THE FISCAL YEAR 2023
EXECUTIVE BUDGET
NYC WILL BE
SAFER
MORE JUST
MORE PROSPEROUS
The Fiscal Year 2023 Executive Budget Is $99.7 Billion

• FY22 and FY23 remain balanced

• Outyear gaps are manageable
  • FY24: $3.9B
  • FY25: $3.4B
  • FY26: $3.7B

• Record levels of budget reserves - $6.3B

• Added $1.7B to the Labor Reserve over the financial plan

• Savings of more than $400M over Fiscal Years 2022 and 2023

• We are investing in New Yorkers - our most important resource
The Executive Budget Builds On The Preliminary Plan

• The Executive Budget builds on the fiscal discipline laid out in the Preliminary Budget which included nearly $2.0B in Program to Eliminate the Gap (PEG) savings and a vacancy reduction program.

• In this Executive Budget we achieved more than $400M in savings over Fiscal Years 2022 and 2023, added to the Labor Reserve, and built and maintained record levels of Budget Reserves.

• More importantly, because of increased revenues and savings we can invest in public health, subway safety, educational opportunity, safer, cleaner and more accessible streets, maintaining and upgrading parks, and providing compassionate care for the homeless and mentally ill.
Adding To The Labor Reserve

As part of the strategy to replenish the Labor Reserve we added $1.7B over the financial plan:

- FY22: $119M
- FY23: $238M
- FY24: $365M
- FY25: $445M
- FY26: $495M
Building And Maintaining Record Levels Of Reserves

• $200M added to the Rainy Day Fund

• Reserves are now a record level $6.3B:
  • General Reserve: $1.06B
  • Rainy Day Fund: now $1.2B
  • Retiree Health Benefits Fund: $3.8B
  • Capital Stabilization Fund: $250M
INVESTING IN NEW YORKERS
Public Safety Is A Prerequisite To Prosperity

• NYC must be a safe place to raise a family, visit, and do business

• Safety, homelessness, and mental illness rank as top issues for New York City’s private sector employees
Public Safety Is A Prerequisite To Prosperity

Public safety is Priority #1:

• Mayor Adams launched the Blueprint to End Gun Violence, a comprehensive plan to address the crisis of guns on city streets

• Neighborhood Safety Teams are taking guns off the streets in the 30 precincts that account for 80% of gun violence

• Quality-of-life enforcement focused in areas experiencing the most shooting incidents
The Subway Safety Plan

The Executive Budget adds resources to the mayor’s multi-agency nine-point Subway Safety Plan:

• Fund 1,400 Low Barrier Safe Haven and Stabilization Beds and 3 new Drop-In Centers

• Expand Subway Outreach Services

• Create a Neighborhood Response Unit in the Department of Health

• Streamline the Department of Social Services Supportive Housing Placement Process

• Expand Street Health Outreach and Wellness programming at Health + Hospitals
Protecting Public Health And Safety

• Expand the Behavioral Health Emergency Assistance Response Division (B-HEARD) initiative to high-need neighborhoods in Brooklyn and Queens, and to currently uncovered areas in the South Bronx
  • Instead of the traditional NYPD and EMS response the B-HEARD program sends social workers and EMTs to non-violent 911 mental health calls
  • B-HEARD is part of the Subway Safety Plan

• Speed up DNA analysis by creating a dedicated gun crime unit in the Office of the Medical Examiner
Creating Educational Opportunities And Career Pathways

• **10,000 more slots** for Summer Rising so that 210,000 K-12 students will have fun, culturally-relevant summer experiences to strengthen their academic, social, and emotional skills

• **Support an increase in scholarships and job opportunities** for students at Medgar Evers College and other CUNY campuses

• **Create career pathways for CUNY students** in industries such as technology, healthcare, and green energy, and prepare students for career readiness and employment success

• **DOE is expanding youth apprenticeships** and increasing the number of high school students receiving **early college credits**
Public Spaces Must Be Clean And Livable

• Upgrade and maintain our world-class parks

• Improve safety, accessibility, and quality of city streets for all New Yorkers with funding towards the Streets Plan Program

• Provide annual funding for organics programs and expand collection and drop-off sites at schools

