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**Report on the Preliminary
Financial Plan for Fiscal Years
2023-2027**

March 6, 2023



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Introduction

On March 6, 2023, the Committee on Finance will hold the first Council hearing on the Fiscal 2024 Preliminary Budget. The Committee will examine the Administration’s programmatic priorities and fiscal estimates presented in the Fiscal 2023–2027 Preliminary Financial Plan (Preliminary Plan or Plan). The proposed spending levels, savings, and revenue estimates will be analyzed. The hearing will cover the Fiscal 2024 Preliminary Capital Budget (Capital Budget), the Fiscal 2024 Preliminary Capital Commitment Plan (Commitment Plan) and the Fiscal 2024-2033 Preliminary Ten-Year Capital Strategy (Capital Strategy). The Committee expects to hear testimony from the Office of Management and Budget (OMB) and members of the public.

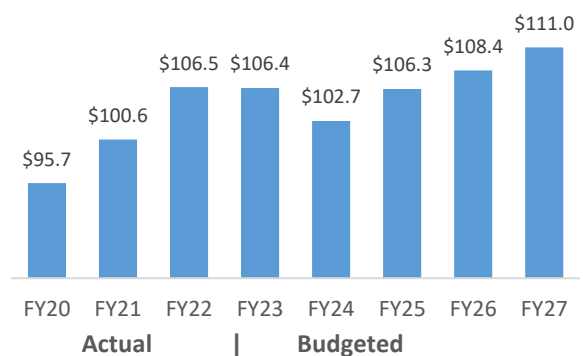
This report provides a historical overview of City spending, reviews the Fiscal 2024 Preliminary Budget, and describes how the City proposes to balance the budget. The report then reviews major components of the City’s budget and describes how the City’s budget is structured. Lastly, the report summarizes significant changes since the adoption of the Fiscal 2023 budget, including new spending, headcount changes, and the Program to Eliminate the Gap (PEG).

Fiscal 2024 Preliminary Budget

Since the adoption of the Fiscal 2023 budget in June 2022, the Fiscal 2023 budget has increased by \$5.3 billion, from \$101.1 billion to \$106.4 billion, while the projected Fiscal 2024 budget has decreased by \$2.5 billion, from \$105.2 billion to \$102.7 billion.

The Preliminary Plan includes few changes from the preceding financial plan, reflecting the Administration’s uncertainty about the length and depth of a potential economic slow-down. The State’s budget, which potentially could obligate the City to add hundreds of millions of dollars to its financial plan, provides additional fiscal uncertainty, adding to the Administration’s caution. Accordingly, the Administration has released a more conservative Preliminary Budget relative to prior fiscal years. Most of the projected growth in the budget is associated with increased labor costs.

Chart 1: New York City Budget – FY20 –FY25, \$ in Billions



Although the Fiscal 2024 Preliminary Budget is balanced, there are significant risks and omissions that concern the Council and that will need to be addressed in the Executive Budget. These risks include uncertainty about the size and scope of possible federal assistance related to asylum seeker crisis, potential State aid reductions, and unsettled labor contracts. Additionally, many of the Council’s priorities funded in the Fiscal 2023 Adopted Budget are not included in the Fiscal 2024 Preliminary Budget.

Financial Plan Overview

The Preliminary Financial Plan includes budgeted spending of \$102.7 billion for Fiscal 2024, an increase of \$1.2 billion from the \$101.5 billion planned for Fiscal 2024 in the November Financial Plan. This increase is mostly the result of an increase in the tax revenue forecast and additional federal aid for the fiscal year.

The Financial Plan is balanced for Fiscal 2023 and Fiscal 2024 as required by the City Charter, but budget gaps do remain for the outyears. Expenditure increases at a faster rate than revenue over the life of the Plan, which results in outyear gaps.

The Financial Plan includes a net of \$3.9 billion of prior year resources to support Fiscal 2023 expenses (\$6.1 billion of Fiscal 2022 resources used to prepay Fiscal 2023 expenses minus \$2.2 billion of Fiscal 2023 resources used to prepay Fiscal 2024 expenses), and approximately \$2.2 billion being used to support Fiscal 2024 expenses. The table below shows budgeted revenues and expenditures from Fiscal 2023 to Fiscal 2027.

	FY23	FY24	FY25	FY26	FY27	Average Annual Change
REVENUES						
Taxes	\$69,002	\$68,888	\$70,618	\$72,038	\$73,105	1.5%
Misc Revenues	7,983	7,516	7,381	7,312	7,289	-2.2%
Unrestricted Intergovernmental Aid	252	-	-	-	-	
Less: Intra-City and Disallowances	(2,228)	(1,917)	(1,915)	(1,911)	(1,911)	-3.6%
Subtotal, City Funds	\$75,009	\$74,487	\$76,084	\$77,439	\$78,483	1.1%
State Aid	17,057	16,925	17,163	17,217	17,281	0.3%
Federal Aid	12,424	9,485	8,151	7,017	6,999	-13.0%
Other Categorical Grants	1,172	1,060	1,057	1,055	1,054	-2.5%
Capital Funds (IFA)	726	698	699	699	699	-0.9%
TOTAL REVENUES	\$106,388	\$102,655	\$103,154	\$103,427	\$104,516	-0.4%
EXPENDITURES						
Personal Services	\$53,446	\$54,556	\$56,099	\$57,695	\$58,848	2.4%
Other Than Personal Services (OTPS)	49,644	42,816	42,315	42,084	42,816	-3.4%
Debt Service	7,654	7,901	8,356	9,105	9,767	6.3%
General Reserve	1,555	1,200	1,200	1,200	1,200	-5.7%
Capital Stabilization Reserve	250	250	250	250	250	
Less: Intra-City	(2,213)	(1,902)	(1,900)	(1,896)	(1,896)	-3.6%
Spending Before Adjustments	\$110,336	\$104,821	\$106,320	\$108,438	\$110,985	0.2%
Surplus Roll Adjustment (Net)	(\$3,948)	(\$2,166)				
TOTAL EXPENDITURES	\$106,388	\$102,655	\$106,320	\$108,438	\$110,985	1.1%
Gap to be Closed	\$0	\$0	(\$3,166)	(\$5,011)	(\$6,469)	

The Preliminary Plan includes \$74.5 billion in city funds in Fiscal 2024, which is about \$738.1 million, or 1 percent, greater than what was presented in the November Plan. This increase is mainly due to higher estimates for tax revenue (\$501 million) and miscellaneous revenue (\$220.2 million) compared to the November Plan.

Accounting for all funds, Fiscal 2024 increased by approximately \$1.2 billion compared to the November Plan. The additional change is the result of an additional \$466.3 million in Federal American Rescue Plan Stimulus (ARPA) being recognized in Fiscal 2024.

The following table displays city-funds revenue and expenditure changes for the five-year plan period between the Preliminary and November Plans. It demonstrates how OMB was able to close the Fiscal 2024 gap, which was roughly \$2.9 billion as of the November Plan.

Table 2: January 2023 Financial Plan					
<i>City Funds (Dollars in Millions)</i>					
	FY23	FY24	FY25	FY26	FY27
Gap - November 2022 Financial Plan	\$0	(\$2,890)	(\$4,580)	(\$5,915)	(\$8,461)
Revenue Changes					
Tax Revenues	\$1,253	\$501	\$545	\$521	\$1,588
PEG - Revenue	66	2	2	2	2
Non-Tax Revenues	368	235	100	17	22
Subtotal Revenue Changes	\$1,687	\$738	\$647	\$540	\$1,612
Expense Changes					
Agency Expense Changes	\$445	\$39	\$29	\$30	\$31
PEG - Expense	(\$144)	(\$285)	(\$291)	(\$295)	(\$299)
Federal Funding Swap	(\$75)	(\$390)	(\$425)	-	-
Debt Service	(\$1)	(\$54)	(\$80)	(\$99)	(\$112)
Subtotal Expense Changes	\$225	(\$690)	(\$767)	(\$364)	(\$380)
NEW (Gap)/Surplus Before Prepayments*	\$1,462	(\$1,462)	(\$3,166)	(\$5,011)	(\$6,469)
FY23 Prepayment	(\$1,462)	\$1,462	\$0	\$0	\$0
Gap – January 2023 Financial Plan	\$0	\$0	(\$3,166)	(\$5,011)	(\$6,469)

*The New Gap is calculated by taking the gap in November, adding revenue changes and subtracting expense changes.

Excluding new revenues from the PEG program, the City increased its revenues estimates for Fiscal 2023 by \$1.6 billion, and \$736 million in Fiscal 2024, for a total revenue increase of about \$2.36 billion in the current and upcoming fiscal years. On the expense side, Federal funding swaps¹ of \$75 million and \$390 million in Fiscals 2023 and 2024 respectively also free up another \$465 million in City resources. This coupled with debt service savings of approximately \$55 million over two years, and cumulative PEG savings of \$429 million partially offset by \$484 million in additional agency costs results in total expense savings of \$465 million in Fiscals 2023 and 2024. The sum of the additional revenue and the expense savings provides a total of \$2.9 billion; the same amount needed to close the Fiscal 2024 gap².

Revenue Budget

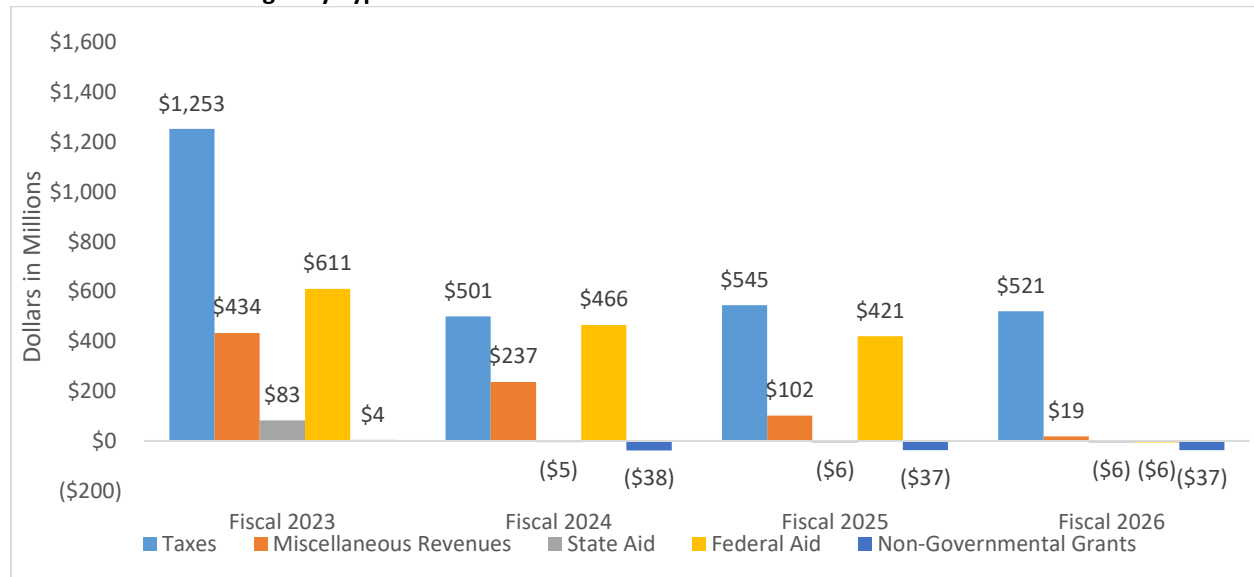
In the Preliminary Plan, revenues for Fiscal 2023 total \$106.4 billion, 2.3 percent higher than projected in the November Plan, primarily the result of better-than-expected tax revenue

¹ A Federal funding swap replaces City revenues that were earmarked for agency spending with qualifying Federal funds. The replaced City funds are then made available for other purposes

² The City is able to roll money forward from Fiscal 2023 into Fiscal 2024 by prepaying certain expenses, such as debt service. As a result, there is a limited degree of fungibility in when resources are recognized and when they can be used.

collections. Total revenue for Fiscal 2024 in the Preliminary Plan is also increased by 1.1 percent above what was presented in the November Plan.

Chart 2: Revenue Changes by Type



Source: OMB, “January 2023 Financial Plan, Fiscal Years 2023-2027”

The Preliminary Plan recognizes \$1.3 billion in additional city tax revenue in Fiscal 2023 over the November Plan. The increase is driven by higher estimates for business taxes (\$775 million increase) and sales tax (\$530 million increase). These increases are partially offset by a \$173 million reduction of transfer taxes. Similarly, the Plan includes an additional \$501 million of city tax revenue in Fiscal 2024. This increase is due to higher estimates for business taxes (\$579 million increase) and sales tax (\$295 million increase) partially offset by a \$397 million reduction in transfer taxes.

