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Report on the Preliminary Financial Plan for Fiscal Years 2022-2026

March 2, 2022

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Introduction

On March 2, 2022, the Committee on Finance will hold the first Council hearing on the Fiscal 2023 Preliminary Budget. The Committee will examine the Administration's programmatic priorities and fiscal estimates presented in the Fiscal 2022 – 2026 Preliminary Financial Plan (Preliminary Plan or Plan). The proposed spending levels, savings, and revenue estimates will also be analyzed. The hearing will cover the Fiscal 2023 Preliminary Capital Budget (Capital Budget), and the Fiscal 2023 Preliminary Capital Commitment Plan (Commitment Plan) as well. The Committee expects to hear testimony from the Office of Management and Budget (OMB) and members of the public.

This report provides a historical overview of City spending, reviews the Fiscal 2023 Preliminary Budget, and describes how the City proposes to balance its budget. The report then reviews major components of the City's budget and describes how the City's budget is structured. The report will also summarize significant changes made in the Preliminary Plan, including new spending, headcount changes, and the Citywide Savings Program. Lastly, the report will conclude with changes to the Capital Budget, the Commitment Plan, and the Commitment Plan's structure.

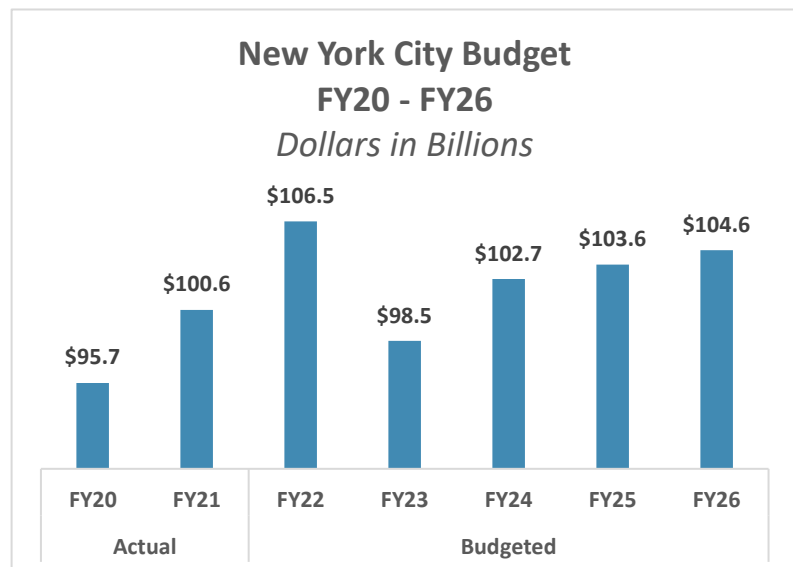
Fiscal 2023 Preliminary Budget

Since Adoption of the Fiscal 2022 budget in June 2021, the Fiscal 2022 budget has increased by \$7.8 billion, from \$98.7 billion to \$106.5 billion, while the projected Fiscal 2023 budget has decreased by \$3.3 billion, from \$101.8 billion to \$98.5 billion.

The Preliminary Plan introduces a moderate new needs package, a large Citywide Savings Program that is greater than new needs in the first two years of the Plan, and an influx of federal funding, totaling \$1.5 billion in Fiscal 2022 and \$100.7 million in Fiscal 2023, primarily funded by the American Rescue Plan (ARP) and the Federal Emergency Management Agency (FEMA). The current year budget total of \$106.5 billion is much larger than the other financial plan years. This is primarily due to

federal funding totaling \$18 billion in the current fiscal year, which decreases to \$9.4 billion in Fiscal 2023, and decreases to \$6.9 billion by Fiscal 2025. These changes will be discussed in greater detail in the *Preliminary Plan Actions* section of this report.

Although the current and following fiscal years are balanced, the budget has significant budget gaps in the outyears, totaling \$7.9 billion for Fiscal 2024 through Fiscal 2026. Of note, the Preliminary Plan does not include Citywide Council Initiatives, any other one-year funded expenses, or a significant portion of federal funding.



Fiscal 2023 Preliminary Capital Budget and Commitment Plan

The Capital Budget supports large, long-term investments that aim to improve the state of good repair of the City's infrastructure, as well as support its growth. The Capital Budget provides, by agency and budget line (analogous to units of appropriation, or U/As, in the expense budget), the requested appropriations for Fiscal 2023 and the three-year capital program. It proposes new appropriations of \$10.8 billion for Fiscal 2023 and a total of \$52.3 billion for Fiscal 2024 through Fiscal 2026 for a total of \$63.1 billion over four years.

The Commitment Plan, which is a five-year spending plan, provides, by agency and budget line, appropriations for Fiscal 2022 and planned commitments for Fiscal 2023 through 2026. The Commitment Plan also shows, by budget line, the total current contract liability, the total spending since the introduction of the budget line, and commitments made during Fiscal 2022 through November 2021. Planned commitments are scheduled across the five-year period at the project level. The Commitment Plan includes \$100 billion in planned commitments for Fiscal 2022 through Fiscal 2026.

Financial Plan Overview

The Fiscal 2023 Preliminary Budget totals \$98.5 billion. This includes \$70.9 billion in City funds, down by \$2.5 billion, or 3.5 percent, from the projected budget in the November 2021 Financial Plan, which was released by the previous Administration. It should be noted that both revenues and expenditures in Fiscal 2023 fall short of projected budget expenditures for the current fiscal year, but then grow at a slow pace in the outyears. The decrease in Fiscal 2023 is due to the fact that federal funds are frontloaded in the current fiscal year and decrease in the outyears. While revenues increase at an average annual growth rate of one percent from Fiscal 2024 onwards, expenditures grow at an average annual rate of two percent, resulting in outyear gaps past Fiscal 2023.

Although total revenues are projected to grow by only one percent from Fiscal 2024 onwards, the portion of revenues that come from City funds is expected to grow at an average of 2.5 percent year-over-year in the five-year plan period.

Fiscal 2023 Preliminary Financial Plan Summary					
<i>Dollars in Millions</i>					
Revenues	FY22	FY23	FY24	FY25	FY26
General Property Tax	\$29,408	\$30,890	\$31,149	\$31,326	\$31,388
Other Taxes	33,701	34,261	35,904	37,595	38,626
Tax Audit Revenue	921	721	721	721	721
SUBTOTAL – Taxes	\$64,030	\$65,872	\$67,774	\$69,642	\$70,735
Miscellaneous Revenues	7,250	6,980	7,036	7,065	7,092
Unrestricted Intergovernmental Aid	1,044	0	0	0	0
Less: Intra-City Revenue	(2,153)	(1,850)	(1,848)	(1,838)	(1,838)
Disallowances against Categorical Grants	(15)	(15)	(15)	(15)	(15)
SUBTOTAL - City Funds	\$70,156	\$70,987	\$72,947	\$74,854	\$75,974
Other Categorical Grants	1,149	1,013	1,006	1,005	1,001
Inter-Fund Revenues	730	734	732	731	731
Federal Categorical Grants	18,014	9,385	8,644	7,928	6,902
State Categorical Grants	16,490	16,417	16,642	16,888	16,943
TOTAL Revenues	\$106,539	\$98,536	\$99,971	\$101,406	\$101,551
Expenditures					
Personal Services					
Salaries and Wages	\$31,235	\$30,599	\$30,676	\$30,880	\$31,197
Pensions	9,932	9,665	9,048	8,176	7,561
Fringe Benefits	12,298	12,643	13,729	14,683	15,398
SUBTOTAL - Personal Services	\$53,465	\$52,907	\$53,453	\$53,739	\$54,156
Other Than Personal Services					
Medical Assistance	\$6,546	\$6,494	\$6,494	\$6,494	\$6,494
Public Assistance	1,651	1,650	1,650	1,650	1,650
All Other	41,891	33,820	33,428	33,542	33,251
SUBTOTAL - Other Than Personal Services	\$50,088	\$41,964	\$41,572	\$41,686	\$41,395
Debt Service	6,764	7,942	8,265	8,803	9,597
FY21 Budget Stabilization & Discretionary Transfers	(6,107)	0	0	0	0
FY22 Budget Stabilization	3,732	(3,732)	0	0	0
Capital Stabilization Reserve	0	250	250	250	250
General Reserve	250	1,055	1,000	1,000	1,000
Deposit to Rainy Day Fund	500	0	0	0	0
Less: Intra-City Expenses	(2,153)	(1,850)	(1,848)	(1,838)	(1,838)
TOTAL Expenditures	\$106,539	\$98,536	\$102,692	\$103,640	\$104,560
Gap to be closed	\$0	\$0	(\$2,721)	(\$2,234)	(\$3,009)

The November 2021 Financial Plan projected a \$2.9 billion budget gap for Fiscal 2023. That gap has now been closed in the Preliminary Plan by using approximately \$2.7 billion in newly identified resources¹ from Fiscal 2022 to prepay for Fiscal 2023 debt, coupled with the new Administration's rigorous Citywide Savings Program, which instituted a Program to Eliminate the Gap (PEG) program for most City agencies, with a target of three percent in savings across Fiscal 2022 and Fiscal 2023, and the outyears, to balance the budget. Agencies that were excluded were the Department of Mental Health and Hygiene (DOHMH), the Health and Hospitals Corporation (H+H), the Department of Correction (DOC), and the Office of the Chief Medical Examiner (OCME). The following table displays revenue and spending changes for Fiscal 2022 and Fiscal 2023 in the Preliminary Plan.

¹ Both increased revenue projections and lower e

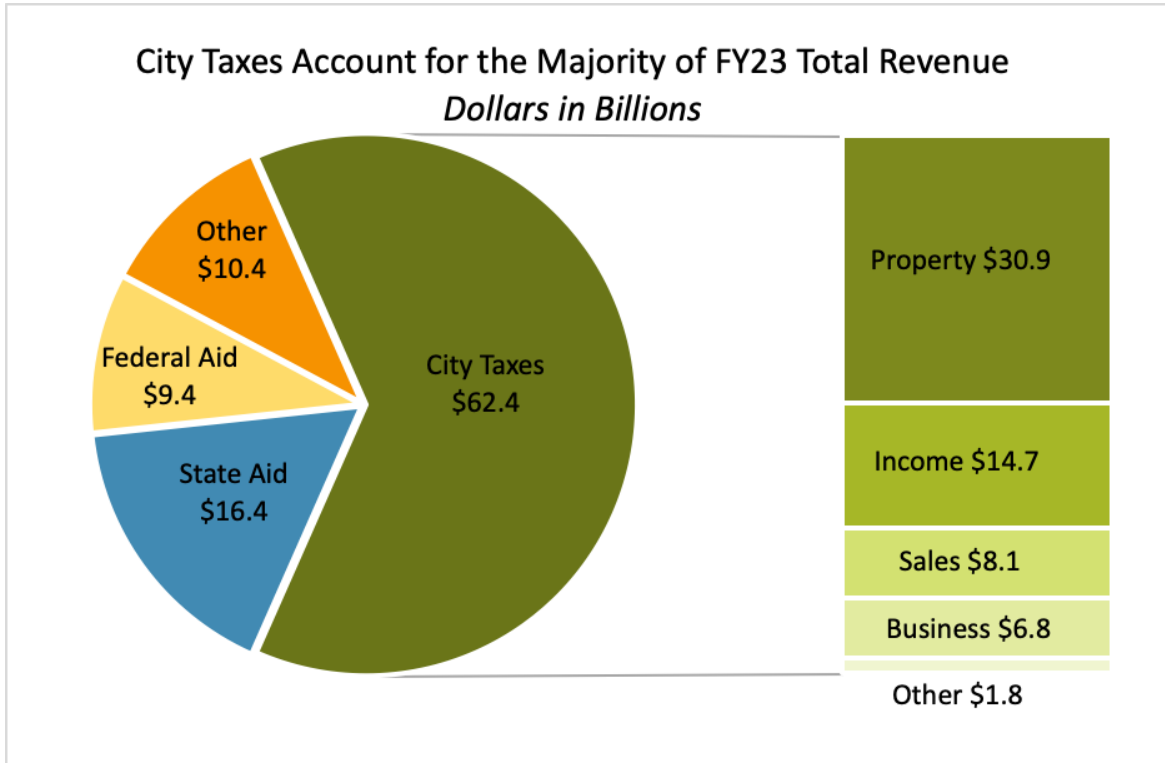
Fiscal 2023 Preliminary Financial Plan – Closing the Gap					
<i>City Funds (Dollars in Millions)</i>					
	FY22	FY23	FY24	FY25	FY26
Gap to be closed - November 2021 Financial Plan	\$0	(\$2,882)	(\$2,731)	(\$2,140)	(\$3,929)
Revenue Changes					
Tax Revenues	\$1,603	\$726	\$501	\$498	\$1,591
New Tax Programs	0	(300)	(300)	(300)	(300)
Non-Tax Revenues	31	43	100	104	85
Unrestricted Aid (ARPA)	294	0	0	0	0
PEG - Revenue	10	14	9	9	9
TOTAL Revenue Changes	\$1,938	\$483	\$310	\$311	\$1,385
Expense Changes					
Agency Expense Changes	\$536	\$926	\$904	\$1,021	\$1,085
PEG - Expense	(829)	(1,060)	(1,035)	(1,039)	(1,050)
Labor Adjustment	0	500	500	500	500
Federal Funding Swap	(60)	0	0	0	0
Debt Service	(27)	(52)	(69)	(77)	(70)
General Reserve	(50)	55	0	0	0
Prior Payables	(400)	0	0	0	0
TOTAL Expense Changes	(\$830)	\$369	\$300	\$405	\$465
Surplus/(Gap) before prepayment	\$2,768	(\$2,768)	(\$2,721)	(\$2,234)	(\$3,009)
FY22 Prepayment	(\$2,768)	\$2,768			
Gap to be closed - FY23 Preliminary Financial Plan	\$0	\$0	(\$2,721)	(\$2,234)	(\$3,009)