• Restore twice per week Alternate Side Parking

• Launch a pilot program to add sealed garbage baskets to help get trash and food waste off our streets

• Enhanced cleaning of streets and bike lanes
Fighting Food Insecurity And Promoting Healthy Lifestyles

• Adding resources for food pantries by increasing Emergency Food Assistance

• Helping seniors with more funding for nutritionally balanced home-delivered meals

• Deepening support for fresh food in NYCHA developments by expanding the NYCHA farms program in NYCHA developments and plant-based lifestyle medicine in our H + H system
Support For Immigrant Communities

• Legal services, case management, language access, and a public information campaign to support Ukrainian New Yorkers impacted by the Russian invasion

• Boost language access, monitoring and translation services across city agencies and help bilingual New Yorkers become certified translators

• DOE will enhance and expand services for limited language proficient families to strengthen communications related to their child’s education
New Needs Are Funded With New Revenues And Savings

Revenue forecast (compared with the February 2022 Plan):

- FY 2022 Tax Revenues were revised up by $1.6B, driven by growth in non-property taxes
- FY 2023 Tax Revenues were revised up by $392M due to growth in property taxes

Savings:

- The Executive Budget adds $411M in savings over Fiscal Years 2022 and 2023
- This brings total savings over the Preliminary and Executive Budgets in those years to more than $2.4B
- These plans generated close to $4B of savings in the outyears
ECONOMIC OUTLOOK
THE NATIONAL ECONOMY IS STRONG BUT A SLOWDOWN IS EXPECTED
The national economy faces substantial uncertainty:

- Last year’s growth rate of 5.7% is expected to decline
- The impact of the Russian invasion of Ukraine on the finance industry, food, gas, and oil prices
- Inflation is now forecast to peak higher and last longer than previously projected
- Higher inflation triggering more aggressive Federal Reserve actions

Source: U.S. Bureau of Economic Analysis, NYC OMB
NYC’S ECONOMIC OUTLOOK HAS IMPROVED
THOUGH WE STILL FACE CHALLENGES
Wall Street Profits Soar In 2020 And 2021

- Record profits in 2020 and 2021 are higher than previously projected
- Bonuses are at a record level
- However, profits are expected to decline in the outyears as the Federal Reserve raises interest rates
- The big five banks collective earnings declined by 36% in the first quarter of 2022 compared with last year

Source: ICE-NYSE
NYC Has Gained Back More Jobs Than Previously Estimated

- The U.S. Department of Labor revised NYC job recovery gains upward
- Though NYC continues to lag the nation and state in recovering jobs lost at the height of the pandemic

Source: U.S. Bureau of Labor Statistics, NYS Department of Labor
NYC Job Growth Has Accelerated And Will Recover Earlier Than Expected

Despite a slower start we are now adding jobs at a faster pace than the nation

We now expect to make a complete jobs recovery by 2024, two quarters earlier than previously projected

Source: U.S. Bureau of Labor Statistics, NY Department of Labor, NYC OMB

Source: NY Department of Labor, NYC OMB
NYC’s Unemployment Rate Still Lags The U.S. And NYS

Unemployment Rate (% SA)

Return To Office Improves As Omicron Wanes

• Over the past 60 days an additional 10% of NYC employees have returned to their offices

• Though NYC lags other large cities

Source: Kastle
Office Vacancies Hit A New Record High

- Vacancy rates are expected to peak in 2023
- The slow pace of return to office increases vacancies and weakens the commercial office market

Source: Cushman & Wakefield, NYC OMB
Hotel Demand Is Recovering

- Hotel demand is 80% of the pre-pandemic levels
- Rebounded quickly from omicron disruption
- Expected to continue to recover to pre-pandemic levels by 2024/2025 as international demand will take time to fully return

Source: NYC & Co
The Takeaway: We Remain Cautious

- Though the economy is strong we face uncertainties related to rising inflation, repercussions of the Russian invasion of Ukraine, and choppy Wall Street performance

- Therefore, in the Executive Budget we take a cautious approach to the economic and revenue outlook
REVENUE AND EXPENSE CHANGES
## April 2022 Financial Plan

