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## **New York State Division of the Budget Announces Release of the FY 2021 Mid-Year State Budget Financial Plan Update**

The New York State Division of the Budget announced today the release of the [FY 2021 Mid-Year State Budget Financial Plan Update](#) (PDF), which projects a \$14.9 billion General Fund revenue decline and a 15.3% All Funds tax receipts decline from the Budget forecast released in February, creating a total loss of nearly \$63 billion through FY 2024 as a direct consequence of the COVID-19 pandemic.

In the absence of Federal funding to offset this revenue loss, the Financial plan shows the State reduced spending through September by \$4.3 billion compared to FY 2020 spending over the same period. The State has done this by freezing hiring, new contracts and pay raises, and temporarily holding back 20% of most payments.

“While COVID-19 infections are spiking dangerously around the country and world, New York State – with New Yorkers leading the way – has been able to continue our re-opening and get New Yorkers back to work even as the pandemic has already done more damage to our economy than the Great Recession,” said Robert Mujica, New York State Budget Director. “The federal government must live up to promises that funding will be provided to states. The only alternatives to federal funding are spending reductions – a devastating impact on schools, hospitals, police and fire departments, along with other critical services --long-term debt and revenue raisers that may impact our competitiveness and weaken New York State’s ability to lead the national economic recovery as producer of 8% of national GDP. In the meantime, we’re not waiting idly by and have already reduced year-over-year spending by \$4.3 billion so that the state maintains a balanced budget even if the federal government fails to act.”

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