The largest source of newly identified resources in Fiscal 2022 comes from a greater tax revenue forecast, which totals \$1.6 billion in Fiscal 2022, but then drops to \$726 million in Fiscal 2023. Overall, current year revenues grow by \$1.9 billion, while Fiscal 2023 revenues grow at a smaller pace of \$483 million, creating a net two-year revenue increase of \$1.98 billion.

Spending is down \$830 million in Fiscal 2022, despite new spending of \$536 million in the current fiscal year. Across Fiscal 2022 and Fiscal 2023, the Administration's savings program is expected to reduce spending by \$1.9 billion. Spending changes, coupled with the revenue increases in Fiscal 2022, create a current year surplus of \$2.7 billion, which is used to prepay Fiscal 2023 debt service and close the Fiscal 2023 budget gap.

Revenue Budget

In the Preliminary Financial Plan, revenues for Fiscal 2023 total \$98.5 billion, 0.6 percent higher than projected in the November 2021 Financial Plan. Revenues come from several sources, including local taxes, miscellaneous revenues, and State and federal categorical grants, as shown in the chart below.



Source: OMB, "Fiscal 2023 Preliminary Financial Plan, Fiscal Years 2022-2026".

The Fiscal 2023 Preliminary Financial Plan estimates \$1.6 billion in additional City tax revenue for Fiscal 2022 compared to the November 2021 Financial Plan. This additional revenue comes largely from an increase of \$428 million more in personal income tax, \$282 million more in real property transfer tax, \$265 million more in sales and use tax, and \$215 million more in unincorporated business tax. Since tax collections through January are approximately \$1.5 billion over the November 2021 Financial Plan, the Fiscal 2023 Preliminary Financial plan for Fiscal 2022 is very conservative. For Fiscal 2023, tax collections are estimated to be \$435 million over the November 2021 Financial Plan mostly due to higher-than-expected property tax collections of \$848 million, offset by several new tax program proposals.

Included in the Fiscal 2023 Preliminary Financial Plan are proposals that reduce tax revenue by \$300 million a year beginning in Fiscal 2023. Mayor Adams proposed: an expansion of the City's earned income tax credit (costing \$250 million per year), a new childcare property tax abatement (costing \$25 million per year), and a new childcare business tax credit (costing \$25 million per year). All three proposals will require State legislative action.

The Fiscal 2023 Preliminary Financial Plan recognizes additional miscellaneous revenue of \$110.5 million for Fiscal 2022 and \$449.7 million for Fiscal 2023 compared to the November 2021

Financial Plan. The increase is largely due to higher-than-expected intra-city revenue of \$69 million in Fiscal 2022 and \$401 million in Fiscal 2023.

In addition to City Funds, the Fiscal 2023 Financial Plan assumes additional revenue of \$1.5 billion in Fiscal 2022 and \$100.7 million in Fiscal 2023 from the Federal Government compared to what was in the November 2021 Financial Plan. Also, the City is estimated to receive an additional \$224.5 million in Fiscal 2022 and \$6 million in Fiscal 2023 from the State.

For additional details of the Revenue Budget, see the “Economic and Tax Revenue Forecast: Engineering a Soft Landing” for the Fiscal 2023 Preliminary Financial Plan report from the Council Finance Division, released simultaneously with this report.

Budget Reserves

In the Preliminary Financial Plan, end of the year budgetary reserves for Fiscal 2022 total \$8.7 billion, a decrease from the \$10.8 billion on hand at the end of Fiscal 2021. However, due to the City’s conservative budgeting practice, it is normal practice for reserves to appear to decline in the middle of a fiscal year, and then be replenished by fiscal year end. For example, while the City ended Fiscal 2021 with \$10.8 billion in reserves, it only had \$5.4 billion at this same point last year. Considering that the City currently has \$3.3 billion more in reserves than it did at this point last year, there is a good chance, albeit not a full guarantee, that the City will end the year with an increase in reserves.

End of Year Reserves as of Fiscal 2023 Preliminary Plan <i>(Dollars in billions)</i>	Fiscal 2021	Fiscal 2022	Fiscal 2023
Roll/ Budget Stabilization Account	\$6.1	\$3.70	\$0
RHBT	4.1	3.80	3.8
General Reserve	0	0.25	1.1
Rainy Day Fund	\$0.5	\$1.0	1.0
Capital Stabilization Reserve	0	0	0.25
TOTAL Reserves	\$10.8	\$8.7	\$6.2

The chart above, which breaks down the various reserve components, provides a map of how this process would work. The Financial Plan currently shows declines in the amount of funds in the Budget Stabilization Account (BSA) and the Retiree Health Benefits Trust (RHBT) fund. However, as the year progresses, additional resources will be freed up from the City’s practice of conservative budgeting. Revenues are likely to come in higher than forecast, and accrual sweeps and other savings will bring expenses under the current projections. To prevent those resources from being lost, they will have to be deposited into one of the accounts that the City uses as multi-year reserve vehicles.

In prior years, these resources were added to either the BSA or RHBT. However, in early 2021, the City established the Rainy Day Fund, the City’s first dedicated multi-year budgetary reserve vehicle. For this year, the City has three different options of where to deposit the additional resources that will be freed up as the year comes to a close. In fact, the City added \$500 million to the Rainy Day Fund as part of the Preliminary Plan, which bodes well for reserves.

The conservative budgeting practice of OMB makes it difficult to track the reserve outlook for future years. However, the Preliminary Financial Plan has Fiscal 2023 end of year reserves at \$6.2

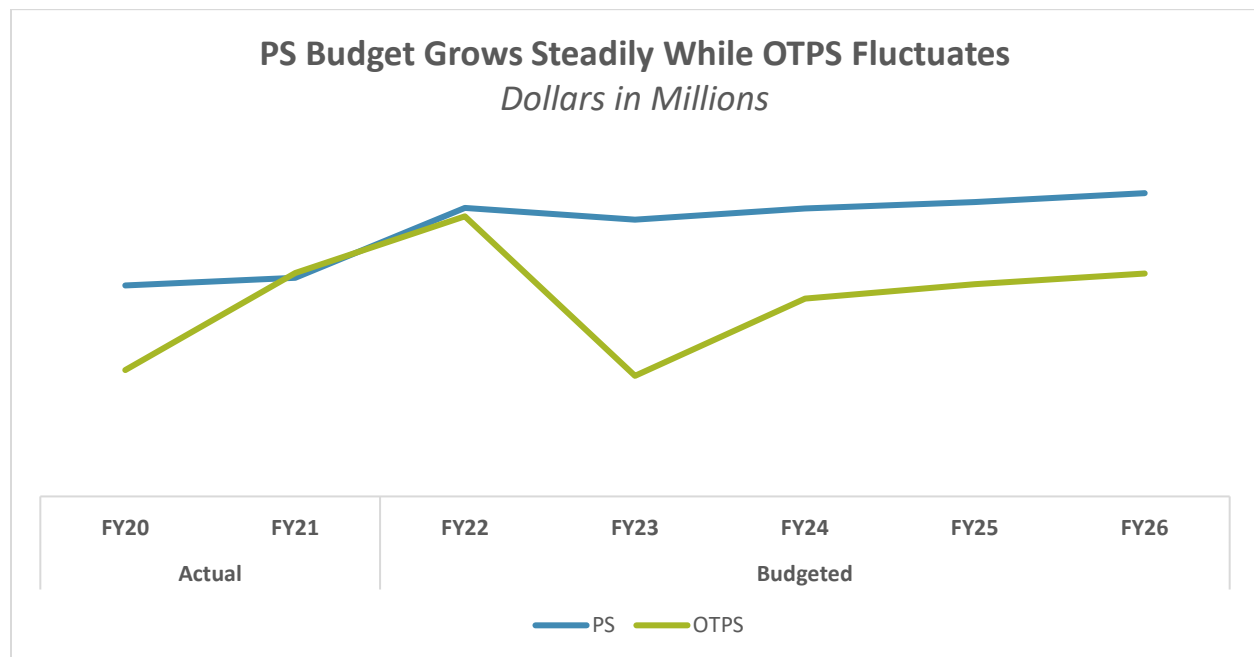
billion, with \$1.05 billion in the General Reserve and \$250 million in the Capital Stabilization Reserve including \$3.8 billion in the RHBT and \$1 billion in the Rainy Day Fund.

Expense Budget

This section includes an analysis of the overall expense budget, including the Personal Services (PS) budget and the Other Than Personal Services (OTPS) budget.

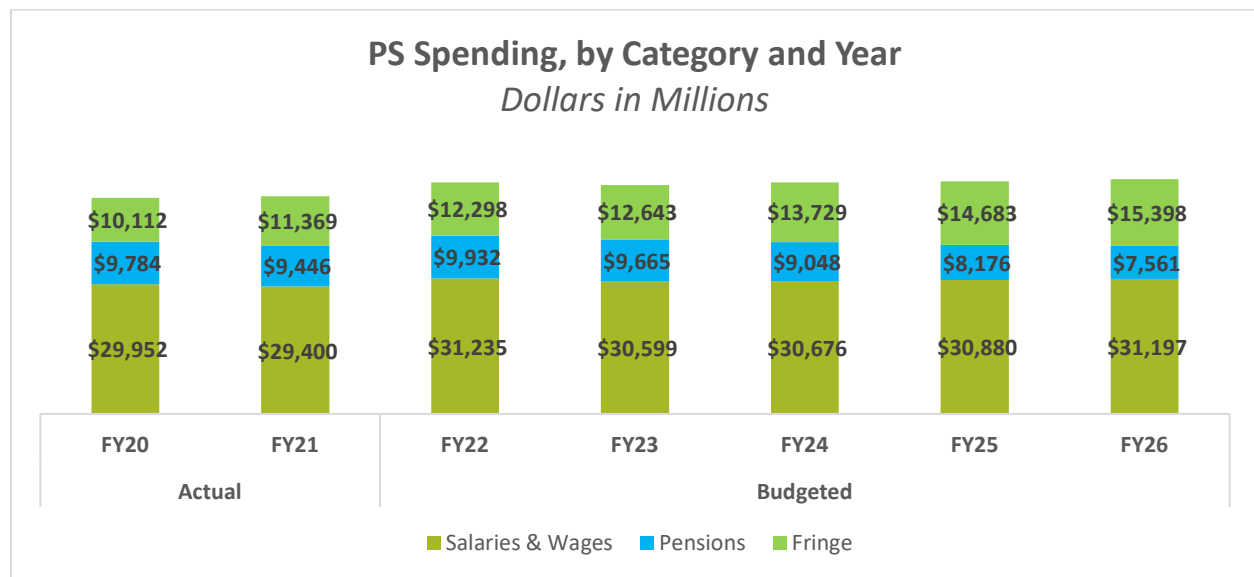
The Fiscal 2023 Preliminary Plan totals \$98.5 billion, of which \$52.9 billion is PS costs and \$45.6 billion in OTPS costs. Also included in the OTPS budget is \$7.9 billion for debt service. The Preliminary Plan expects a decrease in budget growth over the five-year plan period of 1.9 percent, equivalent to an average annual decrease of 0.3 percent from Fiscal 2022 through Fiscal 2026.

