



THE CITY OF NEW YORK INDEPENDENT BUDGET OFFICE

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FOR IMMEDIATE RELEASE
May 15, 2024

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IBO Estimates \$1.1 Billion In Additional Surplus Funds For Both FY 2024 & 2025, Exceeding the Administration's Projections.

May 15, 2024, – The Independent Budget Office (IBO) has completed its comprehensive review of the Adams Administration's Fiscal Year 2025 Executive Budget and Financial Plan. Today, IBO is releasing a high-level visual report that focuses on IBO's economic and revenue forecasts and a review of spending estimates compared with the Mayor's Executive Budget.

IBO's visual chartbook can be found [here](#) and you can sign up for IBO's press briefing [here](#).

Main takeaways from the report:

- IBO anticipates a budget surplus of \$5.1 billion in fiscal year 2024—\$1.1 billion higher than the Administration—and a surplus of \$1.1 billion in fiscal year 2025, exceeding the Administration's projections. IBO estimates budget gaps of \$6.2 billion in 2026, \$7.9 billion in 2027, and \$6.0 billion in 2028, larger gaps than the Administration's estimates.
- IBO projects continued strong local employment growth with over 91,000 new jobs added locally in calendar year 2024, although new job growth is expected to gradually slow as the labor market tightens.
- After revising its tax revenue forecasts upwards over the course of the fiscal year, the Administration's tax revenue forecasts for 2024 and 2025 are now closer to IBO's own projections. IBO continues to project higher tax revenues than the Administration starting in 2026.

With four pay periods left in Fiscal Year 2024, and given predictable payroll spending trends, IBO estimates the City will spend \$800 million less on Citywide staffing costs over the rest of FY 2024. This is the largest contributor to IBO's \$1.1 billion surplus projection.

- Across 2025 and 2026, IBO estimates almost \$3.3 billion (\$3.0 billion in City funds) less in spending on asylum seekers than what is reflected in the Administration's estimates even after reductions included in the Executive Budget. Additional details on IBO's asylum seeker cost estimates can be found [here](#).
- IBO anticipates more than \$600 million in additional funding will be needed in 2025 for staffing costs across the uniformed agencies of Police, Sanitation, and Correction, largely to cover overtime costs

for uniformed staff.

- To fully fund current spending levels for the City Fighting Homeless and Eviction Prevention Supplement (CityFHEPS) program, an estimated \$651 million will be needed from 2025 through 2027—with more of those funds needed in 2026 and 2027.
- To fund recurring programs at the Department of Education that were previously funded by Federal Covid-19 aid, IBO estimates an additional \$187 million will be needed in 2025 and \$505 million in each of the following years.
- The Executive Budget restored some funding from the prior Program to Eliminate the Gap (PEG) budget reductions. However, previous cuts to libraries, older adult centers, and early childhood programs remain in place and other areas were subject to new PEGs, such as funding to process City contracts which support the provision of human services.



New York City Independent Budget Office

IBO's mission is to enhance understanding of New York City's budget, public policy, and economy through independent analysis.