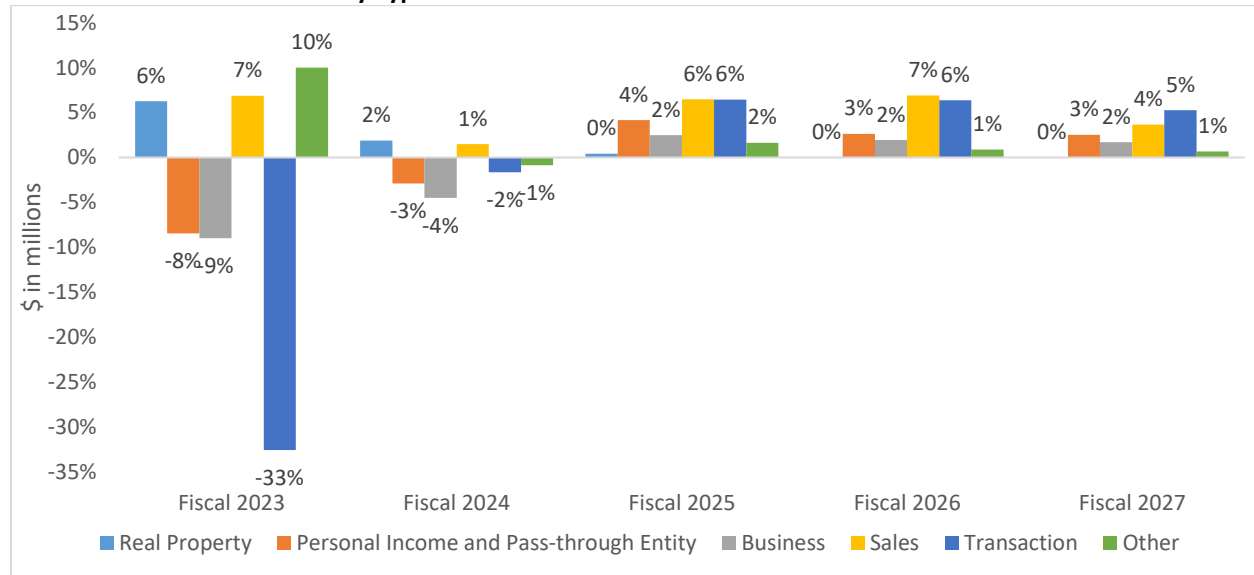
The Plan recognizes an additional \$434 million and \$237 million of miscellaneous revenue in Fiscal 2023 and Fiscal 2024, respectively. This increase is comprised primarily of additional interest income, specifically overnight interest income, along with an increase in the estimate of collections from traffic violations in Fiscal 2023

The Plan includes an additional \$611 million of Federal funds and \$83 million in State funds in Fiscal 2023. Most of the additional State revenue in Fiscal 2023 comes from the Brooklyn Foster Care Grant.

Tax Revenue Forecast

This section will discuss changes made by OMB to its tax revenue forecast in the Preliminary Plan. As part of its charter mandated oversight responsibilities, City Council also undertakes a tax revenue forecast, and that forecast, entitled “Looking to Fiscal 2024 and Beyond: The Finance Division Economic and Tax Revenue Forecast”, is published concurrently with this document.

Chart 3: Tax Revenue Growth by Type



Source: OMB, “January 2023 Financial Plan, Fiscal Years 2023-2027”

In Fiscal 2023, the Administration forecasts \$69 billion of tax revenue, an increase of \$1.3 billion over the November Plan forecast. For Fiscal 2024, the Administration forecasts total tax revenue to decline modestly year-over-year to \$68.9 billion in 2024, though this represents an increase of \$501 million compared to the November Plan. The Plan includes changes to the forecast for business taxes, sales tax, transfer taxes and hotel tax; the two largest taxes (Real Property and Personal Income) were left unchanged.

The Administration left the real property tax revenue forecast unchanged relative to the November Plan, projecting 6.3 percent growth in Fiscal 2023, 1.9 percent growth in Fiscal 2024, and flat growth from 2025 through 2027. The forecast reflects the Administration’s caution as it relates to assessment growth for Class 4 properties during a time of sustained, record-high vacancies exasperated by the growing popularity of remote / hybrid office work schedules. It should be noted that the Administration released its real property tax forecast prior to the Department of Finance releasing the Fiscal 2024 Tentative Assessment Roll.

The personal income tax revenue forecast was unchanged in the Preliminary Plan relative to the November Plan. Combined personal income tax and pass-through entity tax revenues are expected to decline 8.5 percent in 2023 as non-wage income drops due to bonus payments and non-wage income declining. Personal income tax revenue is expected to decline further by 2.9 percent in 2024 due to lower bonuses. Personal income tax revenue growth is expected to average 3.1 percent from 2025 through 2027.

In the Preliminary Plan the Administration increased the business tax forecast by \$775 million in Fiscal 2023 and \$579 million in Fiscal 2024 over the November Plan. However, even with this additional revenue, business taxes are expected to decline 9 percent in 2023 and further drop 4.5 percent in 2024, as both finance and non-finance firms are impacted by a weaker economic outlook.

The Administration also updated their sales tax revenue forecast, adding \$530 million in 2023 and \$295 million in 2024 relative to the November Plan. Sales tax revenue is expected to grow

6.9 percent in 2023 as a result of strong labor markets, increased tourism, and higher consumer prices. Growth is expected to slow to 1.5 percent in 2024 due to a slowing of price inflation and an easing of consumption. Sales tax revenue growth is expected to average 5.7 percent from 2025 through 2027.

The hotel tax revenue forecast was also increased by \$121 million in Fiscal 2023 and \$24 million in Fiscal 2024. This increase brings the annual growth of hotel tax revenue to 70.9 percent in Fiscal 2023 as it rebounds from the pandemic era drops. Hotel tax revenue is expected to increase further by 9.3 percent in Fiscal 2024, as international and domestic tourism continues to improve. More moderate growth is expected from 2025 through 2027, averaging 4.7 percent annually.

The Administration reduced the combined forecast for the two transaction taxes (the real property transfer tax and the mortgage recording tax). The current forecast assumes that these taxes will decline by 32.6 percent in Fiscal 2024 and by 15.6 percent in Fiscal 2024, year-over-year. After two years of declining revenue projections, the Administration's forecast expects transaction tax revenue to grow at an average pace of 6 percent from Fiscal 2025-2027. The declining transaction tax forecast in the first two years of the Preliminary Plan corresponds to the Administration's concern about the rising interest rate environment putting further downward pressure on already decelerating property sales and mortgage activity.

Budgetary Reserves

The Fiscal 2024 Preliminary Plan includes modest changes to the City's reserve: an additional \$1.4 billion to the Fiscal 2024 Budget Stabilization Account, pushing up total reserve levels to \$10.4 billion. This figure is based on the Council's measure of reserves which include the Budget Stabilization Account, which OMB does not include in its measure. Based on OMB's measure, reserves are unchanged from the November Plan.

Table 3: Budgetary Reserves

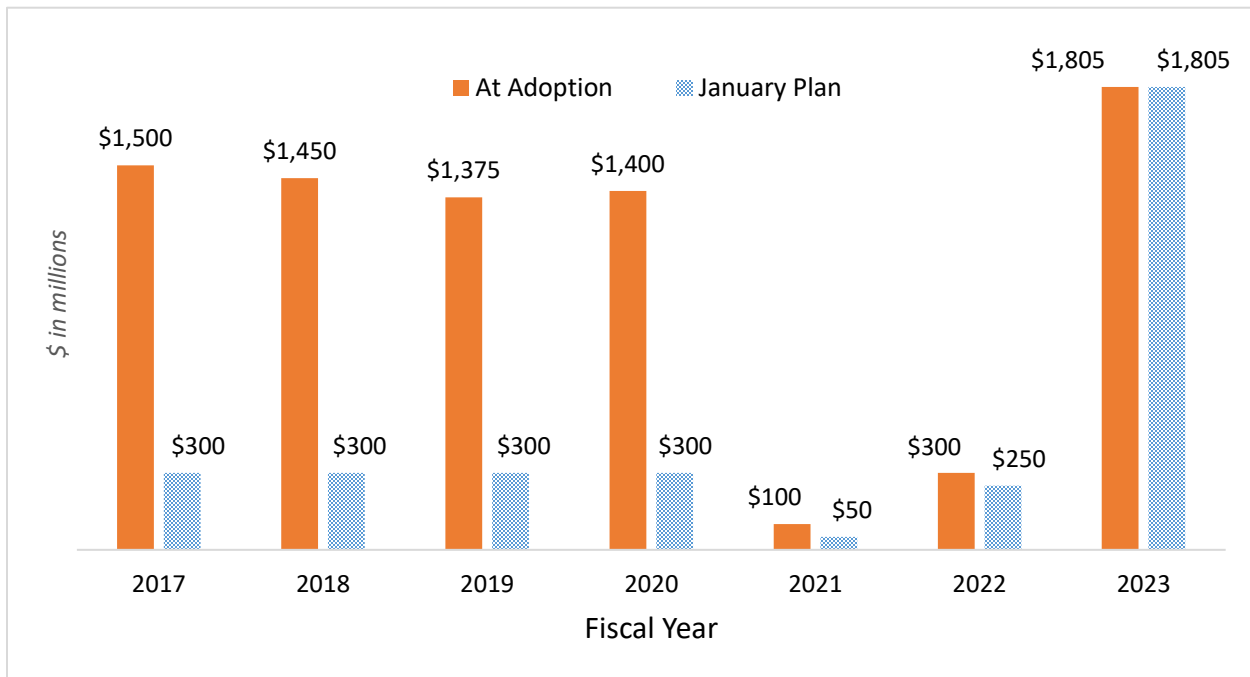
<i>Reserve Component (\$ in billions)</i>	Fiscal 2022 at Close	Fiscal 2023 November Plan	Fiscal 2023 at Prelim. Plan
RHBT	\$ 4.6	\$ 4.6	\$ 4.6
Rainy Day Fund	2.0	2.0	2.0
General Reserve	-	1.6	1.6
Capital Stabilization Reserve	-	0.3	0.3
Subtotal (OMB's Measure)	\$ 6.5	\$ 8.3	\$ 8.3
Roll/Budget Stabilization Account	6.1	0.7	2.1
TOTAL (Council's Measure)	\$ 12.7	\$ 9.0	\$ 10.4

Compared to the close of Fiscal 2022, it may appear that the City will end up with reduced reserves, but it is typical for reserves to appear to decline in the beginning of a year, only to be replenished as the year progresses. To a degree, this is an artifact of OMB's conservative budgeting practice as it generally under-estimates tax revenues and over-estimates expenses. For example, while the City ended Fiscal 2022 with \$12.7 billion in reserves, it only had \$6.2 billion at this same point last year. Considering the City has roughly \$4.2 billion more in reserves today than it did a year ago, it is possible that the City will end the year with a similar or higher reserve

amount than it did in Fiscal 2022. However, OMB’s manner of conservative budgeting also obfuscates how achievable reaching that goal might be. The recent labor settlements may lay claim to resources that could have been earmarked to maintain reserves at or above Fiscal 2022 levels.

What is unusual about this plan is that OMB has not yet begun to draw down the in-year fiscal reserves (the Capital Stabilization Account & the General Reserve), which it almost always does by this time. As the chart below shows, the combined General and Capital Stabilization reserves would typically be drawn down to about \$300 million around this point, rather than the roughly \$1.8 billion that currently remains.

Chart 4: In-Budget Reserves by Fiscal Year



These two reserves are designed to act as buffers to unexpected revenue shortfalls or unplanned costs within a specific fiscal year. Due to accounting rules, the City cannot move them into future years without first reallocating them into other accounts³ that are not similarly restricted. The expense reserves must be zeroed out or spent by the end of the year. . It is likely that these reserves were left unchanged in the Preliminary Plan, as they provide resources to offset somewhat the expense of the recent labor settlement pattern established with the DC 37 labor settlements.

Expense Budget

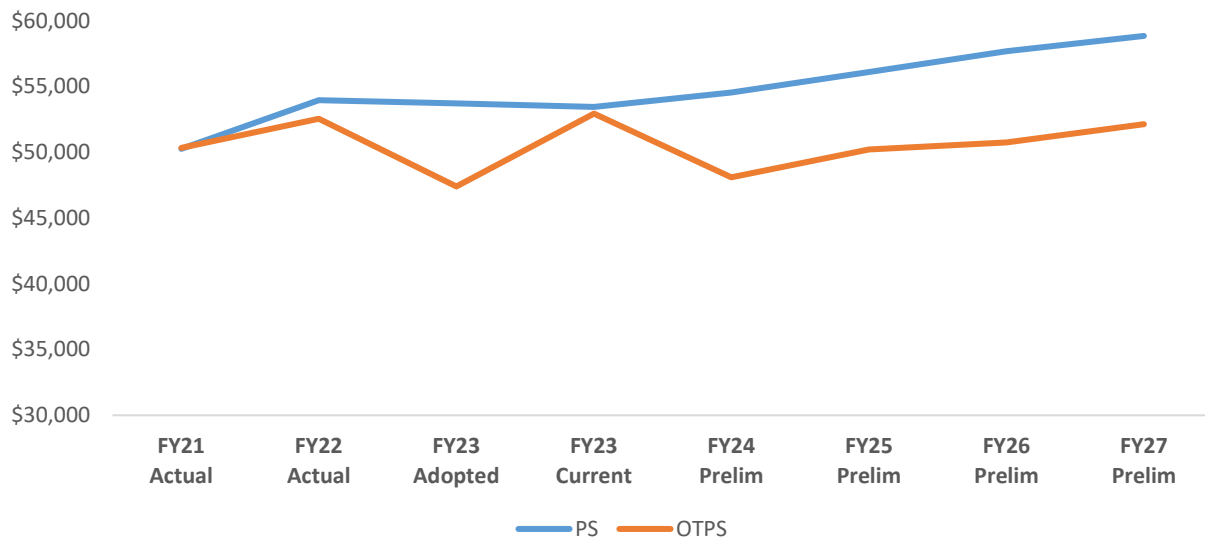
This section includes an analysis of the components of the expense budget. It includes an analysis of the overall expense budget, including the Personal Services (PS) budget and the Other Than Personal Services (OTPS) budget.

³ The City’s Budget Stabilization Account has traditionally been the method for OMB to move in-year reserves to future year as it allows for prepayments of certain future year expenses.

The Fiscal 2024 Preliminary Budget totals \$102.7 billion, of which \$54.6 billion is PS costs and \$48.1 billion is OTPS costs. The OTPS costs include \$7.9 billion for debt service. The Plan assumes a 2.0 percent average annual expense growth rate over the Preliminary Plan period.

The overall growth in spending projected in the Preliminary Plan is entirely driven by PS spending. Since adoption of the Fiscal 2023 budget, projected PS spending for Fiscal 2024 has grown by \$125 million, or less than one percent, from \$54.4 billion to \$54.6 billion, while the OTPS budget decreased by \$2.7 billion, or 5.3 percent, from \$50.8 billion to \$48.1 billion, during the same time period.

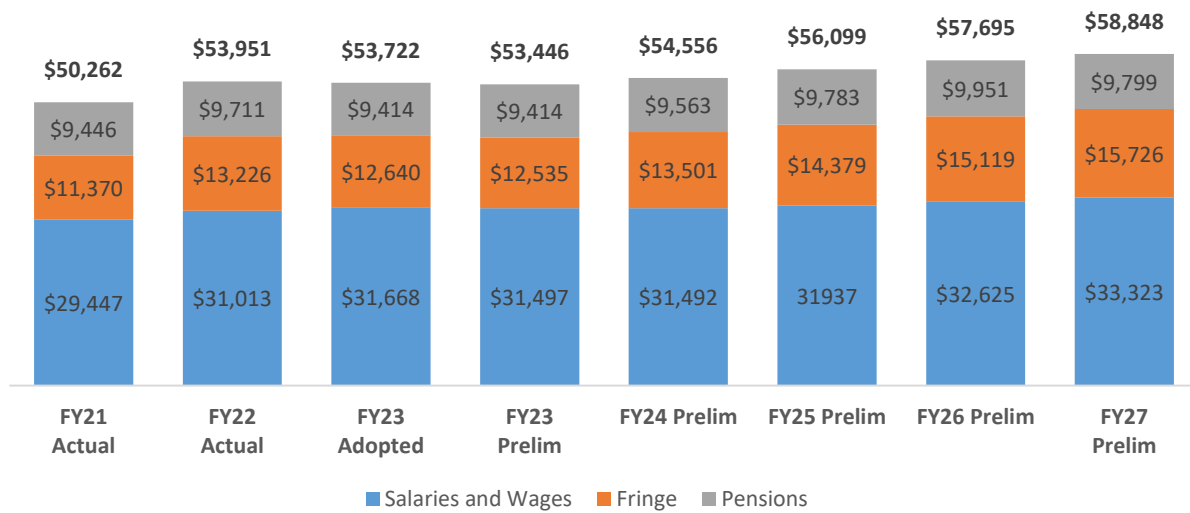
Chart 5: PS and OTPS - FY21-27, \$ in Millions



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 Plan. The average annual growth rate over the plan period is 1.4 percent for salaries and wages, 5.8 percent for fringe benefits, and 1.0 percent for pension contributions.

Chart 6: PS Spending by Category and Year, \$ in Millions

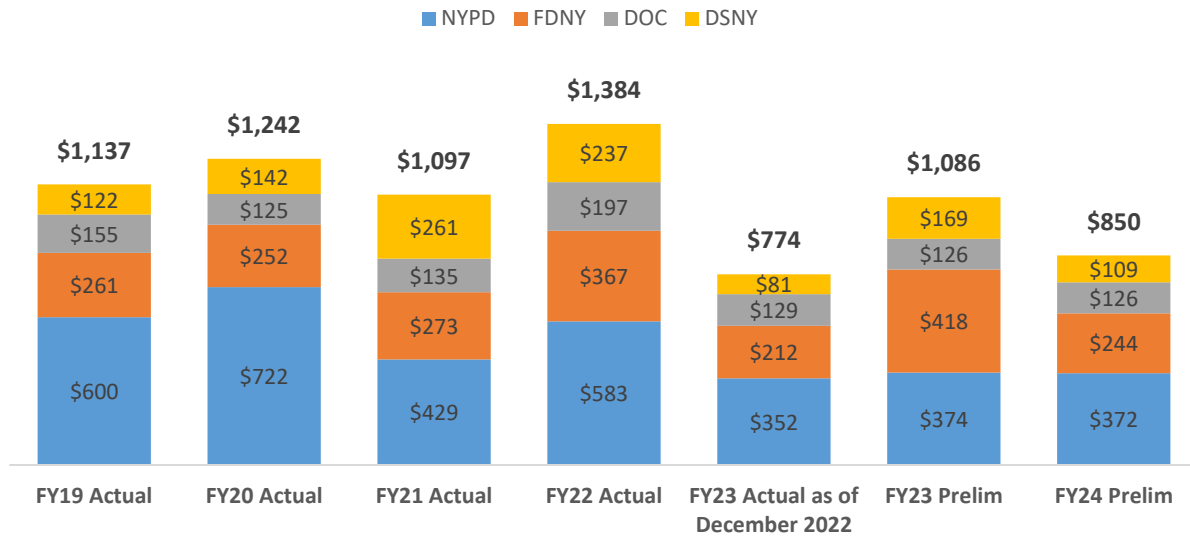


PS spending in the Fiscal 2023 Preliminary Budget accounts for approximately 50.2 percent of the City’s total operating budget. The PS budget is comprised of \$31.5 billion (about 58.9 percent of PS spending) for salaries and wages, \$9.4 billion (about 17.6 percent of PS spending) for pensions, and \$12.5 billion (about 23.5 percent of PS spending) for fringe benefits. Growth in the cost of fringe benefits account for more than half of the increase in PS spending over the five-year plan period. The PS budget is projected to grow to \$58.2 billion by Fiscal 2027.

Salaries and Wages

Spending on salaries and wages totals \$31.5 billion in Fiscal 2024, representing approximately 30.7 percent of the City’s expenditures, and 58.0 percent of the PS budget. Full-time pedagogical salaries, primarily in the Department of Education’s budget, total \$11.5 billion, or 36.7 percent, of the total salaries and wages budget for Fiscal 2024. Salaries for full-time uniformed personnel which includes police officers, firefighters, sanitation workers, and correction officers total approximately \$5.3 billion, or 17.8 percent, of the salaries budgeted in Fiscal 2024.

Chart 7: Uniform Overtime Costs by Department (\$ in Millions)



Labor Settlements

The Preliminary Plan does not budget for the recently announced labor settlement with the City’s largest union, DC 37, nor the full fiscal impact of the wage pattern increase for all unionized workers, as this settlement occurred after the plan was released. However, considering the major impact of that settlement, a brief description is included in this report.

The labor settlement with DC 37 includes 3 percent annual wage increases for the first four years of the contract, and a 3.25 percent increase in the fifth year, retroactive to May 21, 2021. The settlement also includes a \$3,000 signing bonus to be paid upon ratification of the contract and a new \$18 per hour minimum wage. In addition, the settlement also includes several initiatives to address work rule reforms and other fiscal supports including: a childcare trust funded by the City at \$3 million per year; \$70 million towards an equity fund to help fill hard to fill positions; the creation of a pandemic response committee to explore pandemic related issues and improvements; and the creation of a flex work committee to explore remote and flexible work options, including improved transit benefits.

The Financial Plan includes a reserve for the cost of labor settlements but had only enough allocated to cover 1.25 percent annual wage increases. It is expected that the City will provide adequate funding to cover the cost of the collective bargaining pattern set under the terms of the DC37 settlement in the Executive Budget. The labor settlements are expected to add an additional \$16.3 billion cost to the financial plan.

Table 4: Labor Settlement Costs above Funds in Existing Labor Reserve at DC37 Pattern

FY23	FY24	FY25	FY26	FY27
\$2.5	\$1.8	\$3.4	\$3.9	\$4.7

Dollars in Billions

Fringe Benefits

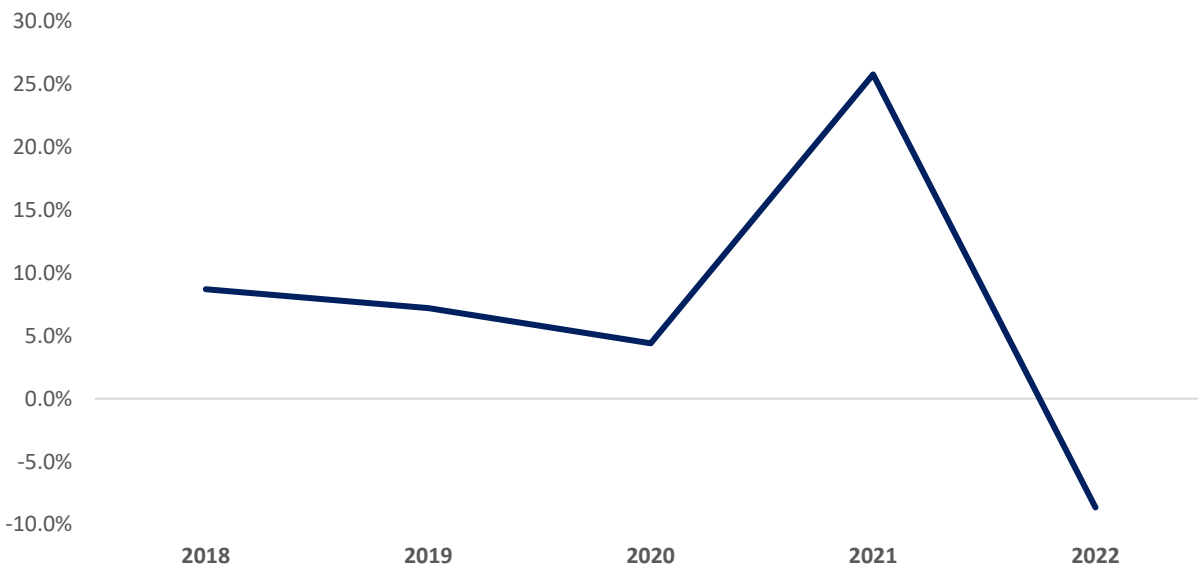
The budget for fringe benefits totals nearly \$13.5 billion in Fiscal 2024, an increase of \$861 million over Fiscal 2023 at Adoption. When compared to the current Fiscal 2023 budget, fringe benefits increase by \$ 1 billion from \$12.5 billion to \$13.5 billion.

Pensions

The bulk of the City’s pension contributions fund the City’s 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.