Although the overall budget decreases by 1.9 percent over the five-year plan period, PS spending increases by \$691 million, or 1.3 percent, while OTPS spending decreases by \$2.7 billion, or five percent. Since the Adoption of the Fiscal 2022 budget, PS spending has decreased by \$212 million, or 0.4 percent, from \$53.1 billion to \$52.9 billion, while the OTPS budget has decreased by \$3 billion, or 6.2 percent, from \$48.6 billion to \$45.6 billion, during the same time period. The increases in the PS budget over the Preliminary Plan are primarily associated with higher labor costs.



PS Spending

On aggregate, PS expenditures – which include salaries and wages, the collective bargaining reserve, fringe benefits, and pension contributions – are projected to grow throughout the Preliminary Plan, at an average annual percentage increase of 0.3 percent over the five-year plan period. The average annual percentage increases during the Plan's five-year period are expected to be a decrease of less than one percent for salaries and wages, a decrease of 5.2 percent for pension contributions, and an increase of 4.6 percent for fringe benefits.



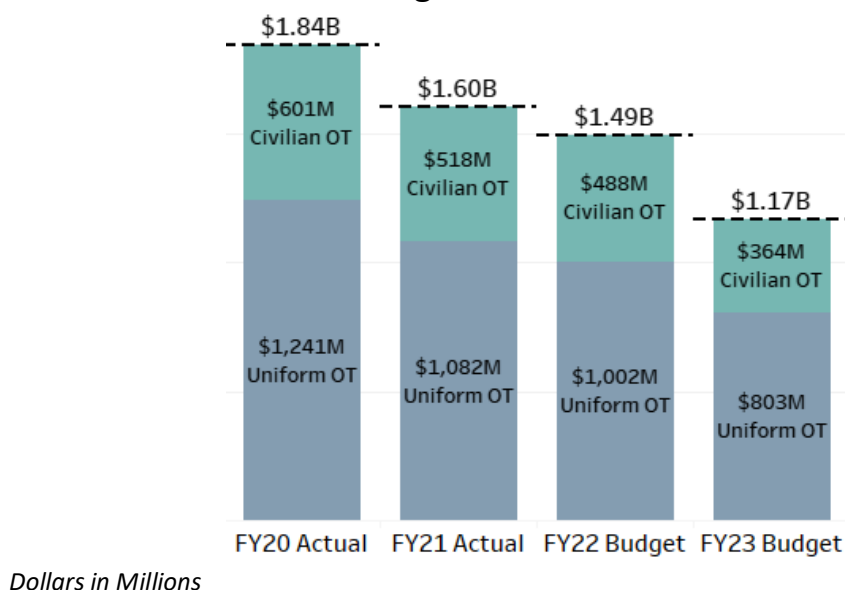
PS spending in the Fiscal 2023 Preliminary Plan accounts for approximately 53 percent of the City's total operating budget. It includes \$30.6 billion (about 58 percent of PS spending) for salaries and wages, \$9.7 billion (about 18 percent of PS spending) for pension contributions, and \$12.6 billion (about 24 percent of PS spending) for fringe benefits. Fringe benefits account for the majority of the increase in the PS budget over the five-year Plan period. Overall, the PS budget is projected to grow by \$691 million between Fiscal 2022 through Fiscal 2025.

Salaries and Wages

Spending on salaries and wages is expected to total \$30.6 billion in Fiscal 2023, representing approximately 29 percent of the City's expenditures, and approximately 58 percent of the total PS budget. Full-time pedagogical salaries amount to \$12 billion, or approximately 39 percent, of the total salaries and wages budget for Fiscal 2023 and are concentrated in DOE's budget. Salaries for full-time uniformed personnel amount to approximately \$5.3 billion, or approximately 17 percent, of the salaries and wages budget for Fiscal 2023, and includes police officers, firefighters, correction officers, and sanitation workers.

Civilian and uniformed personnel overtime amounts to \$1.2 billion, or approximately four percent of the salaries and wages budget for Fiscal 2023. For Fiscal 2022, the budget was increased to \$1.5 billion, an increase of 26 percent over the \$1.18 billion budgeted at adoption. The increase provides for an additional \$76 million in police uniform overtime. It is unlikely that the overtime spending budgeted for Fiscal 2022 at adoption will meet actual spending. Historically, actual overtime spending exceeds the budgeted amounts significantly as seen in the chart below. Although the City spent less on overtime in Fiscal 2021, that was likely a one-time reduction as a result of reduced City operations during COVID. The actual overtime spending for Fiscal 2022 and Fiscal 2023 will likely exceed the budgeted amount.

Actual vs Budget Overtime FY20-FY23



Fringe Benefits

The budget for fringe benefits is \$7.1 billion and \$7.8 billion for Fiscal 2022 and Fiscal 2023. No major changes in the Fiscal 2022 budget have been made since adoption. The increase between Fiscal 2022 and Fiscal 2023 is primarily due to an increase in the health insurance plan budget of \$745 million. There is also a decrease in the supplemental welfare benefits of \$140 million.

Fringe Budget

	FY22 Adopted	FY22 Current	FY23 Budget
Health Insurance Plan - City Employees	\$4.45B	\$4.44B	\$5.19B
Social Security Contributions	\$1.31B	\$1.31B	\$1.37B
Supplemental Employee Welfare Benefits	\$0.86B	\$0.86B	\$0.72B
Unemployment Insurance	\$0.02B	\$0.02B	\$0.02B
Workers Compensation	\$0.46B	\$0.46B	\$0.49B
Grand Total	\$7.11B	\$7.10B	\$7.80B

Dollars in Millions

Pensions

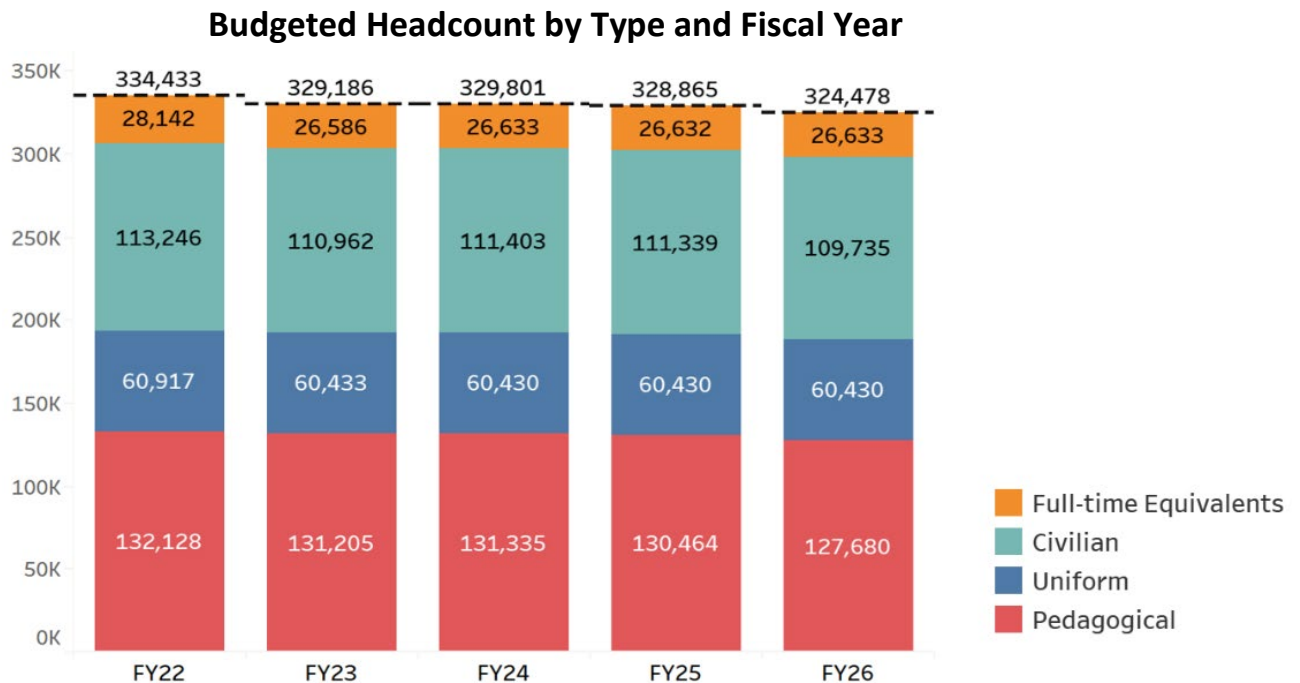
The bulk of the City's pension contributions fund five actuarial pensions – the New York City Employees' Retirement System, the Teachers' Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund, and the New York City Fire Pension Fund. Additionally, the contributions fund a handful of non-city retirement systems, including the Cultural Institutions Retirement System and the Teachers' Insurance and Annuity Association.

According to the Fiscal 2023 Preliminary Plan, total pension spending will reach \$9.7 billion in Fiscal 2023, accounting for 9.8 percent of the City's total budget and 18.3 percent of its PS budget.

Although the Fiscal 2023 Preliminary Plan includes no changes in spending for pension contributions, the Fiscal 2022 November Plan included significant contribution reductions totaling \$804.3 million in Fiscal 2023, growing to \$2.4 billion by the end of the financial plan period. The November Plan reductions correspond to an astounding 25.8 percent return on portfolio assets in Fiscal 2021. Financial plan actions lag movement in portfolio asset values by one year, meaning the effect of the Fiscal 2021 asset returns will not surface until Fiscal 2023, at which point the effect on contribution spending gets phased in over a five-year period.

Headcount

The Preliminary Plan provides a budgeted headcount for full-time employees for Fiscal 2022 and Fiscal 2023 of 306,291 and 302,600 respectively. The breakdown of the budgeted headcount by type of personnel is illustrated in the chart below.



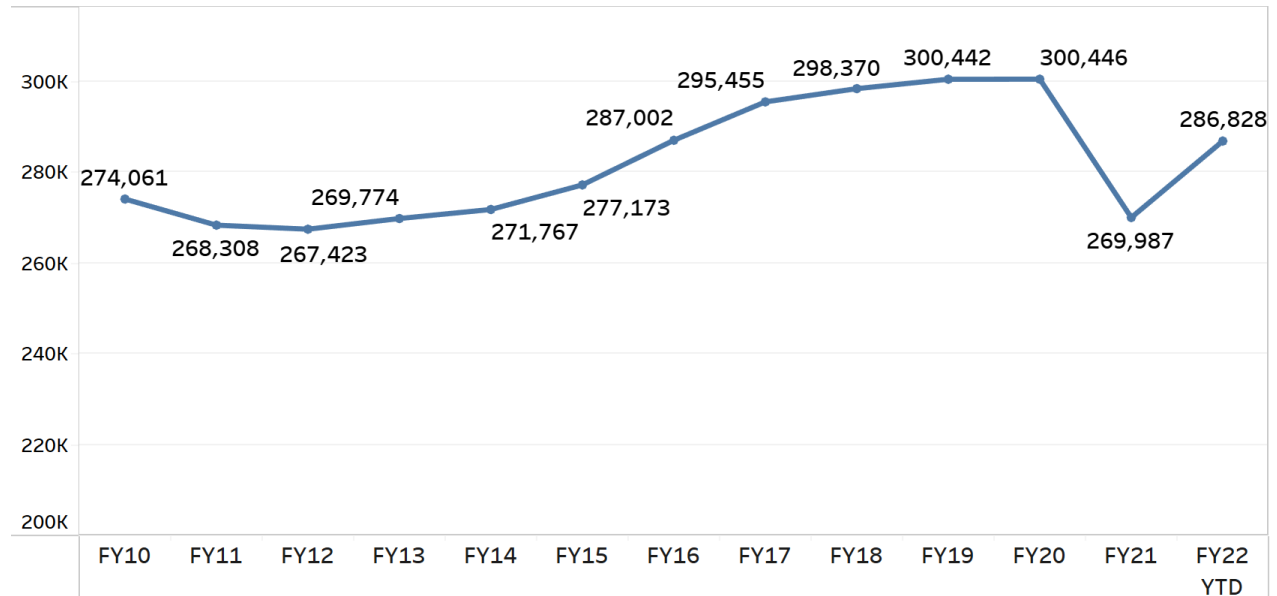
The Plan decreases full-time budgeted headcount by 3,568 for Fiscal 2022 and 4,746 for Fiscal 2023, saving \$129 million and \$625 million respectively. These reductions have been achieved through reducing vacancies only, not attrition. While previously, vacancies were reduced on a one-year basis, these reductions are baselined through the length of the plan.

Budgeted headcount decreases at a higher rate as we move further into the outyears of the plan. Fiscal 2024 budgeted headcount has been decreased by 5,659 and then by 6,564 in Fiscal 2025 and 2026.

The DOE sees the largest decrease in vacant positions – 3,642 in Fiscal 2023. The Police Department sees 770 positions decreased from vacancies in the School Safety Division. The Department of Social Services headcount is reduced by 695 positions, and the Department of Sanitation by 493 positions (305 uniform and 188 civilian). A full listing of all vacancy reductions can be found in Appendix B at the end of this document.

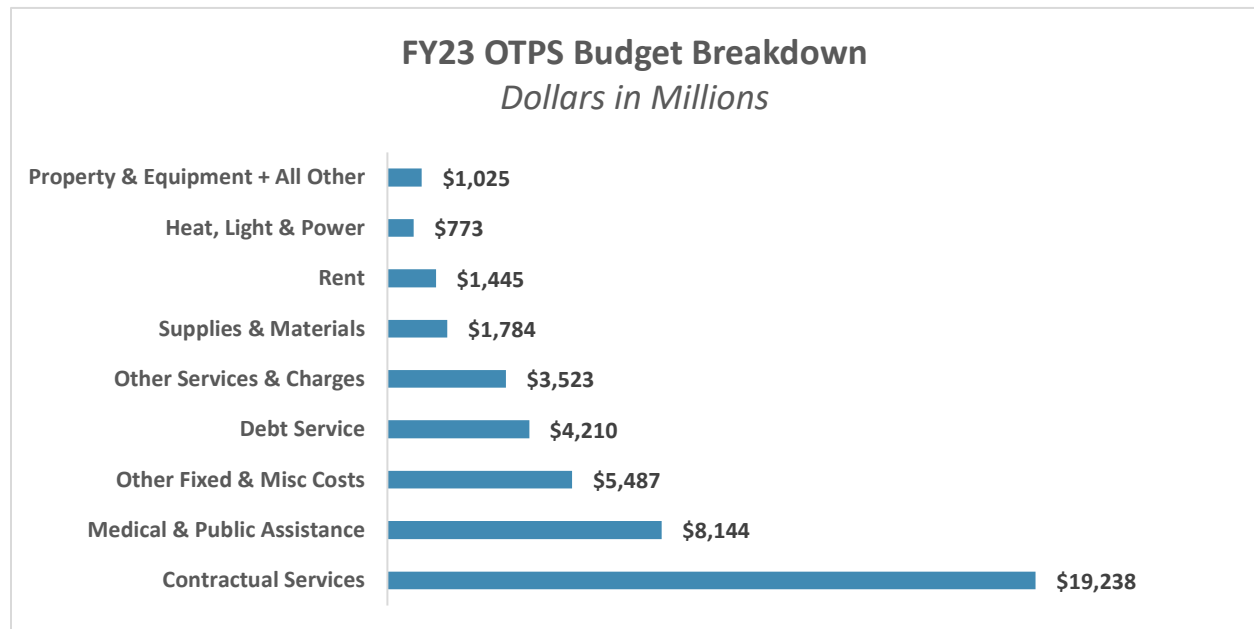
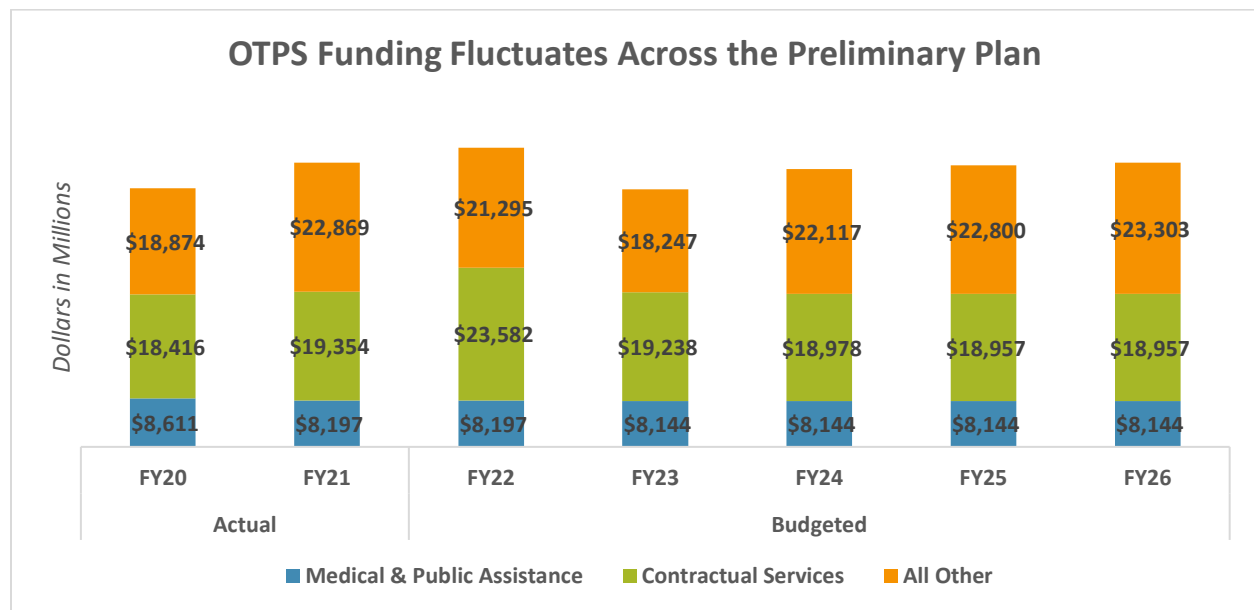
Although this is a significant decrease from the November Plan which provided for 309,859 and 307,346 positions for Fiscal 2022 and 2023, the Plan still allows for a headcount higher than the actual headcount in previous years, as shown in the chart below. The higher budgeted headcount allows for some flexibility in hiring after the vacancy reductions. Note that the actual figures for Fiscal 2022 are through the first seven months of the fiscal year.

Full-time Actual Headcount by Year



OTPS Spending

OTPS spending in the Fiscal 2023 Preliminary Plan totals \$45.6 billion, representing approximately 43 percent of the City's entire Fiscal 2023 budget. The Fiscal 2023 OTPS budget is \$7.4 billion smaller than the Fiscal 2022 OTPS current budget of \$53.1 billion, and the OTPS budget decreases by \$2.6 billion, or five percent, over the five-year plan period.



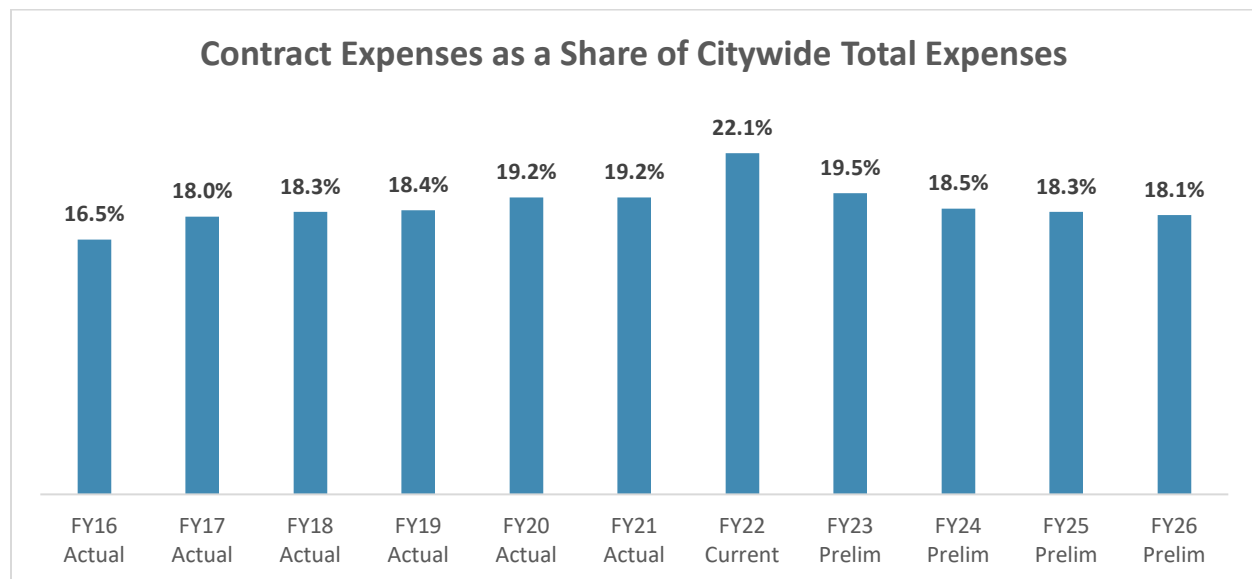
Contract Budget

The Contract Budget is a subset of the City's OTPS budget and funds outsourced public services such as education, childcare, and employment training, as well as contractual services used to support the operation of the City government, such as information technology, cleaning, and legal services. The contract budget for the current fiscal year totals \$23.6 billion, which is \$4.3 billion more than the Fiscal 2023 contract budget of \$19.2 billion. This is primarily due to the fact that the contract budget for the current fiscal year includes \$1.9 billion in contracts for COVID-19 expenses, which is not included in the Fiscal 2023 contract budget.