City Funds - ($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
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<tr>
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<td>Tax Revenues</td>
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<td>Pensions</td>
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<td>Deposit to the Rainy Day Fund</td>
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<td><strong>Gap to be Closed - April 2022 Financial Plan</strong></td>
<td>$- - -</td>
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<td>($3,937)</td>
<td>($3,386)</td>
<td>($3,749)</td>
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CAPITAL INVESTMENTS
Capital Planning

• The FY 2022-2026 Executive Capital Plan is $94.9B, down from $100B in the Preliminary Budget

• To make the Capital Plan more realistic we redistributed $5.1B in projects from FY’s 2022-2026 to the outyears
Historic Investments In Affordable Housing

Adding $5B in capital dollars across HPD and NYCHA including:

• $3.6B in housing subsidies through HPD

• $1.2B for the NYCHA PACT program

• $200M for major in-unit repairs at NYCHA Gowanus and Wyckoff Houses
Maintaining And Improving Parks And Streets

Parks improvements across the city including:

- Planting 20,000 trees per year to reduce citywide heat vulnerability
- Enhancing and adding new greenways in Brooklyn and Queens
- Rehabilitating critical infrastructure including pools
- $488M

Support for the New York City Streets Plan, including:

- Street reconstruction and Vision Zero safety improvements
- Making 34th Avenue in Jackson Heights a permanent open street
- Installation of bus lane cameras and Real Time Passenger Information signs
- Raised sidewalks
- $577M
Invest in the redevelopment of the Hunts Point Produce Market, adding to a vital resource in NYC’s food supply system that supplies 25% of the city’s fresh produce, and to improve the surrounding infrastructure and neighborhood parks

- $140M
The 2023 Executive Capital Commitment Plan For Fiscal Years 2022-2026 Totals $94.9 Billion In All Funds

- Schools 18%
- Housing 13%
- Government Operations 37%
- Infrastructure 32%

($ in billions)

- Transportation & Mass Transit $14.4
- Environmental Protection $13.9
- Sanitation $1.9
- Education $17.4
- Housing $12.6
- Administration of Justice $10.4
- Other City Services $24.3

- Correction $8.2
- Courts $1.1
- Police $1.1

- Resiliency & Energy Efficiency $4.7
- Health & H+H $4.3
- Parks $4.3
- Economic Development $3.2
- Technology $1.9
- Cultural & Libraries $1.7
- Social Services $1.4
- Fire $1.2
- Public Buildings $1.1
- Higher Education $0.5
### Five Year Financial Plan Revenue And Expenditures

**All Funds - ($ in Millions)**

#### REVENUES

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<tr>
<th></th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
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<th>FY 2026</th>
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<tr>
<td><strong>Taxes</strong></td>
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<td>General Property Tax</td>
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<td><strong>Less: Intra-City Revenue</strong></td>
<td>(2,253)</td>
<td>(1,972)</td>
<td>(1,939)</td>
<td>(1,929)</td>
<td>(1,928)</td>
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<td>Disallowances Against Categorical Grants</td>
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#### EXPENDITURES

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<th>FY 2022</th>
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<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
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<tr>
<td><strong>Personal Service</strong></td>
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<td>Salaries and Wages</td>
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<td><strong>Other Than Personal Service</strong></td>
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<td>Medical Assistance</td>
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<td>FY 2021 Budget Stabilization &amp; Discretionary Transfers</td>
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<td>FY 2022 Budget Stabilization &amp; Discretionary Transfers</td>
<td>5,272</td>
<td>(5,272)</td>
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<td>Capital Stabilization Reserve</td>
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<td>Less: Intra-City Expenses</td>
<td>(2,253)</td>
<td>(1,972)</td>
<td>(1,939)</td>
<td>(1,929)</td>
<td>(1,928)</td>
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<td><strong>Gap To Be Closed</strong></td>
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<td>$(3,937)</td>
<td>$(3,386)</td>
<td>$(3,749)</td>
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Notes:
1. Fiscal Year 2021 Budget Stabilization and Discretionary Transfers total $6.107 billion, including GO of $3.000 billion, TFA-FTS of $2.682 billion and Retiree Health Benefits of $425 million.
2. