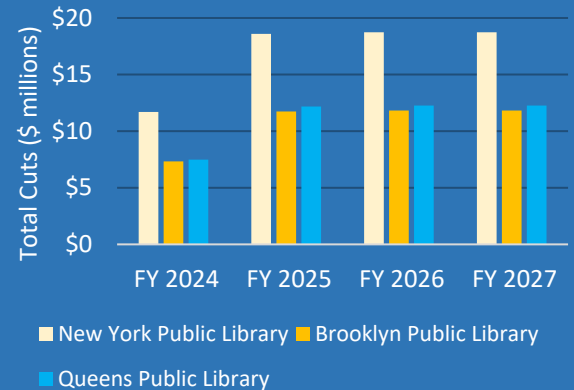
## Library Card Registrations are Recovering



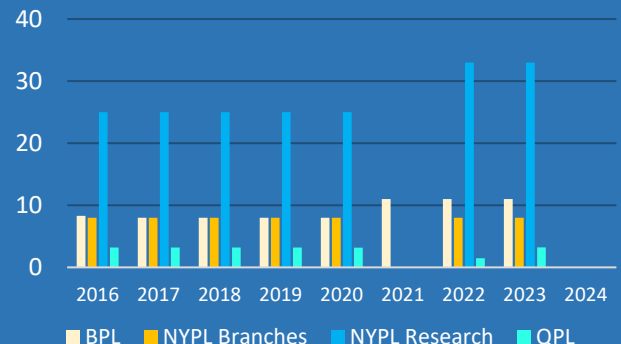
## Program Attendance Has Struggled

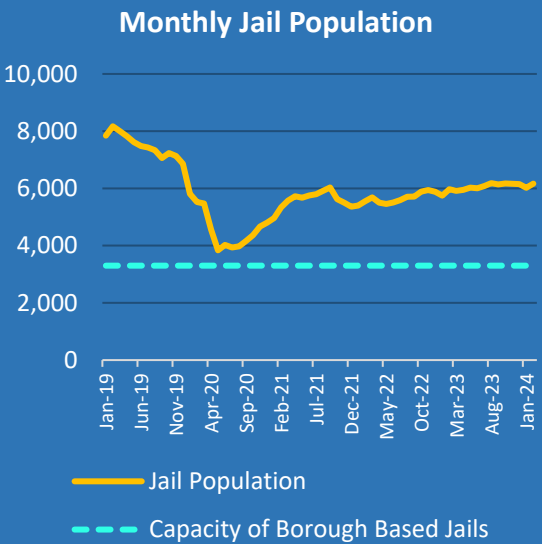


## Cumulative Cuts to Library Budgets (January 2022 - January 2024)



## % of Libraries Open Seven Days a Week





**\$556,000**

Cost of 1 Year of Incarceration

**8,000**

People served by ATI programs last year

**<20%**

3 Year ATI Rearrest Rate

**\$28 M**

PEG Reduction (ATI/ATDs)

**13.3%**

As a Percent of Adopted

## Alternatives to Incarceration & Detention

- **Why are we watching?** The Office of Criminal Justice (OCJ, formerly known as MOCJ), manages a host of programs relating to the maintenance and improvement of a fair and equitable justice system, including alternatives to incarceration (ATI) and alternatives to detention (ATD). These programs are especially critical to reducing the City's jail population and ensuring the City stays on track to Close Rikers. Statewide, ATIs reduce recidivism from 42% to less than 20%.
- **PEG Summary:** ATI programming will be cut by 12%, Supervised Release by 11%. Re-Entry Services will see an immediate 25% reduction, attributed to “re-estimates” and low spending rates. Cuts total \$27.8 million in the next fiscal year.
- **What to watch:** At a November Council hearing, ATI and ATD providers testified that their programs had high success rates and long wait lists. With a looming deadline to close Rikers and a jail population that is slowly rising, the City must reverse these short-sighted cuts to critical programs and make a coordinated effort to keep utilization rates high.