For Fiscal 2023, contractual services spending of \$19.2 billion accounts for approximately 42 percent of all proposed OTPS spending. Other fixed and miscellaneous costs of \$5.5 billion include various payments and subsidies for City and non-City government institutions and other civic

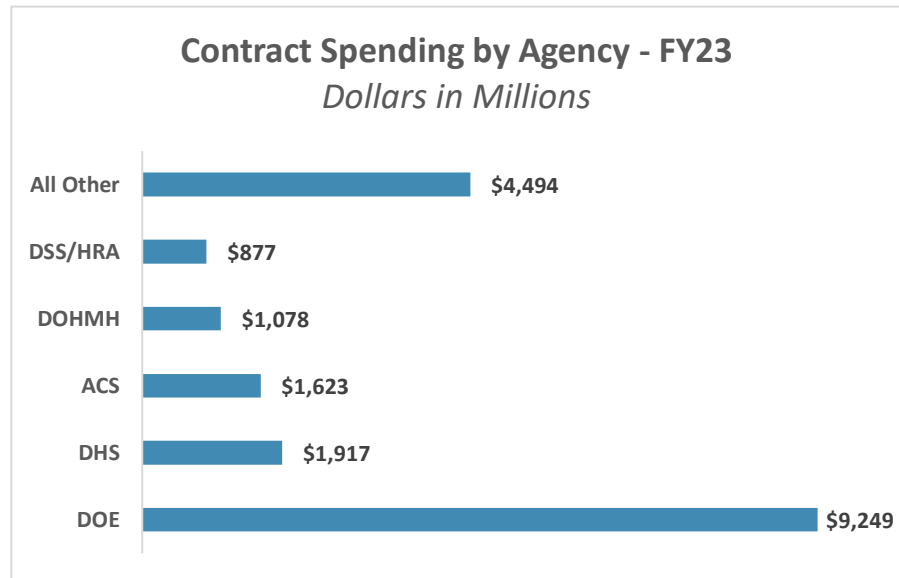
partnerships, including the Metropolitan Transit Authority (MTA), the New York City Housing Authority (NYCHA), Health and Hospitals (H+H), cultural institutions, libraries, and federal section 8 programs. Additionally, debt service totals \$4.2 billion, comprising approximately nine percent of Fiscal 2023 OTPS spending. This is the net effect of a \$3.7 billion surplus roll from Fiscal 2022 into Fiscal 2023, which reduces debt service from \$7.9 billion to \$4.2 billion. The \$8.1 billion in public and medical assistance costs is largely comprised of direct payments from the City to the State for Medicaid. Other direct operating costs comprise approximately 19 percent of OTPS spending and include heat, light and power, rent, supplies and materials, other services and charges, and property and equipment.

The Preliminary Budget increases the Fiscal 2023 contract budget by \$534 million when compared to the November 2021 Financial Plan. Since Adoption of the Fiscal 2022 Budget, the contract budget for Fiscal 2023 has increased by approximately \$1 billion. These increases are primarily associated with technical adjustments within the contract budgets of numerous City agencies. Additional information on the contract budgets of different City agencies can be found in the Fiscal 2023 Preliminary Financial Plan reports for specific City agencies.



Since Fiscal 2016, actual contract spending has increased from 16.5 percent of actual total expense spending to approximately 22.1 percent for the current year budget, as of the release of the Fiscal 2023 Preliminary Plan, with the largest increase occurring between Fiscal 2016 and Fiscal 2017. Some of the more significant increases were for Hurricane Sandy-related housing recovery, charter schools, homeless shelters, and the creation of the New York City School Support Services to provide school custodial services. Although the contract budget is decreasing as a share of the total City expenditures, it will likely increase in absolute terms as contractual costs are reviewed and re-estimated on a year-to-year basis.

Five agencies account for the majority of the City's total contract budget for Fiscal 2023, providing either health and human services or public education, demonstrating the City's reliance on outsourcing to deliver these critical services to the public. The five agencies that house the largest contracts include the Department of Education (DOE), the



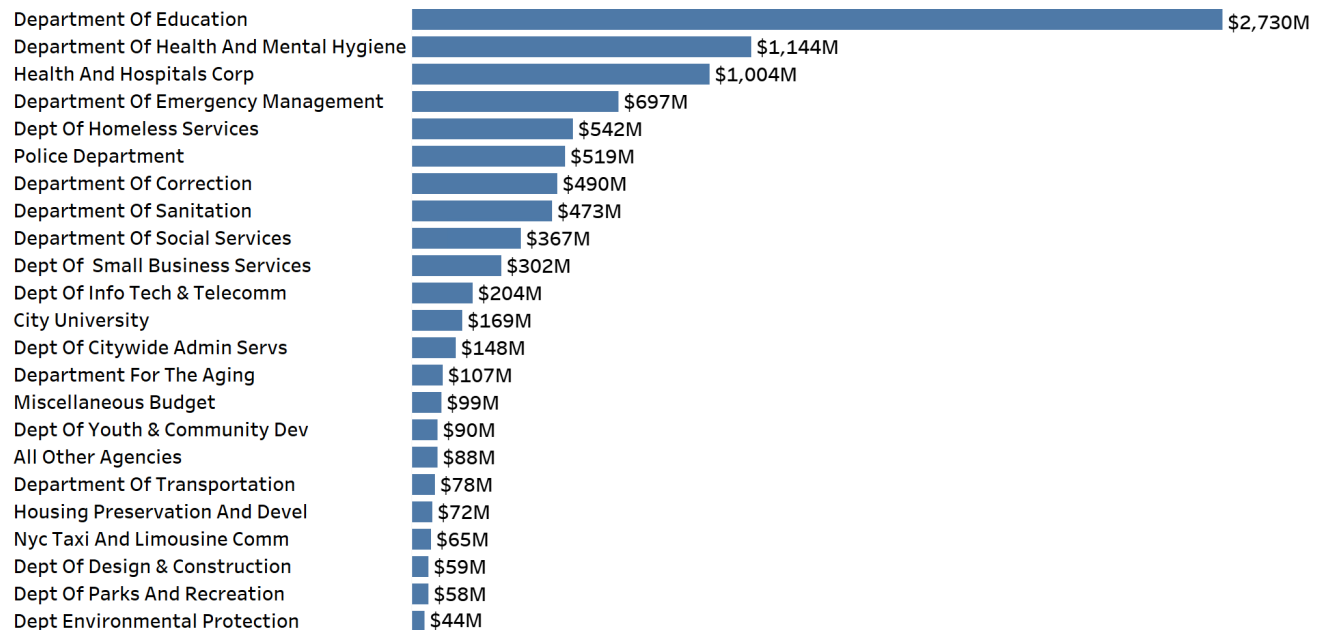
Department of Homeless Services (DHS), the Administration for Children's Services (ACS), the Department of Health and Mental Hygiene (DOHMH), and the Department of Social Services (DSS)/Human Resources Administration (HRA). Collectively, their budgets total approximately 77 percent of the total contract budget for Fiscal 2023.

COVID-19 Budget

The current Fiscal 2022 budget recognizes COVID-19 related spending of \$9.5 billion. However, the Plan accounts for a COVID-19 spending budget of only \$2.3 billion for Fiscal 2023, including \$0.9 million for Health and Hospitals. It is likely that the programs and infrastructure developed to manage and respond to COVID-19 will continue to operate into Fiscal 2023 and as a result more funding will be needed. The Plan also includes new increases in COVID-19 funding, primarily in the current fiscal year, and it is expected that some of this unspent funding will roll into Fiscal 2023. New COVID-19 funding in the current year is discussed in further detail in the following section of this report.

The chart below shows the budget for COVID-19 by agency. Note that funds have been used as a funding swap with City funding. For example, funds for the Police Department and Department of Correction fund overtime and uniform positions, respectively. This will create a need to backfill this federal funding with City funding in the out years of the plan.

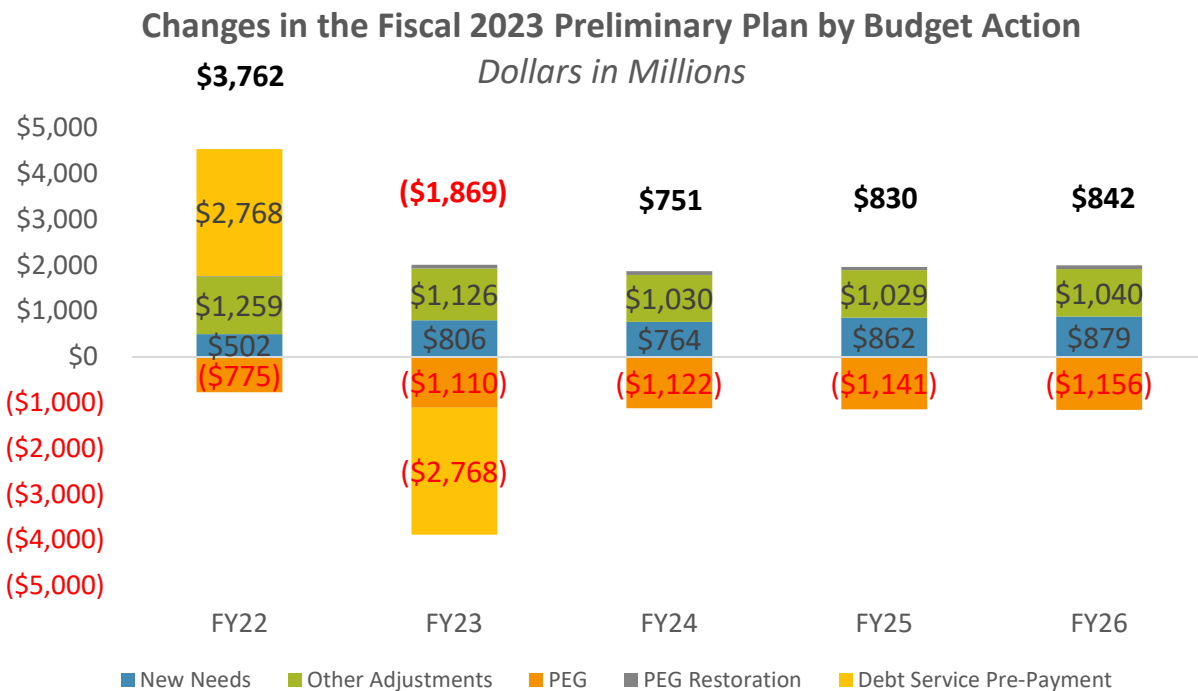
Fiscal 2022 COVID-19 Budget by Agency



Dollars in Millions

Actions in the Preliminary Plan

The Preliminary Plan introduces a total net increase of \$3.7 billion in Fiscal 2022 and a net decrease of \$1.9 billion in Fiscal 2023, with other moderate changes in the outyears. The Preliminary Plan introduces new needs of \$501.9 million in Fiscal 2022 and \$806.3 million in Fiscal 2023. Expense savings total \$774.9 million in Fiscal 2022 and \$1.1 billion in Fiscal 2023, and total \$5.3 billion over the five-year plan period. Other adjustments in the Preliminary Plan reflect an increase of \$1.2 billion in Fiscal 2022 and \$1.1 billion in Fiscal 2023. The Preliminary Plan introduces PEG restorations of \$7.6 million in Fiscal 2022 and \$76.6 million in Fiscal 2023, which is discussed in further detail in the *Citywide Savings Program* section of this report. Lastly, as previously mentioned, \$2.7 billion in Fiscal 2022 funds was used to prepay Fiscal 2023 debt service payments.



**Savings does not include revenue savings, as it impacts the revenue budget, not the expense budget*

New Needs

As mentioned above, the Preliminary Plan introduces a new needs package of \$3.8 billion across the five-year plan period, with \$501.9 million in Fiscal 2022 and \$806.3 million in Fiscal 2023. However, it should be noted that funding for new needs in the plan is completely outpaced by the plans' significant savings program. A complete list of all new needs can be found in the "New Needs" Appendix of this report, with additional information on specific new needs can be found in the Fiscal 2023 Preliminary Budget City Council reports for specific agencies. However, some noteworthy new needs are highlighted below.

- **Election Funding.** The Preliminary Plan adds \$42.9 million in new needs in Fiscal 2022 to provide funding to the Board of Elections (BOE) for expenses incurred during the citywide General Election in November of last year.
- **Shelter Re-estimate.** The Preliminary Plan baselines \$132 million in new needs beginning in Fiscal 2022 to meet the demand for adult shelters across the City, and is based on current single adult census information, and will be allocated primarily to congregate facilities.
- **Summer Jobs.** The Preliminary Plan baselines \$79.4 million in new needs beginning in Fiscal 2023 to provide for 100,000 summer jobs as part of the Mayor's Blueprint for Safety initiative.
- **Uniformed Overtime Increases.** The Preliminary Plan includes \$233 million in one-time new needs related to additional overtime expenditures for the four uniform agencies. This includes \$76 million for the New York Police Department (NYPD) \$55 million for the Fire Department (FDNY), \$52 million for the Department of Correction (DOC), and \$50 million for the Department of Sanitation (DSNY).

