

New York City Independent Budget Office



Adams Administration Overestimated New Arrival Spending in 2024

January 8, 2025 – New Year, New Budget, New Insights: The New York City Independent Budget Office (IBO) has just released a new report that sheds light on the City's new arrival spending. With the release of Mayor Adams' Fiscal Year 2026 Preliminary Budget in a few weeks, IBO's latest analysis offers an important point of comparison: it examines the Administration's initial cost estimates for new arrival-related expenses alongside actual spending.

Spoiler alert: The Administration increased its cost estimates even as the number of new arrivals declined. In other words, the Administration did not update its budget for services with changing arrival trends or actual spending figures as the information became available. The most recent November Plan does not account for changes in the number of new arrivals or previous spending levels, continuing the trend.

This analysis is the fifth installment of IBO reports on new arrival spending published in [May 2023](#), [December 2023](#), [May 2024](#), and [November 2024](#).

IBO's analysis found that:

- Real spending in 2024 wound up being \$3.8 billion (\$1 billion lower than it was budgeted to be), but the total forecasted budget for new arrivals has either increased or remained the same in every budget update between January 2023 and November 2024.
- Despite reductions in new arrival spending for Fiscal Year 2024, the City increased the projected budget for 2025-2028 in the Adopted Budget in June 2024.
- Despite a decline in population trends, and actual spending for FY 2024 being lower, the Administration is projecting that the City will spend more money this year (\$4.4 billion in 2025) and next year (\$4 billion in 2026) than it did in 2024. According to the Office of Management and Budget, the City has not revised its population projections since March 2024, although there are plans to do so in the January 2025 Preliminary Budget for 2026.
- In looking back at the past two years of new arrivals, IBO found that the City did not accurately adjust the budget for services since the initial surge in the summer of 2023, and that the share covered by New York State has been in line with historical averages. To date, New York State has covered one third of the total costs for new arrivals.

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