**17.5%**  
Vacancy Rate

**5.4%**  
Citywide Average

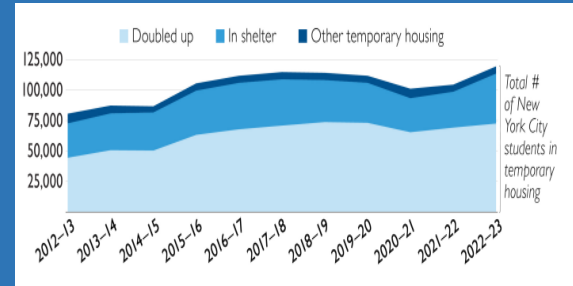
- 0 FT Staff Since 2022

+ 7 Headcount Since 2022

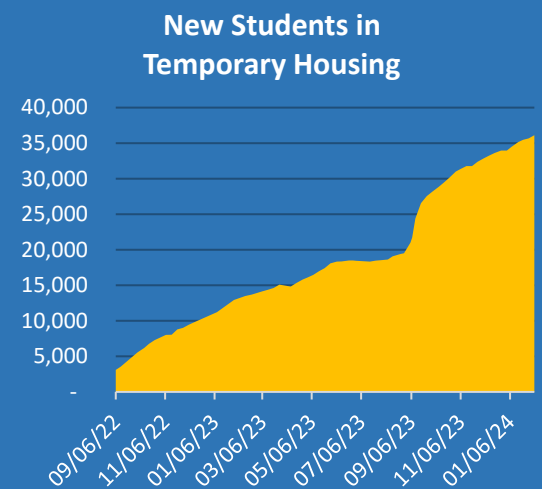
-0 Headcount in PEGs

# Students in Temporary Housing

- Why are we watching?** The Department of Education has a unique challenge of adjusting to the expiration of billions in education-specific federal pandemic stimulus. The impacts are felt across the board, but our focus is on students in temporary housing, whose housing status creates needs that many of their classmates don't share. Already the administration has allocated money to shore up stimulus funded programs such as Summer Rising which prioritizes students experiencing homelessness for seats, but more needs to be done for these students, who now make up 13% of the total students in NYC public schools.
- Community Coordinators:** 100 Community Coordinators work in the City's shelter system, providing an essential link between home and school life. A \$12 million cut (\$9 million in expiring stimulus funding, \$3 million in unallocated city dollars) will result in these positions disappearing. Given the additional 175 new shelters, HERRCs and respite centers that have opened since these positions were first funded, it is clear more of these essential workers are needed.
- Community Schools:** Community Schools offer a model for providing wraparound services to high-need student populations at schools. \$77 million (both expiring stimulus funding and non-baselined city money) in community school funding, representing 155 programs-- is not included in the FY25 preliminary budget putting these programs at risk of closing after the current school year. 17% of the 40,000 students at stimulus funded community schools are students experiencing homelessness.
- Better coordinating services:** This year, the DOE piloted a program for 1,300 students in shelter in the Bronx that connects parents, city caseworkers, and teachers & school staff to coordinate on preventing absences and ensuring services addressing food insecurity and mental health are in place. This resulted in a 13% reduction in absenteeism amongst these students in the first four months of this school year. This program will end without additional funding from the city.



Source: Advocates for Children



\$9 M

Covid Stimulus Dollars for STH Expiring

0.01%

If \$12 million fully funded by the city as a Percent of Adopted

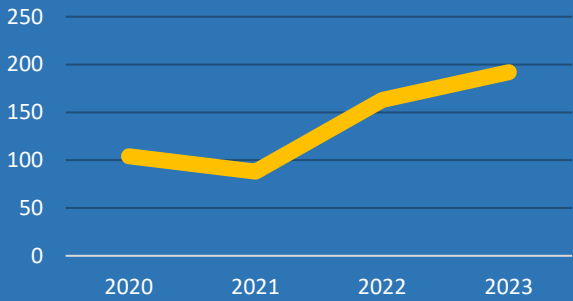
50%

Chronic absenteeism for Students in Temp. Housing

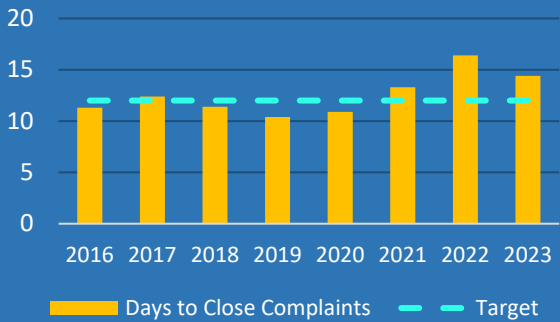
34%

Citywide average for housed students

Median time to approve an applicant for a lottery unit (days)



Average Time to Close Emergency Complaints



\$128.2 M PEG Reduction

30.4%\* As a Percent of Adopted

7.9%

Vacancy Rate

5.4%

Citywide Average

\*HPD's city-funded budget increased by almost 250% after the Adopted Budget was passed in June 2023 as it took responsibility for large contracts related to asylum seekers. The majority of the cuts in HPD's PEG are attributed to reductions in asylum seeker contracting costs.