- **Fair Fares.** The Preliminary Plan adds \$15.5 million in Fiscal 2022 and baselines \$75 million in new needs beginning in Fiscal 2023 to provide additional funding to the fair fares program, which is the total amount budgeted for the program between Fiscal 2023 – 2026.
- **Charter Schools.** The Preliminary Plan adds new needs of \$281.7 million in Fiscal 2023, \$216.4 million in Fiscal 2024, \$312.7 million in Fiscal 2025 and Fiscal 2026 to right size the budget of charter schools based on normal enrollment and tuition growth.
- **Pupil Transportation.** The Preliminary Plan adds \$134 million in Fiscal 2023, growing to \$184 million in Fiscal 2024 and in the outyears to support ongoing costs related to pupil transportation.

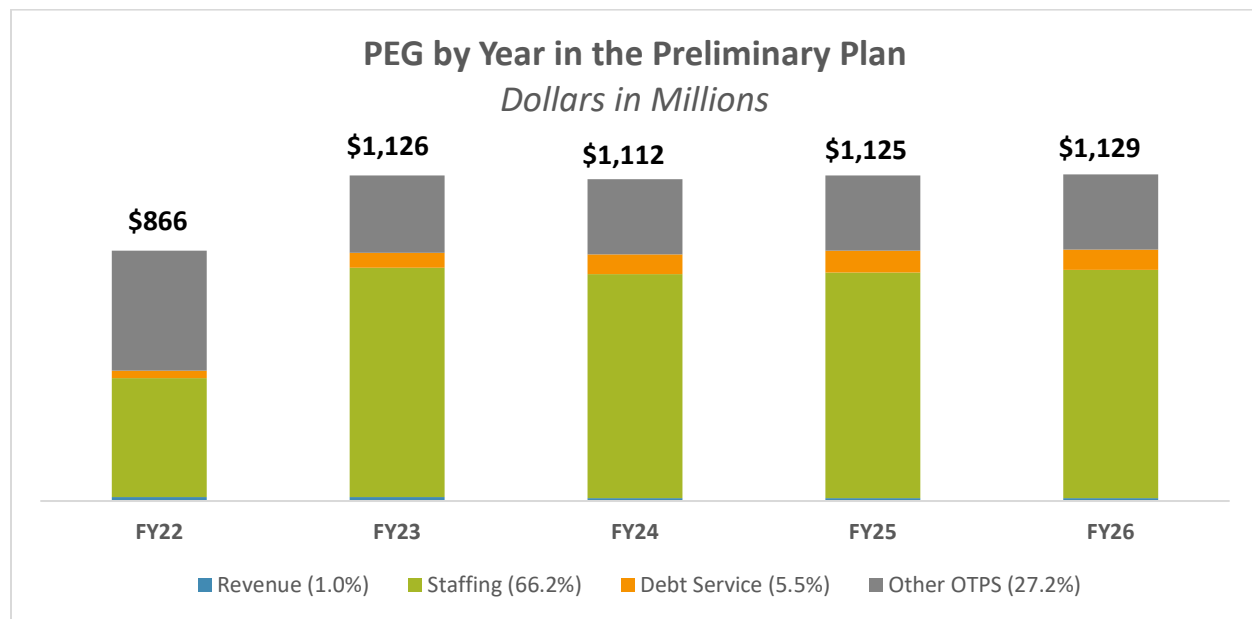
Other Adjustments

The Preliminary Plan introduces other adjustments of \$5.5 billion across the five-year plan period, with increases of \$1.2 billion in adjustments in Fiscal 2022 and \$1.1 billion in Fiscal 2023. Additional information on specific other adjustments that occurred in the plan can be found in the Fiscal 2023 Preliminary Budget City Council reports for specific agencies. However, some noteworthy other adjustments are highlighted below.

- **COVID-19 Funding.** The Preliminary Plan includes \$1.4 billion in Fiscal 2022, \$53.4 million in Fiscal 2023, \$36.9 million in Fiscal 2024, and \$38.9 million in Fiscal 2025 in additional COVID-19 related funding, related to testing, vaccine, and operations expenses, primarily from FEMA and ARP.
- **Reconciliation of Labor Savings.** The Preliminary Plan includes a baselined restoration of previously anticipated labor savings of \$500 million beginning in Fiscal 2023. This zeroes out the previous Administration's action to find unspecified labor savings in the outyears.
- **General Reserve.** The Preliminary Plan includes a reduction of \$50 million to the general reserve in Fiscal 2022, and an allocation of \$55 million to the general reserve in Fiscal 2023.

Program to Eliminate the Gap

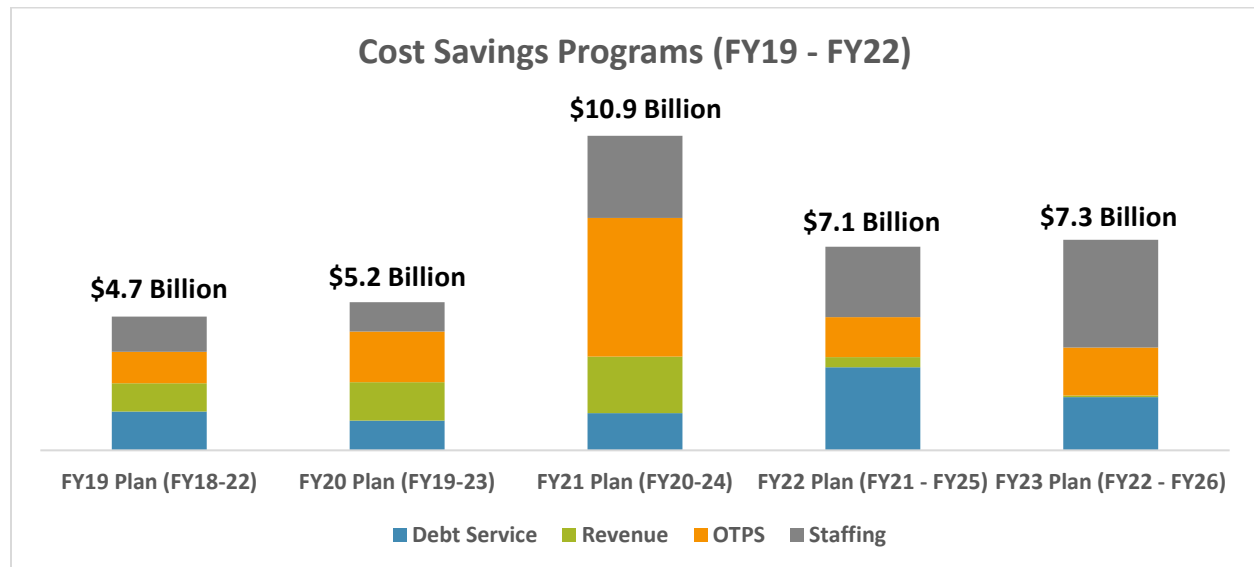
On January 10, 2022, the Mayor implemented a Program to Eliminate the Gap (PEG) that applied to all City agencies, with the exception of the DOC, the H+H Corporation, the DOHMH, and the OCME due to the unique challenges these agencies are facing as a result of the ongoing COVID-19 pandemic. The PEG plan called on all other agencies to come up with savings that would reduce their City-funded expense budgets by three percent in Fiscal 2022 and Fiscal 2023, as well as in the outyears. The PEG introduces a mix of efficiency savings, cost and revenue re-estimates, vacancy reductions, and debt service prepayments that amount to \$5.3 billion from Fiscal 2022 through Fiscal 2026. Savings in Fiscal 2022 and Fiscal 2023 amount to \$1.9 billion.



Approximately 66.2 percent of the savings relate to staffing, and 27.2 percent relate to other OTPS savings. Staffing savings are generated through hiring delays, PS accruals, staffing efficiencies, and vacancy reductions. As a result of the PEG program, the City has eliminated 7,026 vacant positions in Fiscal 2023. This includes 3,369 positions eliminated through vacancy reductions, generating \$273.1 million in savings in Fiscal 2023, and 3,657 positions eliminated through other staffing efficiencies, generating \$519.1 million in Fiscal 2023. For additional information on savings that were generated through the elimination of vacant positions in Fiscal 2023, please refer to Appendix B. While the Administration credits itself for achieving these savings without laying off City workers, it remains to be seen what, if any, long-term impact these vacancy reductions would have on agencywide operations. OTPS savings include program efficiencies, savings through insourcing, and general OTPS re-estimates, among others. Debt service savings comprise 5.5 percent of the PEGs, while the remaining percent comes from additional revenues at the agency level. Of note, the largest savings program comes from the DOE, which generates \$2.5 billion in savings for Fiscal 2022 through 2026, more than half of which is a direct result of vacancy reductions. Additional information on agency savings programs can be found in the Fiscal 2023 Preliminary Budget City Council agency specific reports.

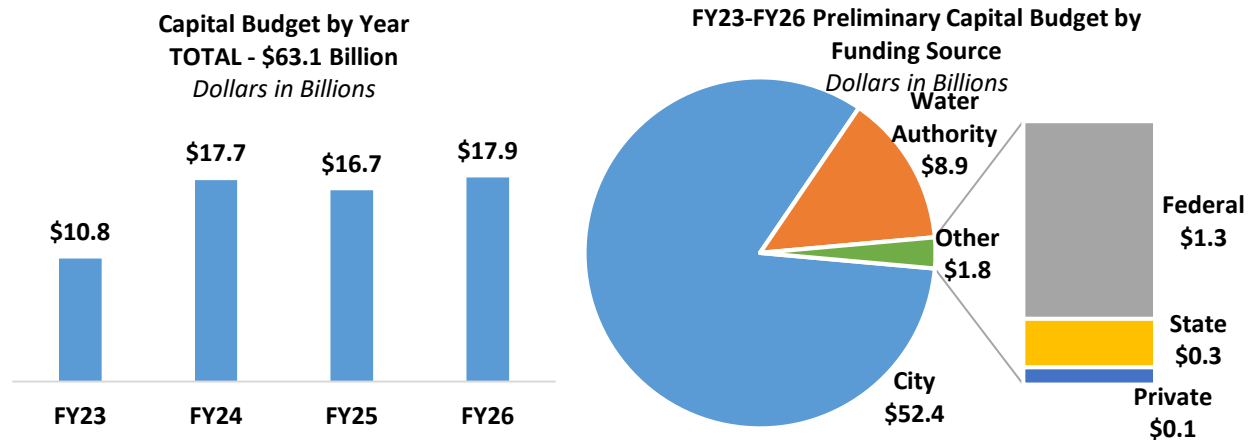
Furthermore, although not included in the PEG program, the Preliminary Budget includes two PEG restorations totaling \$320.3 million over the five-year plan period. The majority of the PEG restorations are associated with Hiring and Attrition Management savings, totaling \$312.8 million over the five-year plan period. This is part of a citywide savings initiative that was introduced in the Fiscal 2022 Preliminary Budget, which imposed strict hiring protocols that impacted all City agencies, whereby three positions would need to be vacant before an agency could seek permission to hire an additional staff member. This action generated savings of \$1.5 billion for Fiscal 2021 through 2025. Since the Fiscal 2022 Executive Budget, the current and previous Administrations have restored approximately \$924 million of these savings. Hence, the PEG restoration in the Fiscal 2023 Preliminary Plan continues to offset efficiencies that were anticipated in the Fiscal 2022 Preliminary Plan.