The Fiscal 2024 Preliminary Plan includes no new funding for pension contributions, which currently account for 9.3 percent of the City’s Fiscal 2024 budget and 17.5 percent of its Fiscal 2024 personal services (PS) budget. In contrast, in the November Plan planned pension contributions increased by \$861 million in Fiscal 2024, growing to roughly a \$3 billion increase by Fiscal 2026. This large increase in funding for pensions was necessary to account for the retirement system’s 8.65 percent loss on portfolio assets in Fiscal 2022.⁴ In December, the value 2022 the City’s pension assets totaled \$239.7 billion, nearly \$10 billion less than its \$250 billion high for the current fiscal year in July 2022. The performance of the retirement system’s portfolio this year determines the degree to which the level of funding added in the November Plan is adequate for the coming fiscal years. The graph below outlines the five-year trend of the City’s pension systems’ annual investment returns.

Chart 8: Pension System Returns

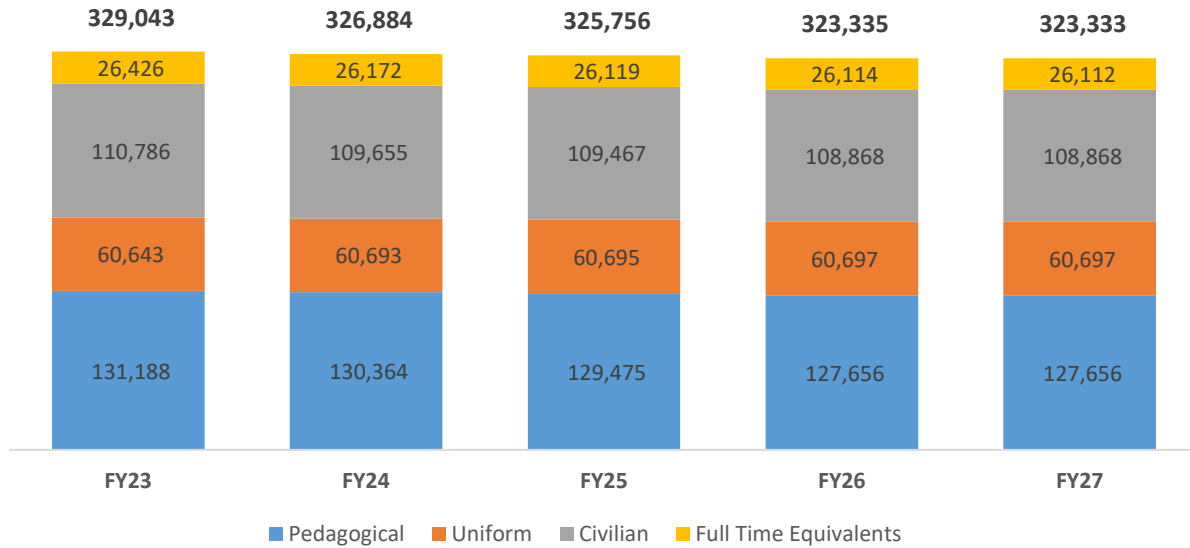


Headcount

The Preliminary Plan includes funding for a budgeted full-time headcount of 302,617 in Fiscal 2023 and 300,712 in Fiscal 2024.

⁴ The retirement system assumes the investment portfolios will produce a 7 percent annual rate of return. Returns below the 7 percent target require a schedule for additional City contributions in order to keep the system actuarially funded.

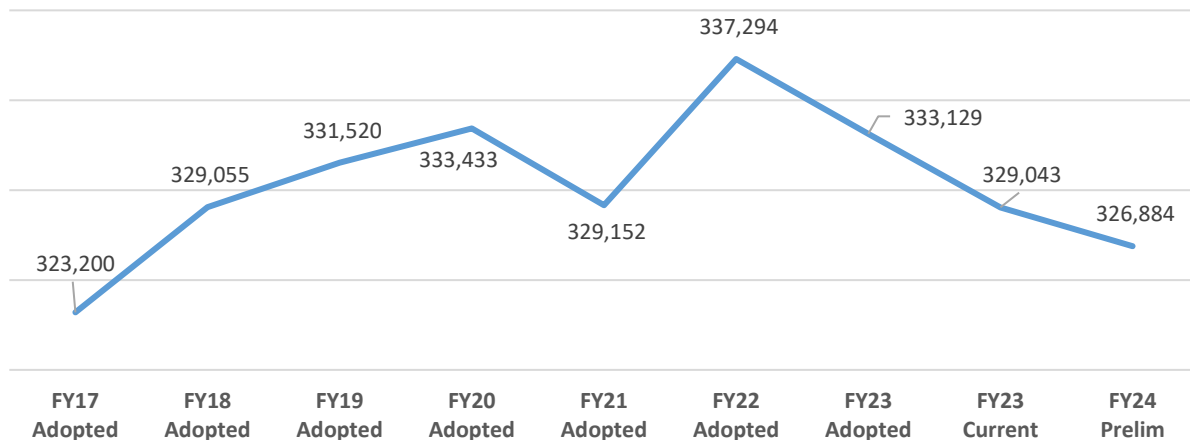
Chart 9: Budgeted Headcount by Type and Year



Total budgeted headcount, including full-time equivalents, in Fiscal 2024 is 2,159 less than in Fiscal 2023. Recently, the City’s budgeted headcount has trended upwards annually, with Fiscal 2021 being the only year where budgeted headcount declined, primarily as a result of the economic constraints resulting from the COVID-19 pandemic. The total budgeted headcount at adoption grew from 323,200 in Fiscal 2017 to a peak of 337,294 in Fiscal 2022, as shown in chart 7 below. Budgeted headcount has decreased by over 8,000 full time positions since achieving that high in Fiscal 2022.

The Preliminary Plan decreases budgeted headcount by a net of 4,010 in Fiscal 2023, 4,065 in Fiscal 2024, 4,045 in Fiscal 2025, 4,056 in Fiscal 2026, and 3,945 in Fiscal 2027. This decrease is driven primarily by a citywide vacancy reduction program which eliminates 4,319 full time vacancies in Fiscal 2023 and 4,309 in Fiscal 2024 and each of the out-years, for a savings of \$191 million in Fiscal 2023 and \$421 million in 2024 through 2027.

Chart 10: Total Budgeted Headcount, FY17-FY24



The vacancy reductions are partially offset by increases resulting from agency new needs and other adjustments. The Financial Plan includes an additional 41 positions in Fiscal 2023 resulting

from agency new needs, this increases by 60 positions in Fiscals 2024 and 2025, and 52 in Fiscals 2026 and 2027. These new needs includes 23 positions in Fiscal 2023 and 31 baselined in the outyears for several programs related to the Mayor’s Housing Blueprint, 10 baselined positions to support expansion of the Neighborhood Rat Reduction Plan to Harlem, eight positions in Fiscal 2024 and 2025 only for the Department of City Planning (DCP) to support the City’s “Get Stuff Built” Taskforce, and six positions in Fiscal 2023 growing to nine in the outyears to Housing Preservation and Development (HPD) to increase inspections for self-closing doors in residential buildings. Other adjustments add a total of 268 positions in Fiscal 2023 and 184 positions in Fiscal 2024.

Table 5: Preliminary Plan Headcount Changes, FY23 - FY27

	FY23	FY24	FY25	FY26	FY27
Budgeted Headcount as Nov. Plan	\$333,053	\$330,949	\$329,801	\$327,391	\$327,278
Total Change	(\$4,010)	(\$4,065)	(\$4,045)	(\$4,056)	(\$3,945)
New Needs	41	60	60	52	52
Other Adjustments	268	184	204	201	312
PEG	(4,319)	(4,309)	(4,309)	(4,309)	(4,309)
Budgeted Headcount as Prelim Plan	\$329,043	\$326,884	\$325,756	\$323,335	\$323,333

OTPS Spending

OTPS spending in the Fiscal 2024 Preliminary Plan totals \$48 billion, representing approximately 47 percent of the Fiscal 2024 budget. The Fiscal 2024 OTPS budget is \$4.8 billion less than the current Fiscal 2023 OTPS budget of \$52.9 billion. Over the plan period the OTPS budget decreases by \$805 million, or nearly two percent.

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. In the Preliminary Plan the contract budget for Fiscal 2023 is \$23.2 billion, \$3.8 billion greater than the Fiscal 2024 contract budget of \$19.4 billion.

Chart 11: Contract Expenditures FY17-22 and Planned Expenditure FY23 and FY24 (\$ in Thousands)

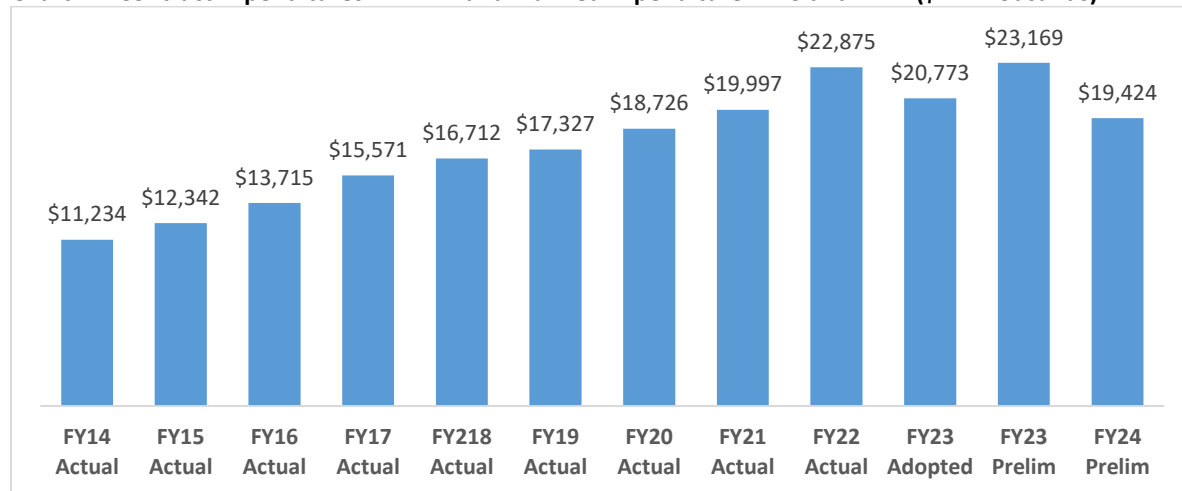
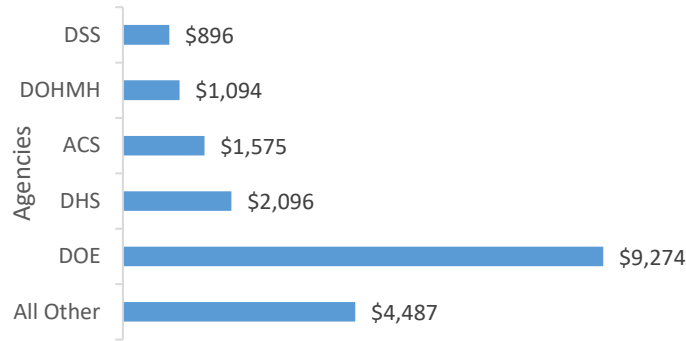


Chart 12: Contract Budget by Agency - Fiscal 2024 (\$ in million)



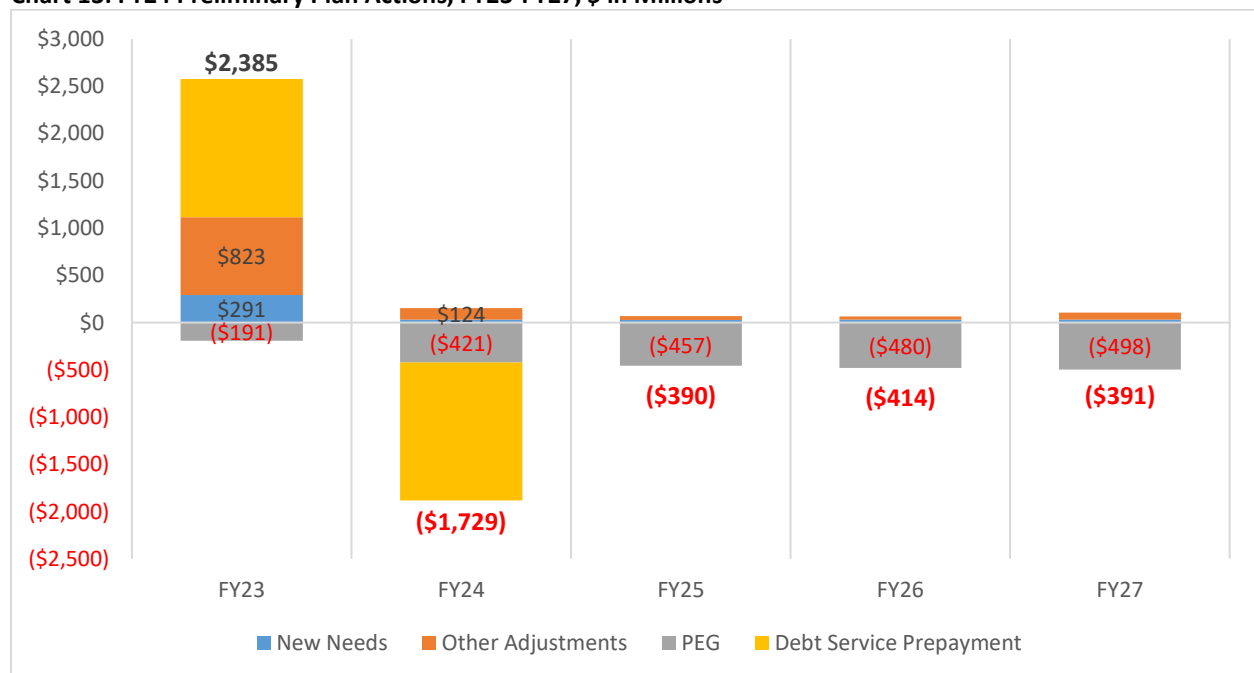
Five agencies account for the majority of the City’s total contract budget for Fiscal 2024, providing health and human service or educational services, demonstrating the City’s reliance on outsourcing to deliver these critical resources to the public. The five agencies with the largest contract budgets are 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 contract budgets total approximately 77 percent of the total contract budget for Fiscal 2024.