## Agencies Facing Critical Challenges for NYC

For these agencies, there are no straightforward programmatic cuts – the agencies are, however, facing significant challenges that will require sustained and coordinated investment. Stronger public sector management to confront the City's housing affordability and sustained investments in the City's public realm are needed to ensure the City's long-term thriving.

## Housing Pres. & Development

- **Why are we watching?** HPD is involved in the production and preservation of nearly every single unit of affordable housing in New York City, playing a critical role in addressing the city's housing affordability crisis.
- **PEG summary:** HPD reduced its budget by 7%, meeting its PEG target through a combination of asylum-seeker rate reduction, swapping city funding for grants and capital debt, and one-time revenues generated from the sale of interest in property.
- **What to watch:** HPD has succeeded in staffing back up after significant losses in staff during the pandemic. In 2023, HPD announced unprecedented numbers of housing starts and capital dollars spent – but to effectively tackle the City's affordable housing crisis, the City must ensure HPD has additional resources to clear the backlog of affordable housing projects, develop and train new staff, and expand the City's social housing footprint.

+244 FT Staff Since 2022

-41 Headcount Since 2022

-10 Headcount in PEGs

# Sanitation

- **Why are we watching?** DSNY collects, recycles and disposes of waste, cleans streets, tackles illegal dumping, and clears the snow and ice from 19,000 miles of city streets, playing a critical role in enhancing the quality of life in NYC, emergency response, and tackling climate change.
- **PEG Summary:** Sanitation is cancelling or reducing many critical programs, including community & home organics collection, supplemental litter basket service, lot cleaning and planning for the future of solid waste. 500 positions are eliminated due to hiring freezes and service reductions.
- **What to watch:** Current cuts to DSNY’s composting and litter basket programs threaten to worsen the cleanliness of city streets, undermine rat mitigation efforts, and stymie the progress made toward increasing organics diversion putting the City’s 0x30 goals directly at risk.