This is the first PEG presented by the new Mayor, and unlike the past Administration, more savings generated are baselined, and not frontloaded in the first two fiscal years of the Plan. It has been typical, in previous financial plans, PEGs have greater savings in the current fiscal year, and later adjusted, as OMB became more confident of year-end surplus estimates. To date, when combined with the savings program introduced by the former Administration in the November 2021 Financial Plan, PEGs totals \$7.3 billion over the course of Fiscal 2022 through Fiscal 2026. The Citywide Savings Program for Fiscal 2021 (Fiscal 2020 through 2024) totaled \$10.9 billion – a large savings program brought about by the immediate financial impacts caused by the onset of the COVID-19 pandemic. Thus, the Mayor’s Executive Plan would require PEGs of at least \$3.6 billion over the five-year period in order to match or exceed the size of the Fiscal 2021 savings program. The \$7.3 billion in savings in the Fiscal 2023 program represents savings, to date, across the November 2021 Financial Plan and the Fiscal 2023 Preliminary Plan. Additional information on the PEG program, and their impact on agencies, can be found in agency-specific Council Finance Preliminary Budget reports.



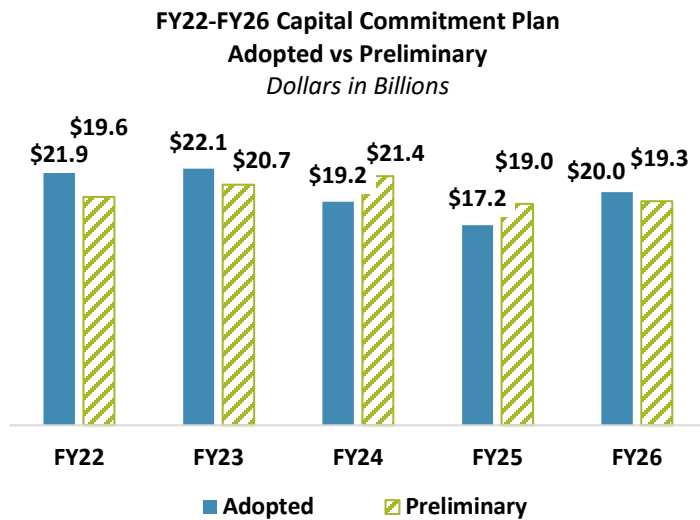
Preliminary Capital Budget

The Capital Budget for Fiscal 2023-2026 totals \$63.1 billion, with an average appropriation of \$15.8 billion for each year, to support capital programs at 28 City agencies. Of this amount, \$52.4 billion, or 83 percent, is City-financed. The Water Authority accounts for \$8.9 billion, or 14 percent, in funding with the remaining \$1.8 billion expected to come from State, federal, and private grants. Nearly half, 48 percent, of the Capital Budget is for three key areas that are the major drivers of the City's capital spending: environmental protection, transportation, and education. The Department of Education (DOE) has the largest proposed capital budget of \$10.9 billion, followed by the Department of Transportation (DOT) at \$10.4 billion, and the Department of Environmental Protection (DEP) at \$10.12 billion.



The Capital Budget provides the framework for capital spending by agency. A capital budget is released three times annually, in January, April, and June, and each presents a four-year plan for what appropriations the City anticipates will be needed for agencies to complete their capital projects. The Preliminary and Executive capital budgets show an estimate of the appropriations needed for each agency for each fiscal year. The adopted capital budget shows the actual appropriations for the current fiscal year and plan for the subsequent three years, all of which are broken down by agency and budget line. The actual appropriations are the maximum amount that agencies are legally authorized to spend on the capital projects contained within each budget line.

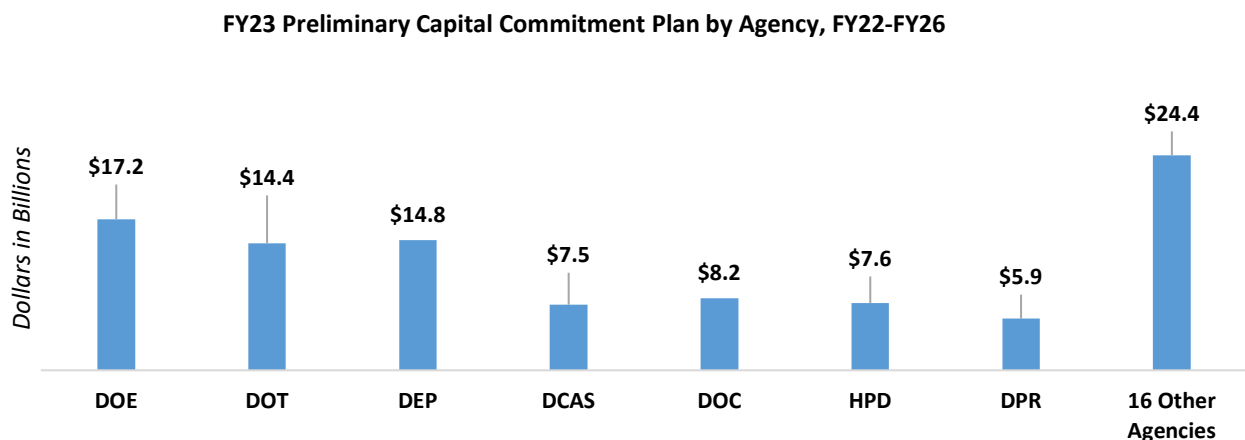
Preliminary Capital Commitment Plan



While the Capital Budget proposes a budget line appropriation level and outyear plans for each agency, it does not provide detail on the projects the new appropriations would support. The Commitment Plan presents this additional and necessary information related to the City's capital program. The Commitment Plan for Fiscal 2022 through Fiscal 2026 provides a roadmap for how the City plans to spend its \$100 billion capital program. The majority of the Commitment Plan, \$95.4 billion, is

City-financed, with the remaining \$4.6 billion expected to come from State, federal, and private grants. Overall, the Commitment Plan decreased by \$376.3 million, or less than one percent, when compared to the Fiscal 2022 Adopted Capital Commitment Plan total of \$100.4 billion. The chart above shows the variance between the adopted and preliminary commitment plans by fiscal year. As demonstrated in the chart, planned commitments in Fiscal 2022, Fiscal 2023 and Fiscal 2026 have decreased while planned commitments in Fiscal 2024 and Fiscal 2025 have increased nearly offsetting reductions in other years.

Three agencies - DOE, DOT, and DEP - account for approximately 46 percent of the total Commitment Plan. The next four largest agencies - DOC, HPD, DPR, DCAS - account for 29 percent of the total Commitment Plan. No other agency makes up more than four percent of the Commitment Plan. As with the Capital Budget, education, environmental protection, and transportation are the primary major drivers of planned capital spending.



Commitment Plan Structure

The Commitment Plan shows how the City plans to spend the appropriations allocated in the Capital Budget. The Commitment Plan breaks the budget lines down into individual projects and describes the timelines for their completion. The Commitment Plan is first organized by City

agency with the budget lines for each agency grouped together. Some agencies are so large that they are broken down into multiple sections, which appear in the Capital Commitment Plan as a separate agency. In these cases, the sections are aggregated when examining both their capital budgets and commitment plans. These agencies and their sub-agencies are as follows.

- **Department of Transportation (DOT)**
 - DOT – Equipment
 - Ferries & Aviation
 - Highways
 - Highway Bridges
 - Traffic
 - Waterway Bridges
- **Department of Citywide Administrative Services (DCAS)**
 - Environmental Data Processing Equipment & Finance Costs
 - Department of Information Technology & Telecommunications – Equipment
 - Public Buildings
 - Real Property
- **Department of Environmental Protection (DEP)**
 - DEP – Equipment
 - Sewers
 - Water Mains
 - Water Pollution Control
 - Water Supply
- **Libraries**
 - Brooklyn Public Library
 - New York Public Library
 - New York Research Library
 - Queens Public Library
- **Metropolitan Transit Authority (MTA)**
 - MTA Bus Company
 - Transit Authority

Each budget line contains multiple project IDs, which represent discrete capital projects. Budget lines offer a general description of the type of work that will be done, and the project IDs represent specific projects that fit within that description. Appropriations are allocated at the budget line level rather than the project ID level. This gives the Administration the ability to change funding levels for the individual projects and to add new projects without additional approval by the Council, as long as it remains within the limits of the Council-approved appropriations for that budget line in that year's capital budget. A budget modification is required in order to transfer funding among budget lines during the course of a fiscal year. Since most lines have more appropriations than they need, this is rarely necessary.

A notable exception to this is the non-City capital projects (projects done for non-profit entities with City capital funding). Non-City capital projects have budget lines that describe the individual

non-profit with the project ID representing a specific project for that non-profit because they are individually funded by discretionary funding from the City Council and Borough Presidents.

Projects Funded by the Council and Borough Presidents are more closely associated with their own budget line and/or project ID in the Fiscal 2023 Preliminary Capital Commitment Plan						
Funding Source	Commitments in Plan	Portion of Plan	Project IDs	Portion of Project IDs	Budget Lines	Portion of Budget Lines
Mayoral	\$95.7 B	96%	8,096	59%	758	38%
Council	\$3.4 B	3%	3,706	27%	641	32%
Borough Presidents	\$1.0 B	1%	1,865	14%	593	30%

The table below shows the Commitment Plan by agency, including the respective five-year planned commitment amounts and the numbers of budget lines and project IDs. Because, in general, each project ID represents an individual project, they provide a rough estimate of how many projects each agency has in its capital plan – except in instances where a project is jointly funded, for example by the Mayor and the Council. The agencies with the largest number of project IDs are the DPR, DEP, DOT, DCAS, and the Department of Cultural Affairs (DCLA).

Preliminary Capital Commitment Plan by Agency <i>Dollars in Thousands</i>			
Agency	FY22-26 Plan	Budget Lines	Project IDs
Administration for Children's Services	\$511,324	34	116
City University of New York	632,424	33	558
Courts	1,410,150	31	106
Department For the Aging	48,912	31	95
Department of Citywide Administrations Services	7,458,613	246	1,274
Department of Correction	8,158,554	8	126
Department of Cultural Affairs	1,293,565	611	716
Department of Education	17,184,506	19	18
Department of Environmental Protection	14,812,567	66	1,816
Department of Health & Mental Hygiene	1,060,332	138	431
Department of Homeless Services	428,833	17	178
Department of Housing Preservation & Development	7,645,048	113	468
Department of Human Resources	458,208	68	162
Department of Parks and Recreation	5,877,789	141	2287
Department of Sanitation	2,019,419	17	190
Department of Transportation	14,434,821	222	1,428
Economic Development Corporation	3,922,210	83	545
Health & Hospitals Corporation	3,497,521	17	622
Libraries	1,047,788	37	533
Metropolitan Transportation Authority	2,300,927	7	9
New York City Housing Authority	3,303,889	7	444
New York Fire Department	1,347,105	23	287
New York Police Department	1,143,075	23	409
TOTAL	\$99,997,580	1,992	12,818

Financing and Debt Service

New York City sells bonds to fund its capital program. The Fiscal 2023 Preliminary Financial Plan estimates the City will undertake \$60 billion in long-term borrowing over the five years of the plan to finance the City's capital needs.³ Most of this borrowing is split between General Obligation (GO)⁴ bonds at \$24.7 billion and \$26 billion via New York City Transitional Finance

Authority (TFA).⁵ In addition the plan includes \$9.1 billion in borrowing by the New York City Municipal Water Finance Authority (NYW). While this is in the City's financial plan, the NYW pays its own debt service through dedicated water and sewer fees.

The City's borrowing strategy is a function of numerous factors, including but not limited to the conditions of the financial market, the economic fallout of the Covid-19 epidemic or the continue increase of inflation, the City's project schedule, and cash flow considerations. The financing plan does not directly align with the Ten-Year Strategy or the Commitment Plan, as it more closely follows the City's actual capital expenditures in any given year. Making the Strategy and Commitment Plan more accurate and realistic would help better illuminate the connection between what the City spends on capital projects and how it pays for them.

