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**MAYOR DE BLASIO ANNOUNCES \$450 MILLION IN LABOR SAVINGS**

**NEW YORK**—Mayor Bill de Blasio today announced that the City has reached an arbitration agreement with the United Federation of Teachers (UFT) that will result in \$450 million in savings in fiscal year 2021. The agreement includes partial payment of lump sum payments which were scheduled to be paid this month, and a commitment the City will not layoff teachers through at least June 30, 2021. The Adopted Budget [announced](#) in June included \$1 billion in labor savings for FY21 and these savings will account for nearly half of that commitment. The City still needs a minimum of \$5 billion in federal or state relief in order to avoid drastic action such as layoffs for FY22.

“The City faces the gravest fiscal crisis since 9/11, but we will build on our record of strong financial management by making the tough decisions and sacrifices we need to keep the City running,” said **Mayor Bill de Blasio**. “This agreement allows us to avoid laying off the teachers who’ve done so much for New York City’s schools and students. But make no mistake, the need for the Federal and State governments to step up and provide us with aid is as pressing as ever.”

**The agreement includes:**

**Partial payment:** Half of scheduled payment (approx. \$450 million) to be paid in October 2020, remaining half to be paid in July 2021.

**Commitment on layoffs:** No layoffs of teachers through June 30, 2021. If the City receives State and Federal assistance of \$5 billion or more, the no-layoff pledge is extended to June 30, 2022.

**Facing an economic downturn driven by COVID-19, the de Blasio Administration has built on its record of strong fiscal management to ensure a robust recovery for New York City:**

- **Increased annual budget reserves to record levels:** Along with the City Council, City Hall amassed a record level of \$6 billion in budget reserves before the pandemic hit, which were key to savings lives as COVID hit.
- **Historic cuts and savings in Adopted Budget:** The Administration had \$7 billion in reserves and savings to balance this year’s budget due to careful planning and savings.
- **Hiring freeze and vacancy reduction savings:** City Hall generated over \$600 million citywide in FY20 and FY21 since June 2019 and reduced budgeted headcount by over 5,300 in FY21.

- **Workforce actions:** Furloughs of all managerial and non-represented City employees generated \$22 million in savings. On top of other actions, this helped us cut this fiscal year's Mayor's Office budget by 12%.
- **Debt service savings:** Achieved \$604 million in debt service savings since June 2019 and can achieve hundreds of millions more depending on City Comptroller action.

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