**-4.9%**  
Vacancy Rate

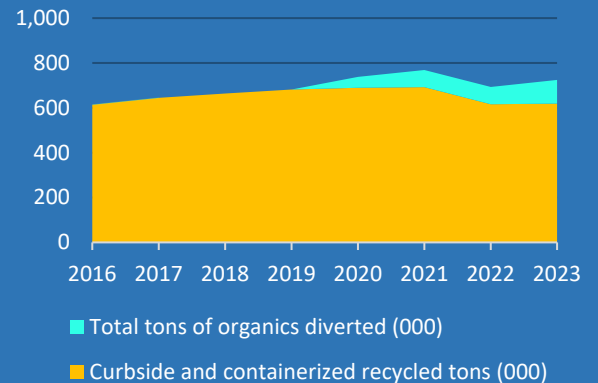
**5.4%**  
Citywide Average

+278 FT Staff Since 2022

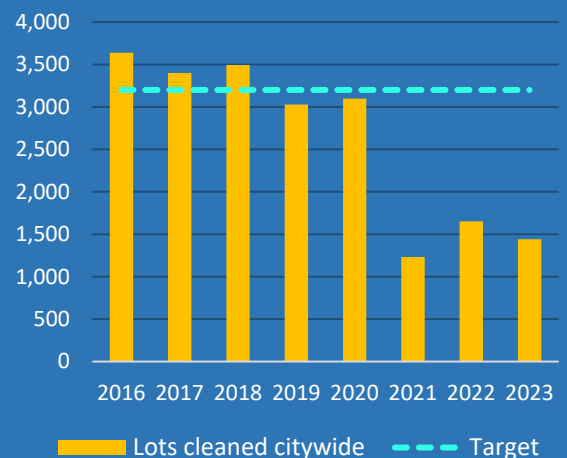
+397 Headcount Since 2022

-503 Headcount in PEGs

Organics Diversion is Rising as Recycling Dips



Lots Cleaned Citywide



\$53.1 M

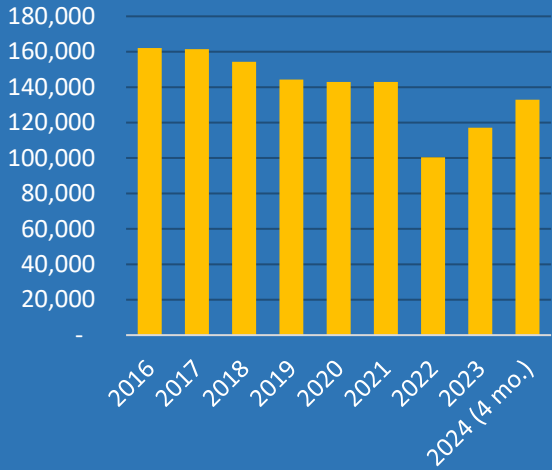
PEG Reduction

3.0%

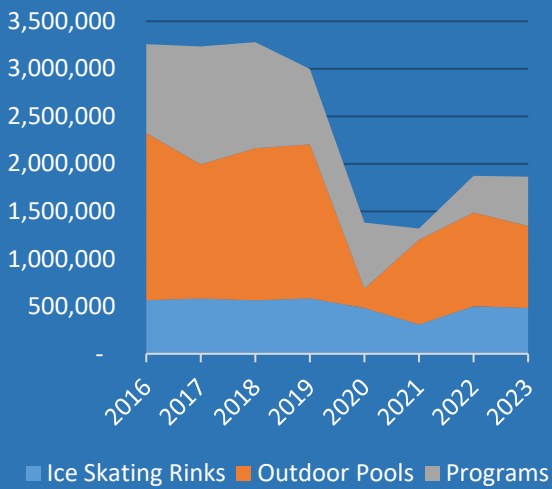
As a Percent of Adopted



### Recreation Center Memberships - Total



### Attendance Declines



\$46.1 M

PEG Reduction

11.0%

As a Percent of Adopted

## Parks & Recreation

- Why are we watching?** Department of Parks and Recreation is the steward of 30,000 acres of land and 5,000 properties including parks, pools, beaches, playgrounds, community gardens, community centers, waterfronts and over 660,000 street trees. The Parks departments provides zero-barrier recreation to millions of people and low-barrier employment to thousands of New Yorkers.
- PEG Summary:** Hiring freezes and vacancy reductions result in the most savings, and the permanent elimination of some programming including swim classes. In total, Parks loses over 650 jobs.
- What to watch:** As the Parks Department makes significant cuts to programming and staff, NYC Parks may suffer from maintenance issues, reduced hours and closed facilities, and cutbacks on programs which could continue to drive down New Yorkers' access to and use of parks.

+231 FT Staff Since 2022

+51 Headcount Since 2022

-659 Headcount in PEGs

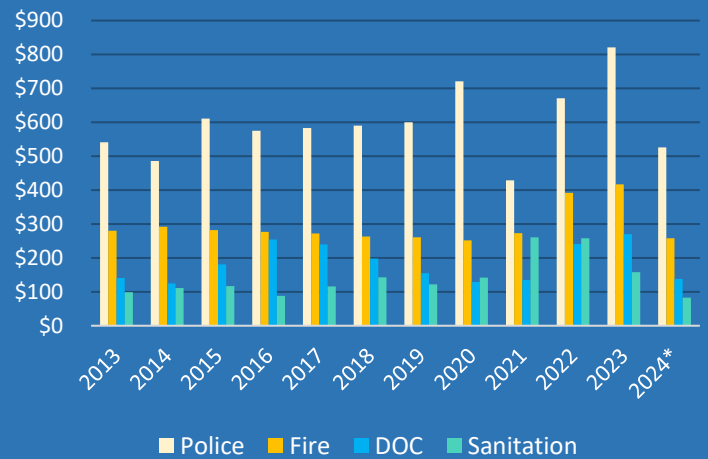
# Stronger Budget Discipline Required

The city should focus on driving down longstanding cost overruns with better management, rather than making shortsighted programmatic agency cuts. The following areas provide real opportunities for the City to reduce harm for New Yorkers, bring them high-quality services, and save taxpayer dollars in long term.