Summary of Capital Financing Plan - Fiscal 2023 Preliminary Financial Plan					
<i>Dollars in Millions</i>					
	FY22	FY23	FY24	FY25	FY26
Financing Plan					
General Obligation Bonds	\$2,750	\$4,850	\$5,180	\$5,890	\$6,200
Transitional Finance Authority Bonds ⁽¹⁾	3,950	4,850	5,180	5,890	6,200
Water Authority Bonds	1,509	1,387	1,849	2,088	2,292
TOTAL	\$8,209	\$11,087	\$12,209	\$13,868	\$14,692
Debt Outstanding					
GO Bonds	\$39,125	\$41,508	\$44,137	\$47,461	\$51,064
TFA Bonds ⁽¹⁾	44,116	47,381	50,866	54,959	59,109
Other Debt ⁽²⁾	1,989	1,870	1,772	1,673	1,580
TOTAL	\$85,230	\$90,759	\$96,775	\$104,093	\$111,753
Water Authority Bonds	31,882	32,963	34,311	35,917	37,650
Debt Financing Burden (excludes Water Debt)					
Debt Outstanding/Total City Taxes	10.6%	12.1%	12.2%	12.6%	13.6%

Source: OMB Preliminary Financial Plan 2022-2026

1) TFA Bonds do not include Building Aid Revenue Bonds issued for education capital purposes which are secured by Building Aid revenues from the State

2) Includes Conduit Debt and the Tobacco Settlement Asset Securitization Corporation (TSASC).

The City's borrowing is paid through debt service costs which show up in the City's expense budget. Total debt service is projected to be \$6.8 billion in Fiscal 2022, with \$3.8 billion of that paying GO debt, and \$2.9 billion paying TFA debt. Debt service jumps to over 17 percent in Fiscal 2023, then grows an average of 6.4 percent in the out years to total \$9.7 billion in Fiscal 2026. As a percentage of tax revenues, a good measure to gauge the affordability of the City's debt, the debt service ratio is 10.6 percent in 2022 and is projected to increase to 13.6 percent in fiscal year 2026.

While these increases may seem troubling, it should be noted that to some degree the increasing debt service costs are a function of the City's conservative budgeting practice where revenues tend to be under-forecast, while overly pessimistic interest rate assumptions tend to push up debt service costs. Once correcting these intentional biases, the City's debt may in fact end up relatively stable compared to its capacity to service it.

Annual Debt Service Cost – Fiscal 2023 Preliminary Financial Plan					
<i>Dollars in Millions, Before Prepayments</i>					
	FY22	FY23	FY24	FY25	FY26
<i>Annual Debt Service Cost</i>					
General Obligation Bonds	\$3,779	\$4,313	\$4,580	\$4,795	\$5,063
Transitional Finance Authority Bonds ⁷	2,861	3,482	3,568	3,891	4,418
TSASC Bonds	76	76	76	76	69
Conduit Debt	124	147	118	117	116
TOTAL Debt Service	\$6,840	\$8,018	\$8,342	\$8,879	\$9,666
Water Authority Bonds ⁸	\$1,493	\$1,688	\$2,027	\$2,119	\$2,310

Source: OMB Fiscal 2023 Preliminary Financial Plan

5) Figures above do not include state funded financing for education capital purposes through the BARBs.

6) Includes First Resolution debt service and Second Resolution debt service net of subsidy payments from the NYS Environmental Facilities Corporation.

The City's debt issuance remains below the City's constitutional debt limit² of \$127.3 billion. However, the Mayor's Office of Management and Budget (OMB) has announced that the Administration intends to pursue State legislation to increase the total amount of debt the TFA is authorized to issue outside of City's debt limit by an additional \$19 billion. This is out of concern that the City's debt-incurring margin will narrow in the outyears of the financial plan due to weakness in real estate market values suppressing the growth in the City's debt limit.

The City's bonds continue to be well received by the markets, and all its issuing authorities have maintained AA ratings or better by Standard & Poor's and Fitch. Furthermore, Moody's upgrade the City's credit rating Aa2 outlook from negative to positive on May 13th, 2021, as reflection of improvement in the city's overall financial position, including the substantial budget flexibility provided by federal pandemic aid flowing to the city over the next several fiscal years, and elimination of the risk that the State of New York will cut aid to the city.² A positive credit rating outlook gets the City a step closer to pre-pandemic credit rating which was Aa1.

Debt Service Savings

The Financial Plan recognizes \$300 million in debt service savings for Fiscal 2022 and approximately \$1.6 billion over the plan period, primarily from revised interest rate assumptions for variable rate bonds and the retention of State building aid.⁴ The debt service budget serves as a routine source of savings for the City as savings from lower-than-assumed interest rates are recognized and refunding are done over the course of the fiscal year. This means the debt service budget tends to be overstated for the outyears. OMB's estimates of interest rates on variable rate bonds and on new issuances are conservative.

However, with increased inflation, identifying debt service savings may be more difficult moving forward.³ The Federal Reserve's principal tool against inflation is raising the Federal Funds rate, a short-term interest rate that influences other interest rates, including those related to the City's debt service. It also may reduce its portfolio of longer-term assets, which can also impact longer-term interest rates. The resulting higher interest rates would increase the City's actual borrowing costs, bringing them closer to the projected levels in OMB's financial plan.

² This is set at 10 percent of the rolling five year average market value of all taxable property in the City. Debt counted against this limit is generally GO debt plus any TFA debt above \$13.5 billion. Notably, the NYW debt does not account against this limit.

While it is unlikely that debt service costs will be higher than projected in the Financial Plan, future financial plans may not see the same level of debt service savings that have become a regular part of the budget process.

Conclusion

Overall, the changes introduced in the Preliminary Plan are numerically large in size but their impacts are yet to be determined. Over the next several weeks, the Council, along with its Committees, will further examine the programmatic impact of this Plan on agency operations and vital programs, and will issue recommendations in anticipation of the release of the Executive Budget. The Council looks forward to engaging in a budget process that will result in putting the City on the road to recovery from the COVID-19 pandemic.

Appendices

Appendix A: Fiscal 2023 Preliminary Plan New Needs

Preliminary Plan - New Needs (All Funds)					
<i>Dollars in Thousands</i>					
Agency	FY22	FY23	FY24	FY25	FY26
ADMIN FOR CHILDREN'S SERVICES	\$368	\$13,424	\$13,424	\$13,424	\$13,424
BOARD OF ELECTIONS	42,897	0	0	0	0
BOROUGH PRESIDENT - BROOKLYN	1	0	0	0	0
BOROUGH PRESIDENT - QUEENS	1	0	0	0	0
BOROUGH PRESIDENT STATEN ISLAND	0	0	0	0	0
CITY UNIVERSITY	3,233	4,934	4,934	4,934	4,934
CIVILIAN COMPLAINT REVIEW BD	1	0	0	0	0
COMMISSION ON HUMAN RIGHTS	0	0	0	0	0
DEPARTMENT FOR THE AGING	2,338	9,410	9,410	9,410	9,410
DEPARTMENT OF BUILDINGS	(1)	0	0	0	0
DEPARTMENT OF CONSUMER AND WORKER PROTECTION	67	130	130	130	130
DEPARTMENT OF CORRECTION	75,138	13,438	0	0	0
DEPARTMENT OF EDUCATION	5	415,664	400,427	497,210	497,210
DEPARTMENT OF EMERGENCY MANAGEMENT	1,241	0	0	0	\$
DEPARTMENT OF FINANCE	213	586	586	586	586
DEPARTMENT OF HEALTH AND MENTAL HYGIENE	2,250	37,841	39,238	39,760	39,944
DEPARTMENT OF PROBATION	2	0	0	0	0
DEPARTMENT OF SANITATION	50,485	0	0	0	0
DEPARTMENT OF SOCIAL SERVICES	15,532	75,000	75,000	75,000	75,000
DEPARTMENT OF TRANSPORTATION	1,506	1,900	1,900	1,900	18,368
DEPT ENVIRONMENTAL PROTECTION	12	0	0	0	0
DEPT OF SMALL BUSINESS SERVICES	4,000	0	0	0	0
DEPT OF CITYWIDE ADMIN SERV	5,657	6,538	0	0	0
DEPT OF DESIGN & CONSTRUCTION	80	93	102	69	0
DEPT OF HOMELESS SERVICES	132,009	132,000	132,000	132,000	132,000
DEPT OF INFO TECH & TELECOMM	1,524	1,075	1,075	1,075	1,075
DEPT OF PARKS AND RECREATION	1,621	8,077	1,957	2,100	2,260
DEPT OF YOUTH & COMMUNITY DEV	7,556	79,418	79,418	79,418	79,418
DISTRICT ATTORNEY BRONX CO.	1	0	0	0	0
DISTRICT ATTORNEY QUEENS CO.	1	0	0	0	0
DISTRICTING COMMISSION	871	536	0	0	0
FINANCIAL INFO SERVICES AGENCY	336	0	0	0	0
FIRE DEPARTMENT	70,128	0	0	0	0
HEALTH + HOSPITALS	3,004	3,004	3,004	3,004	3,004
HOUSING PRESERVATION AND DEVEL	1,101	800	0	0	0
LANDMARKS PRESERVATION COMM.	66	92	92	92	92
LAW DEPARTMENT	2	0	0	0	0
MAYORALTY	403	825	129	129	129
MISCELLANEOUS	1,909	1,490	1,490	1,490	1,490
NYC TAXI AND LIMOUSINE COMM	10	0	0	0	0
OFFICE OF THE COMPTROLLER	22	0	0	0	0
POLICE DEPARTMENT	76,364	0	0	0	0
PUBLIC ADMINISTRATOR QUEENS	1	0	0	0	0
PUBLIC ADVOCATE	25	60	60	60	60
QUEENS COMMUNITY BOARD #8	1	0	0	0	0
GRAND TOTAL	\$501,981	\$806,335	\$764,376	\$861,791	\$878,534

Appendix B: Fiscal 2023 Savings Generated Through Reduction of Vacant Positions

<i>Dollars in Thousands</i>		
Agency	FY23 Savings	Headcount Reduction
Administration for Children's Services	\$9,311	227
Office of Administrative Tax Appeals	0	2
Business Integrity Commission	168	3
Board of Elections	4,111	0
Civilian Complaint Review Board	775	3
Commission on Human Rights	486	18
Department of City Planning	482	9
City University	9,600	128
Conflict of Interest Board	50	1
Civil Service Commission	36	0
Department of Cultural Affairs	157	3
Department of Citywide Administrative Services	9,667	140
Department of Consumer & Worker Protection	857	26
Department of Design & Construction	207	5
Department of Environmental Protection	700	18
Department of Emergency Mgmt	0	29
Department for the Aging	752	12
Department of Buildings	6,532	81
Department of Finance	1,322	167
Department of Info Technology & Telecom	7,325	127
Department of Probation	2,491	42
Department of Records & Info Svcs	0	5
Department of Transportation	7,950	159
Department of Parks & Recreation	13,150	250
Department of Sanitation	41,481	493
Department of Social Services	8	62
Department of Youth & Community Dev	0	20
Department of Education	520,713	3,642
Equal Employment Practices Commission	42	1
Fire Department	12,683	155
Financial Info Svcs Agency	3,319	7
Department of Homeless Svcs	5,000	131
Housing Preservation & Development	1,028	28
Department of Investigation	1,487	33
Law Department	7,131	97
Landmarks Preservation Commission	323	6
Mayoralty	3,996	60
Miscellaneous	75,385	0
Office of Administrative Trials & Hearings	2,096	18
Office of Collective Bargaining	69	0
Office of the Actuary	25	1
Office of Payroll Administration	412	1
Police Department	38,420	770
Small Business Svcs	727	17
Taxi & Limousine Commission	1,672	25
Department of Veterans Svcs	178	4
TOTAL	\$792,324	7,026