Fiscal Policy Institute
540 Broadway
Albany, NY 12207
fiscalpolicy.org

info@fiscalpolicy.org

FPI Statement on New York City's Fiscal Year 2027 Adopted Budget

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Albany, NY | Fiscal Policy Institute Executive Director and Chief Economist Emily Eisner released the following statement on behalf of FPI:

Today, New York City Mayor Zohran Mamdani announced a budget agreement for fiscal year 2027. After inheriting from the prior administration a historically mismanaged budget that concealed yawning gaps, the Mayor has put together a budget that is balanced primarily by finding savings and efficiencies. The city's strategies to eliminate the gap lean primarily on recurring strategies that rein in costs and find additional resources to support the budget. Balancing the budget this way represents a welcome turn toward prudent and transparent fiscal policymaking.

New York State exerts significant control over the city's spending and ability to raise revenue. For this reason, the state bears a responsibility for setting the city on firm footing. In addition to savings and efficiencies at the City level, the budget relies on a package of support from New York State. Unlike the city-level savings and efficiencies found, half of new state funding[a] to the City is one-off, leaving need for more recurring state aid in outyears. Most significantly, the state simply authorizes the city to pursue its own savings initiatives.

Future expansions of public services—especially childcare and housing—that are central to the Mayor's affordability agenda must be funded sustainably through new recurring revenue. This revenue must be authorized by Albany as part of the next state budget.

The Fiscal Policy Institute is an independent, nonpartisan think tank that advances sound and equitable fiscal policy to strengthen New York's economy through research, analysis and strategic communications.

Links

a https://fiscalpolicy.org/policy-and-research/overview-of-the-enacted-budget-financial-plan