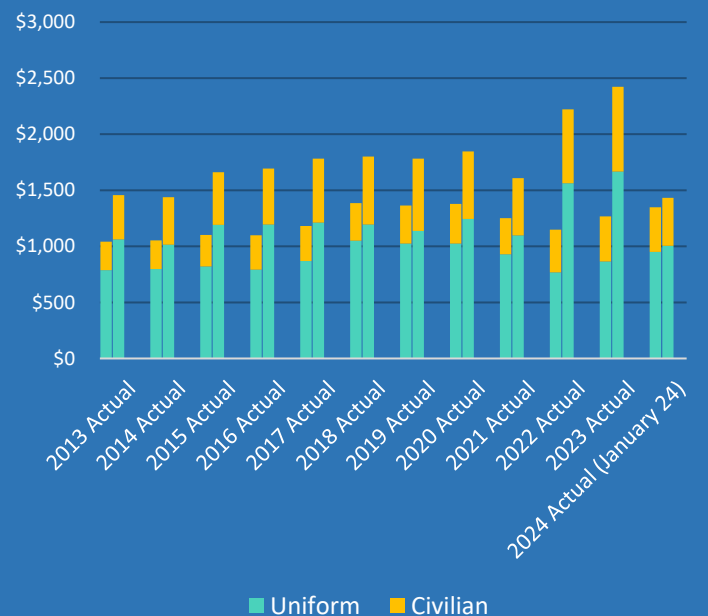
## Uniformed Overtime

- Uniformed agencies, particularly the Police Department, routinely demand far more money for overtime agreed to originally by the Mayor and Council. For example, the Comptroller projected in December that the city was under-budgeting Uniformed Overtime by \$600 million including \$450 million by the NYPD.
- Even though this happens every year, the city seems to have little ability to impose even modest restrictions on uniform overtime.
- At a time when other agencies are faced with headcount reductions and libraries cannot keep their doors open, our city must have the tools available to effectively control rampant overtime overuse. Independent oversight tools, higher levels of justification in times of budget stress can be employed to reduce the perennial risk this poses to the city's finances.

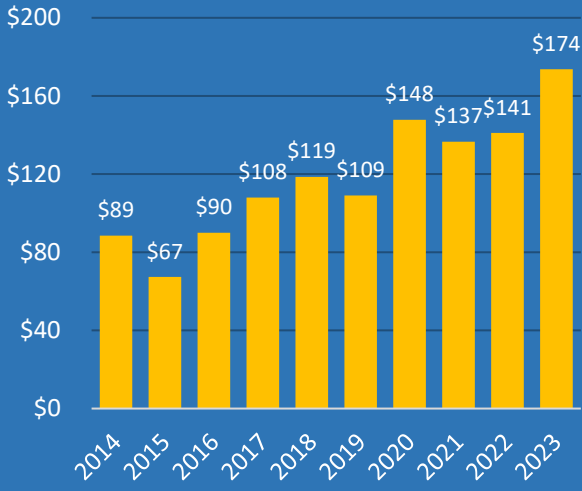
Uniformed Overtime (\$ millions)



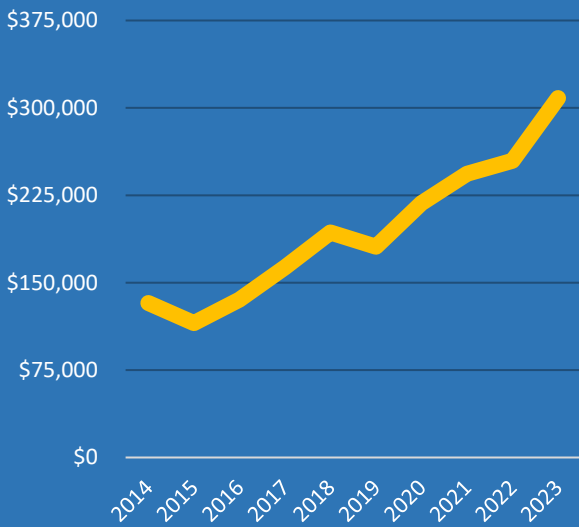
Overtime Budget Vs Actuals (\$ millions)



**Total Payout for Motor Vehicle  
Crash Claims (\$ millions)**



**Average Payout for Motor Vehicle  
Crash Claims**



## Crash Claims

- In [Wreckless Spending](#), the Comptroller's Office found that payouts for crash claims have risen sharply over a decade; the total payout for crashes nearly doubled from \$89 million to \$174 million comparing 2014 to 2023, and the average payout rose from \$150,000 to \$300,000.
- NYPD and DSNY are responsible for over half of all crash settlements, and 2/3<sup>rd</sup>s those with a greater than \$1 million payout.
- The Comptroller's Office urges the City to accelerate efforts to install crash-reducing safety technology, reduce the size of the fleet and vehicle size. In addition, the report proposes new rules to hold accountable drivers with consistent safety concerns and agencies that don't do their part to reduce the likelihood of harm. A 20% reduction in the claims budget entirely covers the cuts libraries faced in the most recent budget.

# Carter Cases

- In [Course Correction](#), the Comptroller's Office showed that money paid to settle due process claims for students with disabilities to receive legally mandated services DOE can't provide have grown considerably since 2012, from \$131 million to over \$1 billion in 2023.
- Educational Services, covering professionals like speech, behavioral & physical therapists, have contributed most significantly to the growth of cost from just \$33 million in 2012 to \$480 million in 2023. Often parents are forced to find private providers because DOE does not provide enough specialists, especially in lower income, Black & Hispanic districts. There is little oversight over these providers, with DOE required to pay for services that are often many times the cost of City employee rates.
- Greater investment in service provision, better scrutiny of a growing list of providers, and reducing the burdensome backlog of cases can all contribute to better management of this considerable risk to the city budget.

Due Process Claims Spending