Actions in the Preliminary Plan

The Preliminary Plan introduces a total net expenditure increase of \$2.4 billion in Fiscal 2023 and a net expenditure decrease of \$1.7 billion in Fiscal 2024, with other moderate changes in the outyears. The Preliminary Plan includes new needs of \$291 million in Fiscal 2023 and \$30 million in Fiscal 2024. Expense reductions resulting from PEGs total \$191 million in Fiscal 2023 and \$421 billion in Fiscal 2024, and total \$2.0 billion over the five-year plan period. The Preliminary Plan includes an increase of \$893 million in Fiscal 2023 and \$109 million in Fiscal 2024 from Other Adjustments. Lastly, as previously mentioned, the Plan includes an increased expenditure of \$1.5 billion in Fiscal 2023, using current year resources to prepay Fiscal 2024 debt service payments.

Chart 13: FY24 Preliminary Plan Actions, FY23-FY27, \$ in Millions



New Needs

The Preliminary Plan includes a new needs package of \$412 million across the five-year plan period, with \$291 million in Fiscal 2023 and approximately \$30 million in Fiscal 2024 and each of the outyears. Funding for new needs in the Plan is outpaced by the Plan's savings program. A complete list of all new needs can be found in the "New Needs" Appendix of this report. Additional information on specific new needs can be found in the Fiscal 2024 Preliminary Budget City Council reports for specific agencies.

All Funds	FY23	FY24	FY25	FY26	FY27
<i>Dollars in Millions</i>					
Nov 2022 Plan	\$104,003	\$104,384	\$106,710	\$108,852	\$111,376
New Needs Total	\$291	\$30	\$29	\$31	\$31
PS Adjustment	\$175	\$0	\$0	\$0	\$0
MOCJ Housing Initiatives	35	0	0	0	0
June Primary Funding	28	0	0	0	0
OTPS Adjustment	20	0	0	0	0
Sandy Contractor Payment	11	0	0	0	0
EDC Consulting and Planning	5	0	0	0	0
Hurricane Ida Grant Program	5	0	0	0	0
Speed Camera Expansion Administrative Costs	4	4	4	4	4
Neighborhood Rat Reduction Program	2	2	2	2	2
Housing Blueprint	1	20	20	24	24
All Other New Needs	4	4	3	0	1
Other Adjustments	823	124	39	36	75
Debt Service Prepayment	1,462	(1,462)	0	0	0
PEGS*	(191)	(421)	(457)	(480)	(498)
FY24 Prelim Plan	\$106,388	\$102,655	\$106,320	\$108,438	\$110,985
TOTAL Change	\$2,385	(\$1,729)	(\$390)	(\$414)	(\$391)

- Personal Services (PS) Adjustments.** The Preliminary Plan includes an additional \$175 million in Fiscal 2023 only for PS adjustments for the Department of Sanitation (DSNY) (\$35 million) and the Fire Department (FDNY) (\$140 million), related to increased overtime costs. The additional funding for DSNY is spread across multiple program areas, including Executive Administration, Cleaning & Collection and the Bureau of Motor Equipment. The additional funding for FDNY is spread across the Emergency Medical Services, Fire Extinguishment & Emergency Response, and Executive Administration program areas.
- Mayor's Office of Criminal Justice (MOCJ) Housing Initiatives.** The Plan includes an additional \$35 million in Fiscal 2023 only for the Mayor's Office of Criminal Justice (MOCJ) for housing initiatives.
- June Primary Funding.** The Preliminary Plan includes an additional \$28 million in Fiscal 2023 only in the Board of Elections for the cost of the June Primary. The \$28 million in City funds are for costs relating to the nine days of early voting for the upcoming June 2023 election. The funding will cover the cost of poll workers, as well as operational costs such as trucking, information technology, and poll site rental fees.

The cost of early voting has varied considerably from election to election since it was implemented, so additional funding is often added to the plan in the months prior to the election. OMB is exploring the possibility of baselining the cost of early voting. This increase also includes \$900,000 added in Fiscal 2023 for a one-time expense relating to back rent that was delayed by the pandemic.

- **OTPS Adjustment.** The Preliminary Plan includes an additional \$20 million in Fiscal 2023 for OTPS adjustments in FDNY for costs related to aligning the current year budget to historical spending levels in certain operational areas, such as auto parts and telecommunication services.
- **Housing Blueprint.** The Preliminary Plan includes an additional \$1 million in Fiscal 2023, \$20 million in Fiscals 2024 and 2025, and \$24 million in the outyears to support the Mayor’s Housing Blueprint to address New York City’s affordable housing crisis. Funding supports 23 positions in Fiscal 2023 and 31 in Fiscal 2024 and the outyears across three agencies - Housing Preservation and Development (HPD), Department of Health and Mental Hygiene (DOHMH) and Human Resource Administration. Below is a breakdown of funding by agency.
 - Housing Preservation and Development. The Plan includes an additional \$1.1 million in Fiscal 2023 and \$17 million in Fiscal 2024 and the outyears to support several housing initiatives such as the Home First Program, Home Fix 2.0, Homeowner Helpdesk, Partners in Preservation and other services. Funding supports 23 positions in Fiscal 2023 growing to 25 in Fiscal 2024 and outyears.
 - Department of Health and Mental Hygiene. The Plan includes an additional \$1.2 million starting in Fiscal 2024 in DOHMH to support five positions for two programs– “Be a Buddy” and “Medicaid Together to Improve Asthma.”
 - Be a Buddy is a community-led social resiliency program that connects residents most susceptible to the health impacts of climate change-related hazards with volunteers who provide wellness checks and connections to City services.
 - Medicaid Together to Improve Asthma is a program to provide NYC children on Medicaid/CHP that are hospitalized with asthma with: (1) Integrated Pest Management with Allergen Reduction within a month of hospitalization discharge; and (2) Case management for their asthma (including 1+ home visit).
 - Human Resource Administration (HRA). The Plan includes an additional \$1.2 million and one position in HRA’s baseline budget starting in Fiscal 2024 to fund a microgrants program for domestic violence involved clients. The funding will support a program manager position and will provide approximately 1,000 clients each year with one-time grants of \$1,200.
- **Sandy Contractor Payment.** The Preliminary Plan includes an additional \$11 million in Fiscal 2023 only for payments related to Superstorm Sandy in the Department of Environmental Protection (DEP) (\$10 million) and the Law Department (\$1 million). The

\$1 million added to the Law Department's budget supports external legal consultant services related to a Hurricane Sandy contract issue. This is a one-time expense, as the matter is expected to be resolved by the end of the fiscal year.

The \$10 million in City funds added for Fiscal 2023 supports unpaid contractor invoices for the Build it Back program, which has assisted homeowners with reimbursement for rehabilitation and construction work related to damage from Superstorm Sandy.

- **Economic Development Corporation (EDC) Consulting and Planning.** The Preliminary Plan includes an additional \$5 million in Fiscal 2023 only to hire a consultant to help set up the strategic plans for three EDC projects. The funds will be split as follows: \$600,000 for Hip Hop Event Planning; \$1.8 million for Consulting Service MOSI; and \$2.6 million for the Fifth Avenue Master Plan.
- **Hurricane Ida Grant Program.** The Plan includes an additional \$5 million in Fiscal 2023 in DEP to support the Hurricane Ida Grant Program. The \$5 million in City funds are to available to reimburse City homeowners for repair costs that were not fully covered by Federal Emergency Management Agency (FEMA) grants for damages caused by Hurricane Ida.
- **Speed Camera Expansion Administrative Costs.** The Preliminary Plan includes an additional \$4.4 million in baselined funding for the Department of Finance (DOF) to support the expansion of speed cameras in Fiscal 2024 and the outyears. This includes approximately \$230,000 in PS funding and \$4.2 million in OTPS funding for administrative costs and increased postage costs due to additional summonses.
- **Neighborhood Rat Reduction Program.** The Plan includes an additional \$2.4 million in Fiscal 2023, \$1.8 million in Fiscal 2014, and \$1.6 million in the outyears to support ten positions for the expansion of the Neighborhood Rat Reduction Program. The funding is allocated to the DOE (\$1.9 million in Fiscal 2023, \$1 million in the outyears to support six positions) and the Department of Parks and Recreation (DPR) (\$500,000 in Fiscal 2023 growing to \$700,000 in the remaining years to support four positions).

Other Adjustments

The Preliminary Plan includes other adjustments of \$1.1 billion across the five-year plan period, with increases of \$823 million in Fiscal 2023 and \$124 million in Fiscal 2024. Additional information on specific other adjustments that occurred in the plan can be found in the Fiscal 2024 Preliminary Budget City Council reports for specific agencies. However, some noteworthy other adjustments are highlighted below.

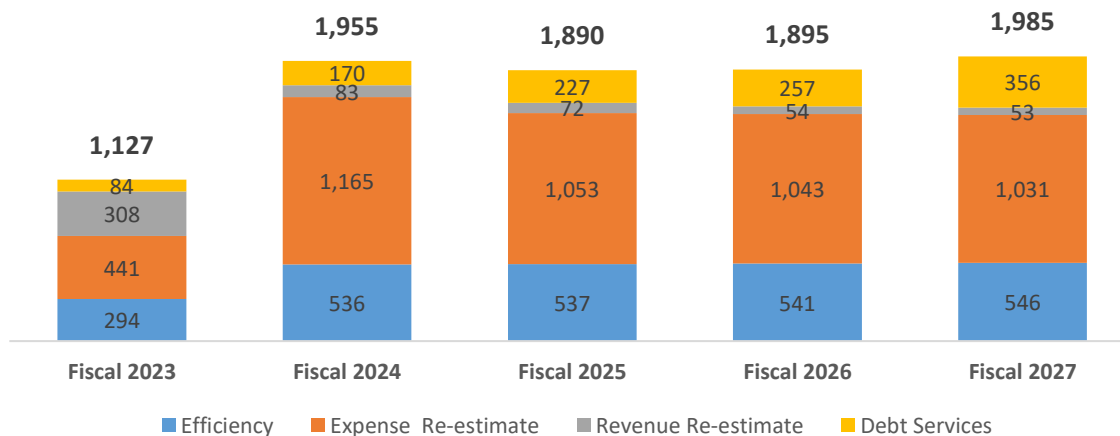
- **Early Childhood Education (ECE) Stabilization Fund.** The Fiscal 2024 Preliminary Plan includes an increase of \$70 million in Fiscal 2023 only for a Department of Education (DOE) Early Childhood Education (ECE) Stabilization Fund. Funding is added in the budget of the Department of Small Business Services (SBS).
- **Foster Care Block Grant (FCBG) Funding.** The Preliminary Plan adds \$42 million in Fiscal 2023 to reflect the one-off changes to the State-allocated block grant.

