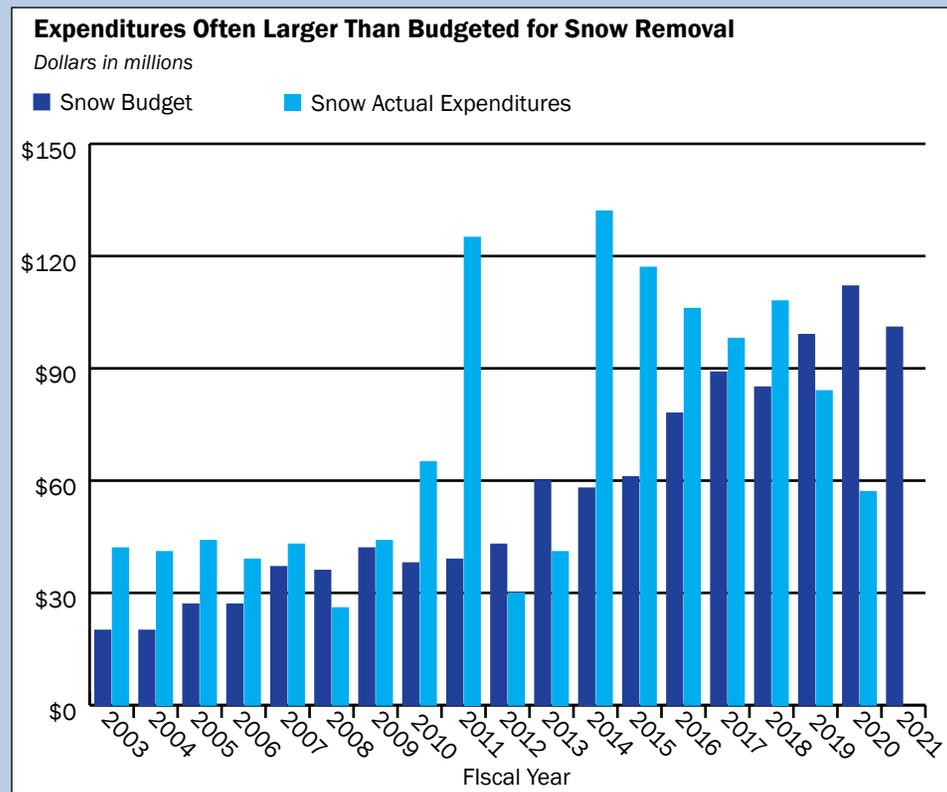


Digging Out: How Different Is the City's Snow Removal Spending From What Gets Budgeted?

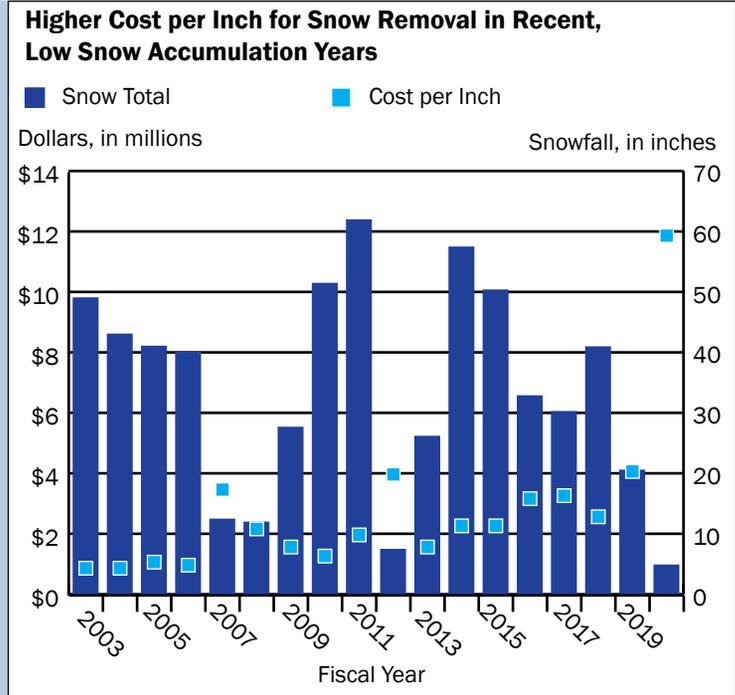
In preparing its recent quarterly update to the city budget, the de Blasio Administration scrutinized many aspects of city services for potential spending cuts or increases. One area of the budget that is frozen, however, is the Department of Sanitation budget for annual snow removal costs. Based on a formula set by the City Charter, the budget for snow removal must reflect average spending in the preceding five fiscal years. This average takes into account costs such as labor, training, salt, and fuel. Because the average is retrospective, however, it does not factor in anticipated increases in costs going forward, such as collectively bargained wage increases, changes in the price of salt and fuel, or additional funding to improve service.

- Since fiscal year 2003, the city has under-budgeted for snow removal by a cumulative \$362 million. Shortfalls were particularly large in 2011, 2014, and 2015, years when the city saw more than 50 inches of snow in Central Park and expenditures topped \$110 million. Conversely, when snow totals are lower, as they were in 2012, 2013, and 2020, the city has realized savings; last year the cost of snow removal was \$55 million less than budgeted.



- Expenditure increases over time partially reflect the rising cost per inch to plow snow. In 2003, snow removal cost under \$1 million per inch while it cost \$4 million per inch in 2019 and \$12 million per inch in 2020. Even factoring in inflation, costs went up over 300 percent per inch from 2003 through 2019. However, this cost-per-inch measure does not account for year-to-year variability, such as how weekend snowstorms can result in additional costly overtime or how ice storms can deplete the salt budget without measurable snowfall. Because the sanitation department mobilizes in advance for a predicted storm, even snowstorms that do not materialize can be costly.

- In 2020, just 5 inches of snow fell on the city, well below the National Oceanic and Atmospheric Administration annual snowfall average for Central Park of 26 inches. With little snowfall, fixed costs such as training, maintenance and purchases of salt and other supplies were spread over fewer inches of snow, resulting in a cost of \$12 million per inch—more than four times the average annual cost since 2003. Given how little snow fell in the city last year, however, spending on snow removal totaled just \$57 million, roughly half the level budgeted for the year.
- Since the budget for snow removal in 2021 was determined by averaging spending in the five preceding years, the low level of spending in 2020 was added into the formula and the relatively high level of spending in 2015 was dropped. The resulting snow budget for 2021 totals \$101 million, \$11 million below the level budgeted for 2020.
- If 2021 is similar to 2013 when snowfall in the city totaled near the National Oceanic and Atmospheric Administration average of 26 inches, the city would experience a modest additional cost of \$3 million above the budgeted amount. Alternatively, another year like 2020 with less than 5 inches of snow could lead to savings of \$30 million, while a big snowfall year like 2011, with over 60 inches of snow, could lead to a snow budget shortfall of \$58 million.



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