



September 23, 2020

The Honorable Andrew M. Cuomo
Governor of the State of New York
Executive Chamber
State Capitol
Albany, NY 12224

RE: Groups urge State to release a specific plan for closing NYS 2020-2021 budget gap

Dear Governor Cuomo:

We write to urge you to release a specific and detailed plan for closing New York State's fiscal year 2020-2021 \$9 billion budget gap. The state budget that you and the legislature passed recognized the enormity of COVID-19 related revenue shortfalls, and created a framework for DOB to reduce spending if there were revenue shortfalls or higher than budgeted spending at three points in the year.

This framework recognizes the need for flexibility while respecting the legislature's constitutional role in State budgeting and providing an expectation that localities and state vendors would know what spending the State would cut if necessary.

However, spending has not been adjusted; instead the Division of Budget has withheld at least \$1.7 billion in aid to localities payments and delayed scheduled raises to state employees. These indefinite delays in payments create enormous uncertainty for recipients of state funds, deny the legislature the opportunity to pass its own spending adjustments as the framework allows, and obscures the public's understanding of spending reductions or other gap-closing measures.

State budget reports outline potential cuts of \$8 billion in local aid and \$1 billion in state operations. The lack of a detailed gap closing plan leaves schools, localities, non-profits, vendors, and State

agencies mired in uncertainty, unable to appropriately plan for and manage potential cuts.¹ For example, some school districts recently cut their budgets and announced layoffs in anticipation that withheld State aid would not be restored and additional cuts would be forthcoming, only to be told that no additional payments would be withheld. Finally, delayed decision-making limits the State's options, as State spending continues throughout the year.

The State has delayed presenting a detailed budget balancing plan, as it awaits much deserved additional federal aid. Shortly after budget adoption, the Division of the Budget (DOB) said it would release a spending reduction plan in the middle of May. Subsequently, DOB delayed the release of a plan until late in the second quarter of the fiscal year at the earliest.² Your desire to wait is understandable, but delay has deleterious effects. Recipients of State funding may be delaying actions that they should be taking now or making unnecessary cuts because they do not know how much State aid they will receive this year. It is past time for the budget balancing plan to be released. All stakeholders deserve to know the planned reductions for each affected program.

Our groups appreciate the regular updates you provided on the State's COVID-19 response; similar transparent disclosures should be extended to State budget actions.

Sincerely,

Andrew S. Rein
Citizens Budget Commission
President

Laura Ladd Bierman
Executive Director
League of Women's Voters of New York State

Blair Horner
Executive Director
New York Public Interest Research Group

John Kaehny
Executive Director
Reinvent Albany

Susan Lerner
Executive Director
Common Cause New York

¹ New York State Division of the Budget, *FY 2021 First Quarterly Update* (August 13, 2020), p. 173, <https://www.budget.ny.gov/pubs/archive/fy21/enac/fy21-fp-q1.pdf>.

² At a briefing on April 26, Budget Director Robert Mujica stated the Executive will provide a plan to the Legislature shortly after receiving certification from the Comptroller on April revenue collections, which were certified on May 15, 2020; and New York State Division of the Budget, *FY 2021 First Quarterly Update* (August 13, 2020), p. 17, <https://www.budget.ny.gov/pubs/archive/fy21/enac/fy21-fp-q1.pdf>.