- **Heat, Light and Power.** The Plan adds \$104 million in Fiscal 2023 for costs related to heat and light and power citywide.
- **Emergency Rental Assistance Program (ERAP) Outreach and Assistance.** The Plan includes \$19.5 million rolled from Fiscal 2022 to Fiscal 2023 for the Emergency Rental Assistance Program.
- **Asphalt Costs.** The Plan adds \$11.9 million in Fiscal 2023 and \$9.9 million in Fiscal 2024 due to increase in asphalt costs. The Adams Administration attributes this increase to the crisis in Ukraine, which has limited the fuel supply. According to New York State Department of Transportation (NYS DOT), prices during the past construction season increased 60 percent when compared to pre-pandemic levels.
- **Motor Fuel.** The Preliminary Plan includes \$11.4 million in Fiscal 2023 due to increased fuel costs.
- **Asylum Seeker Funding Shift.** The Plan shifts \$7.4 million in funding to support asylum seekers from the NYC Health and Hospitals (H+H) to Department of Health and Mental Hygiene (DOHMH) and the New York City Department of Housing Preservation and Development. Of this amount, the majority - \$6.7 million goes to HPD, while DOHMH receives \$700,000.
- **Benefits Access Pilot.** The Preliminary Plan rolls \$4.9 million from Fiscal 2023 to Fiscal 2024 due to underspending from a slower than expected program launch and rollout.

Program to Eliminate the Gap

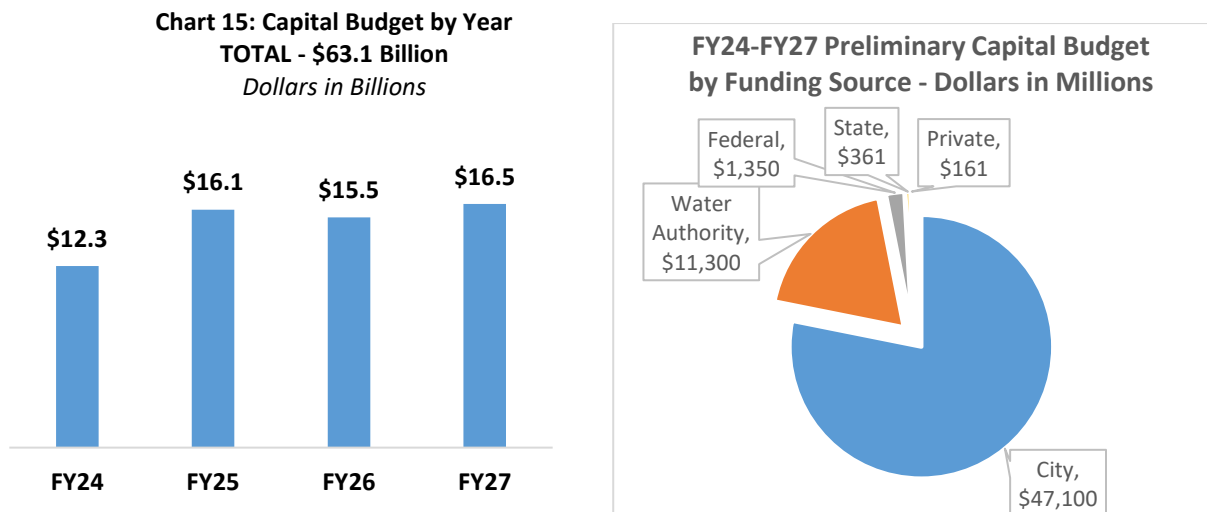
The Preliminary Plan includes a Program to Eliminate the Gap (PEG) totaling over \$8.8 billion for the entire Plan period. On November 21, 2022, OMB sent a letter to all City agencies asking them to present a vacancy reduction plan to help further reduce the Fiscal 2024 budget gap of \$2.9 billion. Agencies were asked to reduce their vacant, City-funded full time civilian positions, along with the associated funding by 50 percent. As part of the vacancy reduction plan OMB lifted the two-for-one hiring restriction and committed to reviewing and approving new hire requests quickly and efficiently.

Chart 14: PEGs by Year and Type, November and Preliminary Plan (\$ in Millions)



Preliminary Capital Budget

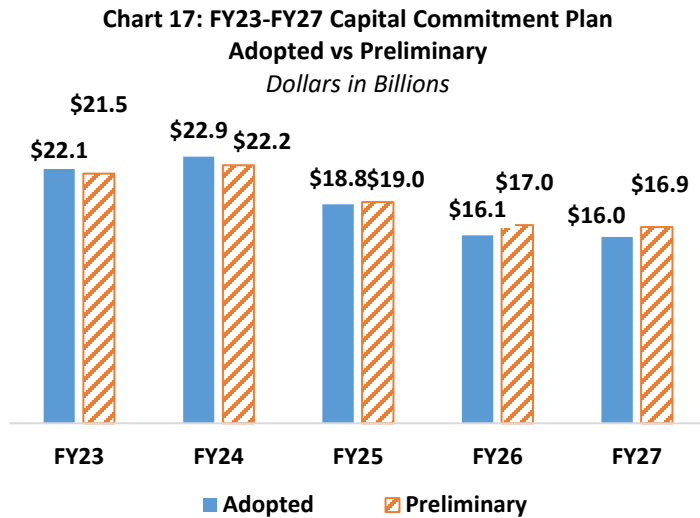
The Preliminary Capital Budget proposes new appropriations of \$12.6 billion for Fiscal 2024 and a total of \$60.3 billion for Fiscal 2024 through Fiscal 2027. It supports large, long-term investments that aim to improve the state of good repair of the City’s infrastructure, as well as support its growth. 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 2024 and the subsequent three-year capital program. Of the \$60.3 billion proposed, \$47.1 billion (78.1 percent), is City-funds with the Water Authority accounting for \$11.3 billion (18.7 percent), and the remaining \$1.9 billion coming from federal, State, and private grants.



Nearly one-half, 46 percent, of the Capital Budget is allocated to three key areas that are the major drivers of the City’s capital spending: education, environmental protection, and transportation. The DOE makes up the largest portion of the capital budget, totaling \$12.4 billion. The Department of Environmental Protection (\$8.6 billion) and the Department of Transportation (DOT) (\$6.6 billion) are the next largest portions of the capital budget.

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 present an estimate of the appropriations needed for each agency for each fiscal year. The adopted capital budget presents 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

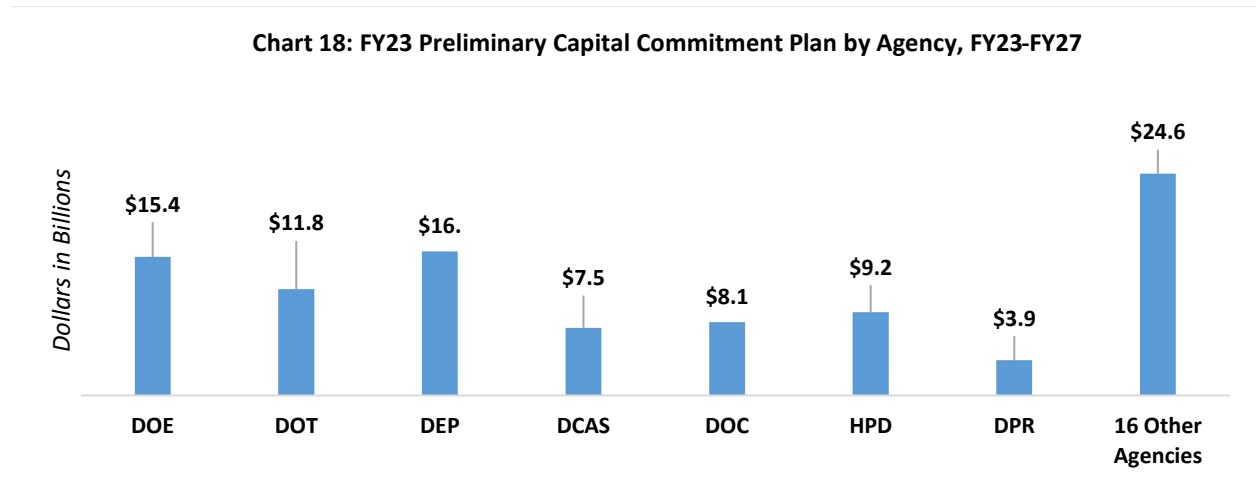


While the Capital Budget presents budget line appropriation level and outyear plans for each agency, it does not provide detail on the projects the new appropriations support. The Capital Commitment Plan presents this information related to the City’s capital program. The Preliminary Fiscal 2023-2027 Capital Commitment Plan (the Commitment Plan) includes \$96.5 billion in planned commitments for Fiscal 2023 through Fiscal 2027. The Plan, provides, by agency and budget line,

appropriations for Fiscal 2023 and planned commitments for Fiscal 2023 through 2027.

The Capital Budget is significantly less than the Commitment Plan because it does not include the appropriations for Fiscal 2023 or the amount of funding that will be re-appropriated for Fiscal 2024 in the next adopted budget. Each year, the Executive Capital Budget includes a proposed appropriation total for each budget line, which typically significantly increases the size of the capital budget for the coming year. At the adoption of the Fiscal 2023 Capital Budget, approximately \$4.9 billion in Fiscal 2022 appropriations were re-appropriated for Fiscal 2023. There is currently a balance of \$40.7 billion in available appropriations in Fiscal 2023. At the end of the fiscal year most of the uncommitted appropriation will be re-appropriated into Fiscal 2024, increasing the Adopted Capital Budget accordingly.

Four key agencies - DEP, DOE, DOT and HPD - account for approximately 54 percent of the total Commitment Plan. The next three largest agencies – DOC, DPR, DCAS – account for slightly more than 20 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 components of the City’s planned capital spending.



Financing and Debt Service

New York City sells bonds to fund its capital program. The Fiscal 2024 Preliminary Financial Plan estimates the City will undertake \$62.3 billion in long-term borrowing to finance the City’s many capital needs.² This is an increase decrease of \$13.6 billion when comparing long-term borrowing to the November Financial Plan. The Preliminary Financial Plan Included in this borrowing an estimated of \$26.4 billion in General Obligation (GO) bonds split between \$26.4 billion in bonds of the New York City Transitional Finance Authority (TFA). In addition, to \$9.3 billion in borrowing by the New York City Municipal Water Finance Authority (NYW), for which NYW pays its own debt service through dedicated water and sewer fees. A summary of the financing plan is shown in the table below.

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 geopolitical 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.

Summary of Capital Financing Plan - Preliminary Financial Plan*Dollars in Millions*

	FY23	FY24	FY25	FY26	FY27
Financing Plan					
General Obligation Bonds	\$4,025	\$4,820	\$5,580	\$5,870	\$6,300
Transitional Finance Authority Bonds ⁽¹⁾	3,850	4,820	5,580	5,870	6,300
Water Authority Bonds	1,357	1,443	1,984	2,173	2,376
Total	\$9,232	\$11,083	\$13,144	\$13,913	\$14,976
Debt Outstanding					
GO Bonds	\$40,420	\$42,726	\$45,801	\$49,142	\$52,964
TFA Bonds ⁽¹⁾	45,852	48,998	52,761	56,625	60,448
Other Debt ⁽²⁾	1,869	1,772	1,673	1,580	1,483
Total	\$88,141	\$93,469	\$107,347	\$107,347	\$114,895
Water Authority Bonds	32,435	33,378	34,887	36,545	38,447
Debt Financing Burden (excludes Water Debt)					
Debt Outstanding/NYC Personal Income	12.2%	12.5%	12.8%	13.1%	13.4%

Source: OMB Preliminary Plan 2023-2027

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).

Annual Debt Service Cost – Fiscal 2023 Preliminary Financial Plan

<i>(\$ in Millions, Before Prepayments)</i>	FY23	FY24	FY25	FY26	FY27
Annual Debt Service Cost					
General Obligation Bonds	\$4,212	\$4,430	\$4,604	\$4,849	\$5,039
Transitional Finance Authority Bonds ⁷	3,295	3,352	3,635	4,140	4,613
TSASC Bonds	76	76	76	69	69
Conduit Debt	147	118	117	116	115
Total Debt Service	\$7,730	\$7,892	\$8,195	\$8,706	\$9,476
Water Authority Bonds ⁸	\$1,659	\$1,954	\$2,033	\$2,192	\$2,278

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 limit of \$127.4 billion, which is forecasted to grow sufficiently to accommodate new borrowing in the Capital Financing Plan. The debt limit is projected to grow from \$127.45 billion in Fiscal 2023 to \$145.59 billion in Fiscal 2026, for an average annual growth rate of 4.5 percent. Over the same period, total indebtedness against the limit is projected to grow at an annual rate of 11.5 percent, reaching \$119.16 billion by Fiscal 2026.

The City's bonds continue to be well received by the markets, and all of the issuers financing the City capital program have maintained credit ratings in the AA category or better by Moody's, S&P, and Fitch, as indicated in the table below. Following the economic uncertainty caused by the onset of COVID-19, the credit ratings assigned to the issuers financing most of the City's capital program came under pressure. Since then, all the ratings have returned to the levels that prevailed before the onset of COVID-19 except for the Moody's and Fitch ratings on the City General Obligation credit. Most recently, Fitch Ratings upgraded the City GO bond rating to AA

from AA- on February 18th, 2023.³ The upward credit rating revision reflects strong fiscal management and higher reserve levels which has placed the city in a significantly stronger position to weather future economic storms. Outlooks for NYW and bonds issued on behalf of NYW by EFC have remained stable throughout the years.

Rating Agency	GO	TFA Future Tax Secured (FTS) Senior	TFA FTS Subordinate	TFA BARBs	NYW First	NYW Second
S&P	AA	AAA	AAA	AA	AAA	AA+
Moody's	Aa2	Aaa	Aa1	Aa2	Aa1	Aa1
Fitch	AA	AAA	AAA	AA	AA+	AA+

Debt Service Savings

As U.S. annual inflation rate continue to be higher than pre-pandemic, identifying debt services saving can be uncertain moving forward. However, OMB reported in the Preliminary Financial Plan \$170 million in debt services savings during the Financial Plan 2023. 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, and while the Preliminary Financial Plan projects that debt service will stay in line with measures of best practice and affordability over the financial plan period, it is likely that actual debt service costs will be even lower in the outyears than currently projected.

Preliminary Ten-Year Capital Strategy

The Ten-Year Capital Strategy (the Strategy) is the City’s long-term capital planning document, which provides a framework for capital spending by agency. As mandated by the New York City Charter, the City releases the Ten-Year Capital Strategy every two years. The current \$159.3 billion Ten-Year Capital Strategy for Fiscal 2024 – 2033 is \$40.5 billion larger than the \$118.8 billion Fiscal 2022-2031 Ten-Year Capital Strategy.

Chart 19: Fiscal 2024 – 2033 Ten-Year Capital Strategy by Fiscal Year, \$159.3 billion

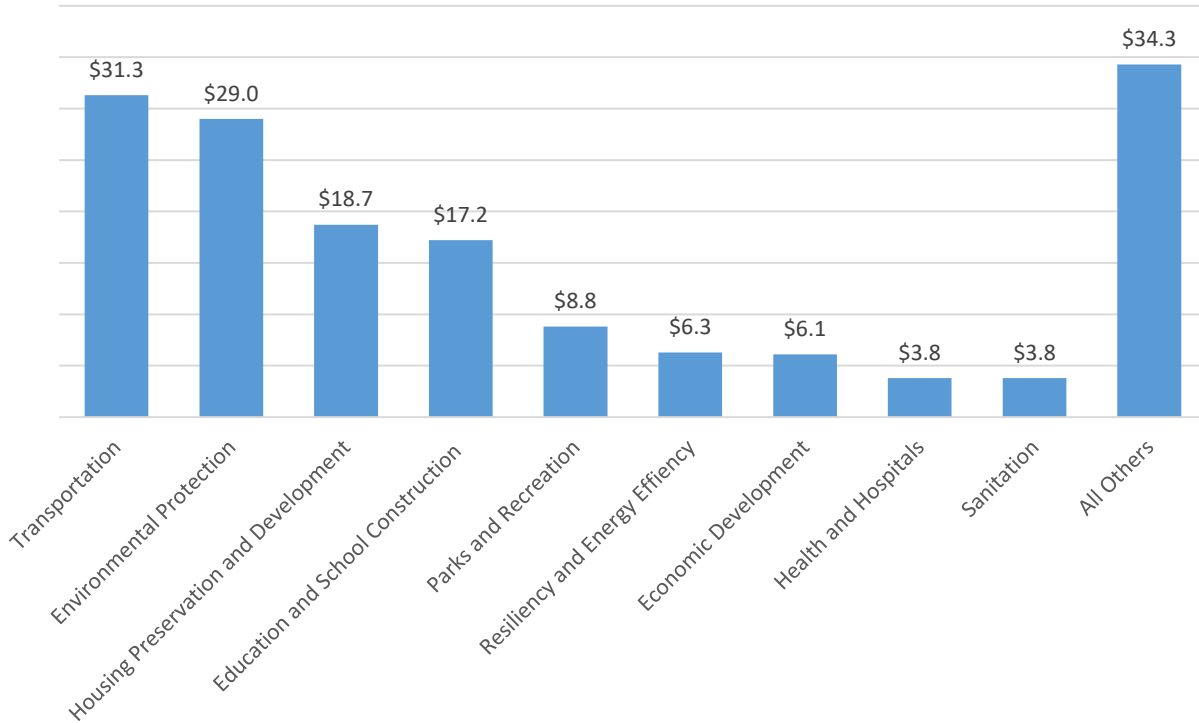


Chart 20 presents the Strategy planned commitments by fiscal year. While improved from the previous Ten-Year Capital Strategy, the front loading of expenditures in the Strategy is unrealistic.

The Planned expenditures of \$14.6 billion in Fiscal 2033, which is 66 percent of the Fiscal 2024 level is likely significantly understating the City’s outyear capital needs.

The City’s transportation and water infrastructures comprise the largest portions of the capital strategy, followed by housing and the educational system. These four areas together account for nearly 60 percent of the Strategy. The chart below presents planned capital spending in the Strategy by agency over the ten-year period.

Chart 20: Fiscal 2024 – 2033 Ten-Year Capital Strategy by Agency, \$159.3 billion



Conclusion

The changes introduced in the Preliminary Plan are modest. Over the next several weeks, the Council will examine the programmatic impact of this Plan and will issue recommendations in anticipation of the Executive Budget. Among notable risks to the Plan, are risks from the State’s soon to be adopted budget, understated spending estimates, and federal revenue that is not yet recognized. The Council looks forward to engaging in a budget process that will result in a fair and equitable budget for all New Yorkers while continuing the economic recovery for all.

Appendices

Appendix A: Fiscal 2024 Preliminary Plan New Needs

Preliminary Plan - New Needs (All Funds)

Dollars In Millions

AGENCY	FY23	FY24	FY25	FY26	FY27
BOARD OF ELECTIONS	\$29	\$0	\$0	\$0	\$0
June Primary Funding	\$28	\$0	\$0	\$0	\$0
Lease Payments	\$1	\$0	\$0	\$0	\$0
DEPARTMENT OF CITY PLANNING	\$0	\$2	\$1	\$0	\$0
Get Stuff Built CEQR Manual	\$0	\$1	\$0	\$0	\$0
Get Stuff Built Initiative HC	\$0	\$1	\$1	\$0	\$0
DEPARTMENT OF EDUCATION	\$2	\$1	\$1	\$1	\$1
Neighborhood Rat Reduction Program	\$2	\$1	\$1	\$1	\$1
DEPARTMENT OF FINANCE	\$4	\$4	\$4	\$4	\$4
Speed Camera Expansion Administrative Costs	\$4	\$4	\$4	\$4	\$4
DEPARTMENT OF HEALTH AND MENTAL HYGIENE	\$0	\$1	\$1	\$1	\$1
Housing Blueprint: Be a Buddy	\$0	\$1	\$1	\$1	\$1
Housing Blueprint: Medicaid Together to Improve Asthma	\$0	\$1	\$1	\$1	\$1
DEPARTMENT OF SANITATION	\$35	\$0	\$0	\$0	\$0
PS Adjustment	\$35	\$0	\$0	\$0	\$0
DEPARTMENT OF SOCIAL SERVICES	\$0	\$1	\$1	\$1	\$1
Housing Blueprint: ENDGBV Microgrants Program	\$0	\$1	\$1	\$1	\$1
DEPARTMENT OF TRANSPORTATION	\$0	\$1	\$1	\$0	\$0
Get Stuff Built Transportation Updates	\$0	\$1	\$1	\$0	\$0
DEPT ENVIRONMENTAL PROTECTION	\$15	\$0	\$0	\$0	\$0
Hurricane Ida Grant Program	\$5	\$0	\$0	\$0	\$0
Sandy Contractor Payment	\$10	\$0	\$0	\$0	\$0
DEPT OF SMALL BUSINESS SERVICES	\$5	\$0	\$0	\$0	\$0
EDC Consulting and Planning	\$5	\$0	\$0	\$0	\$0
DEPT OF PARKS AND RECREATION	\$0	\$1	\$1	\$1	\$1
Get Stuff Built ULURP Application	\$0	\$0	\$0	\$0	\$0
Neighborhood Rat Reduction Plan - Harlem	\$0	\$1	\$1	\$1	\$1
FINANCIAL INFO SERVICES AGENCY	\$3	\$0	\$0	\$0	\$0
Expense Funding for Approved Capital Projects	\$1	\$0	\$0	\$0	\$0
OTPS Funding	\$2	\$0	\$0	\$0	\$0
FIRE DEPARTMENT	\$160	\$0	\$0	\$0	\$0
OTPS Adjustment	\$20	\$0	\$0	\$0	\$0
PS Adjustment	\$140	\$0	\$0	\$0	\$0
HOUSING PRESERVATION AND DEVEL	\$2	\$18	\$18	\$22	\$22
Housing Blueprint: Anti-Harassment Unit	\$0	\$1	\$1	\$1	\$1
Housing Blueprint: Enforcement Training	\$0	\$0	\$0	\$0	\$0
Housing Blueprint: Help Desk	\$0	\$2	\$2	\$2	\$2
Housing Blueprint: HomeFirst	\$0	\$5	\$5	\$9	\$9
Housing Blueprint: HomeFix 2.0	\$0	\$4	\$4	\$4	\$4
Housing Blueprint: NYCHA Organics Expansion Program	\$0	\$0	\$0	\$0	\$0
Housing Blueprint: Partners in Preservation	\$0	\$4	\$4	\$4	\$4
Housing Blueprint: Shelter Tech	\$0	\$0	\$0	\$1	\$1
Housing Blueprint: SOI Contract	\$0	\$1	\$1	\$1	\$1
LL63 Self-Closing Door	\$0	\$1	\$1	\$1	\$1
NYCHA Rat Reduction Initiative	\$0	\$0	\$0	\$0	\$0
LAW DEPARTMENT	\$1	\$0	\$0	\$0	\$0
Sandy Contractor Payment	\$1	\$0	\$0	\$0	\$0
MISCELLANEOUS	\$35	\$0	\$0	\$0	\$0
Housing Blueprint: HomeFirst	\$0	\$0	\$0	\$0	\$0
MOCJ Housing Initiatives	\$35	\$0	\$0	\$0	\$0
TOTAL	\$291	\$30	\$29	\$31	\$31

Appendix B: Fiscal 2024 Preliminary Plan PEG Program

Preliminary Plan PEG Savings (includes revenue savings)*Dollars in Thousands*

Agency	FY23	FY24	FY25	FY26	FY27
ADMIN FOR CHILDREN'S SERVICES	(\$53)	(\$107)	(\$107)	(\$107)	(\$107)
Vacancy Reduction - IC	(\$53)	(\$107)	(\$107)	(\$107)	(\$107)
BUSINESS INTEGRITY COMMISSION	(\$242)	(\$484)	(\$484)	(\$484)	(\$484)
Vacancy Reduction	(\$242)	(\$484)	(\$484)	(\$484)	(\$484)
CAMPAIGN FINANCE BOARD	(\$760)	(\$1,519)	(\$1,519)	(\$1,519)	(\$1,519)
Vacancy Reduction	(\$760)	(\$1,519)	(\$1,519)	(\$1,519)	(\$1,519)
CITY CLERK	(\$107)	(\$214)	(\$214)	(\$214)	(\$214)
Vacancy Reduction	(\$107)	(\$214)	(\$214)	(\$214)	(\$214)
CITY UNIVERSITY	(\$4,783)	(\$9,565)	(\$9,565)	(\$9,565)	(\$9,565)
Vacancy Reduction	(\$4,783)	(\$9,565)	(\$9,565)	(\$9,565)	(\$9,565)
COMMISSION ON HUMAN RIGHTS	(\$817)	(\$1,633)	(\$1,633)	(\$1,633)	(\$1,633)
Vacancy Reduction	(\$817)	(\$1,633)	(\$1,633)	(\$1,633)	(\$1,633)
CONFLICTS OF INTEREST BOARD	(\$50)	(\$100)	(\$100)	(\$100)	(\$100)
Vacancy Reduction	(\$50)	(\$100)	(\$100)	(\$100)	(\$100)
DEPARTMENT FOR THE AGING	(\$220)	(\$439)	(\$439)	(\$439)	(\$439)
Vacancy Reduction	(\$220)	(\$439)	(\$439)	(\$439)	(\$439)
DEPARTMENT OF BUILDINGS	(\$7,557)	(\$11,866)	(\$11,866)	(\$11,866)	(\$11,866)
Vacancy Reduction	(\$7,557)	(\$11,866)	(\$11,866)	(\$11,866)	(\$11,866)
DEPARTMENT OF CONSUMER AND WORKER PROTECTION	(\$1,224)	(\$2,449)	(\$2,449)	(\$2,449)	(\$2,449)
Vacancy Reduction	(\$1,224)	(\$2,449)	(\$2,449)	(\$2,449)	(\$2,449)
DEPARTMENT OF CORRECTION	(\$9,707)	(\$19,415)	(\$19,415)	(\$19,415)	(\$19,415)
Vacancy Reduction	(\$9,707)	(\$19,415)	(\$19,415)	(\$19,415)	(\$19,415)
DEPARTMENT OF EDUCATION	(\$22,055)	(\$41,836)	(\$44,888)	(\$45,220)	(\$45,554)
Vacancy Reduction	(\$12,211)	(\$24,548)	(\$24,548)	(\$24,548)	(\$24,548)
Vacancy Reduction - IC	(\$171)	(\$341)	(\$341)	(\$341)	(\$341)
Vacancy Reduction - School Safety Division	(\$6,486)	(\$10,442)	(\$12,972)	(\$12,972)	(\$12,972)
Vacancy Reduction - School Safety Division Fringe	(\$3,188)	(\$6,505)	(\$7,027)	(\$7,359)	(\$7,693)
DEPARTMENT OF EMERGENCY MANAGEMENT	(\$32)	(\$63)	(\$63)	(\$63)	(\$63)
Vacancy Reduction	(\$32)	(\$63)	(\$63)	(\$63)	(\$63)
DEPARTMENT OF FINANCE	(\$4,636)	(\$9,430)	(\$9,430)	(\$9,430)	(\$9,430)
Vacancy Reduction	(\$4,636)	(\$9,430)	(\$9,430)	(\$9,430)	(\$9,430)
DEPARTMENT OF HEALTH AND MENTAL HYGIENE	(\$9,407)	(\$18,814)	(\$18,814)	(\$18,814)	(\$18,814)
Vacancy Reduction - DOHMH	(\$8,613)	(\$17,226)	(\$17,226)	(\$17,226)	(\$17,226)
Vacancy Reduction - OCME	(\$794)	(\$1,587)	(\$1,587)	(\$1,587)	(\$1,587)
DEPARTMENT OF INVESTIGATION	(\$1,534)	(\$2,467)	(\$2,467)	(\$2,467)	(\$2,467)
Vacancy Reduction	(\$1,534)	(\$2,467)	(\$2,467)	(\$2,467)	(\$2,467)
DEPARTMENT OF PROBATION	(\$423)	(\$846)	(\$846)	(\$846)	(\$846)
Vacancy Reduction	(\$423)	(\$846)	(\$846)	(\$846)	(\$846)
DEPARTMENT OF SANITATION	(\$1,177)	(\$2,353)	(\$2,353)	(\$2,353)	(\$2,353)
Vacancy Reduction	(\$1,177)	(\$2,353)	(\$2,353)	(\$2,353)	(\$2,353)
DEPARTMENT OF SOCIAL SERVICES	(\$14,274)	(\$28,364)	(\$28,364)	(\$28,364)	(\$28,364)
Vacancy Reduction	(\$14,046)	(\$28,091)	(\$28,091)	(\$28,091)	(\$28,091)
Vacancy Reduction - ENDGBV	(\$183)	(\$183)	(\$183)	(\$183)	(\$183)
Vacancy Reduction - IC	(\$45)	(\$90)	(\$90)	(\$90)	(\$90)
DEPARTMENT OF TRANSPORTATION	(\$8,451)	(\$16,902)	(\$16,902)	(\$16,902)	(\$16,902)
Vacancy Reduction	(\$4,834)	(\$9,667)	(\$9,667)	(\$9,667)	(\$9,667)
Vacancy Reduction - IFA	(\$3,617)	(\$7,235)	(\$7,235)	(\$7,235)	(\$7,235)
DEPARTMENT OF VETERANS' SERVICES	(\$350)	(\$700)	(\$700)	(\$700)	(\$700)
Vacancy Reduction	(\$350)	(\$700)	(\$700)	(\$700)	(\$700)
DEPT ENVIRONMENTAL PROTECTION	(\$4,758)	(\$9,515)	(\$9,515)	(\$9,515)	(\$9,515)
Vacancy Reduction	(\$4,758)	(\$9,515)	(\$9,515)	(\$9,515)	(\$9,515)
DEPT OF SMALL BUSINESS SERVICES	(\$1,102)	(\$2,203)	(\$2,203)	(\$2,203)	(\$2,203)
Vacancy Reduction	(\$1,102)	(\$2,203)	(\$2,203)	(\$2,203)	(\$2,203)
DEPT OF CITYWIDE ADMIN SERV	(\$2,633)	(\$6,121)	(\$6,121)	(\$6,121)	(\$6,121)
Auto Auction Revenue	\$428	\$0	\$0	\$0	\$0

Preliminary Plan PEG Savings (includes revenue savings)*Dollars in Thousands*

Agency	FY23	FY24	FY25	FY26	FY27
Vacancy Reduction	(\$2,792)	(\$5,583)	(\$5,583)	(\$5,583)	(\$5,583)
Vacancy Reduction - IC	(\$269)	(\$538)	(\$538)	(\$538)	(\$538)
DEPT OF DESIGN & CONSTRUCTION	(\$5,770)	(\$11,540)	(\$11,540)	(\$11,540)	(\$11,540)
Vacancy Reduction	(\$5,770)	(\$11,540)	(\$11,540)	(\$11,540)	(\$11,540)
DEPT OF HOMELESS SERVICES	(\$2,135)	(\$4,270)	(\$4,270)	(\$4,270)	(\$4,270)
Vacancy Reduction	(\$2,135)	(\$4,270)	(\$4,270)	(\$4,270)	(\$4,270)
DEPT OF INFO TECH & TELECOMM	(\$4,829)	(\$9,657)	(\$9,657)	(\$9,657)	(\$9,657)
Vacancy Reduction	(\$4,829)	(\$9,657)	(\$9,657)	(\$9,657)	(\$9,657)
DEPT OF PARKS AND RECREATION	(\$1,934)	(\$3,868)	(\$3,868)	(\$3,868)	(\$3,868)
Vacancy Reduction	(\$1,934)	(\$3,868)	(\$3,868)	(\$3,868)	(\$3,868)
DEPT OF YOUTH & COMMUNITY DEV	(\$1,154)	(\$2,308)	(\$2,308)	(\$2,308)	(\$2,308)
Vacancy Reduction	(\$1,154)	(\$2,308)	(\$2,308)	(\$2,308)	(\$2,308)
DEPT RECORDS + INFORMATION SVS	(\$203)	(\$406)	(\$406)	(\$406)	(\$406)
Vacancy Reduction	(\$203)	(\$406)	(\$406)	(\$406)	(\$406)
EQUAL EMPLOY PRACTICES COMM	\$0	(\$90)	(\$90)	(\$90)	(\$90)
Vacancy Reduction	\$0	(\$90)	(\$90)	(\$90)	(\$90)
FINANCIAL INFO SERVICES AGENCY	\$0	\$0	\$0	\$0	\$0
Vacancy Reduction	\$0	\$0	\$0	\$0	\$0
FIRE DEPARTMENT	(\$1,145)	(\$1,145)	(\$1,145)	(\$1,145)	(\$1,145)
Vacancy Reduction	(\$1,145)	(\$1,145)	(\$1,145)	(\$1,145)	(\$1,145)
GNRL & LSE PRCHS DBT SVC FUNDS	(\$617)	(\$53,812)	(\$79,819)	(\$98,664)	(\$111,802)
GO Debt Service Projection	\$0	(\$52,309)	(\$71,420)	(\$81,107)	(\$88,206)
GO Earnings on Bond Proceeds	\$2,188	\$300	\$350	\$250	\$50
GO Floating Rate Support Costs	(\$7,668)	\$0	\$0	\$0	\$0
GO Swap Payments	\$4,546	\$0	\$0	\$0	\$0
TFA Debt Service Retention	\$318	(\$1,803)	(\$8,749)	(\$17,808)	(\$23,646)
HOUSING PRESERVATION AND DEVEL	(\$1,776)	(\$3,552)	(\$3,552)	(\$3,552)	(\$3,552)
Vacancy Reduction	(\$1,776)	(\$3,552)	(\$3,552)	(\$3,552)	(\$3,552)
INDEPENDENT BUDGET OFFICE	\$0	\$0	\$0	\$0	\$0
Vacancy Reduction	\$0	\$0	\$0	\$0	\$0
LANDMARKS PRESERVATION COMM.	(\$113)	(\$226)	(\$226)	(\$226)	(\$226)
Vacancy Reduction	(\$113)	(\$226)	(\$226)	(\$226)	(\$226)
LAW DEPARTMENT	(\$3,846)	(\$7,691)	(\$7,691)	(\$7,691)	(\$7,691)
Vacancy Reduction	(\$3,846)	(\$7,691)	(\$7,691)	(\$7,691)	(\$7,691)
MAYORALTY	(\$3,512)	(\$7,005)	(\$6,108)	(\$6,108)	(\$6,108)
Vacancy Reduction - ENDGBV	(\$183)	(\$183)	(\$183)	(\$183)	(\$183)
Vacancy Reduction - Mayor's Office	(\$862)	(\$2,123)	(\$1,226)	(\$1,226)	(\$1,226)
Vacancy Reduction - MOCS	(\$1,561)	(\$3,123)	(\$3,123)	(\$3,123)	(\$3,123)
Vacancy Reduction - OLR	(\$163)	(\$326)	(\$326)	(\$326)	(\$326)
Vacancy Reduction - OMB	(\$507)	(\$1,014)	(\$1,014)	(\$1,014)	(\$1,014)
Vacancy Reduction (Mayor's Office, IFA)	(\$236)	(\$236)	(\$236)	(\$236)	(\$236)
MISCELLANEOUS	(\$53,777)	(\$103,228)	(\$108,142)	(\$112,140)	(\$116,174)
IFA Fringe	(\$12,769)	(\$18,505)	(\$18,505)	(\$18,505)	(\$18,505)
Vacancy Reduction - School Safety Division Fringe	(\$3,188)	(\$6,505)	(\$7,027)	(\$7,359)	(\$7,693)
Vacancy Reduction Fringe Benefit	(\$37,821)	(\$78,217)	(\$82,610)	(\$86,276)	(\$89,976)
NYC TAXI AND LIMOUSINE COMM	(\$1,922)	(\$3,844)	(\$3,844)	(\$3,844)	(\$3,844)
Vacancy Reduction	(\$1,922)	(\$3,844)	(\$3,844)	(\$3,844)	(\$3,844)
OFFICE OF ADMIN TRIALS & HEARINGS	(\$1,079)	(\$2,158)	(\$2,158)	(\$2,158)	(\$2,158)
Vacancy Reduction	(\$1,079)	(\$2,158)	(\$2,158)	(\$2,158)	(\$2,158)
OFFICE OF ADMINISTRATIVE TAX APPEALS	(\$14)	(\$29)	(\$29)	(\$29)	(\$29)
Vacancy Reduction	(\$14)	(\$29)	(\$29)	(\$29)	(\$29)
OFFICE OF THE ACTUARY	(\$23)	(\$45)	(\$45)	(\$45)	(\$45)
Vacancy Reduction	(\$23)	(\$45)	(\$45)	(\$45)	(\$45)
OFFICE PAYROLL ADMINISTRATION	\$0	\$0	\$0	\$0	\$0
Vacancy Reduction	\$0	\$0	\$0	\$0	\$0
POLICE DEPARTMENT	(\$10,817)	(\$19,103)	(\$21,633)	(\$21,633)	(\$21,633)
Vacancy Reduction	(\$4,331)	(\$8,661)	(\$8,661)	(\$8,661)	(\$8,661)

Preliminary Plan PEG Savings (includes revenue savings)

Dollars in Thousands

Agency

Vacancy Reduction - School Safety Division

TOTAL

	FY23	FY24	FY25	FY26	FY27
	(\$6,486)	(\$10,442)	(\$12,972)	(\$12,972)	(\$12,972)
TOTAL	(\$191,017)	(\$421,380)	(\$456,985)	(\$480,160)	(\$497,667)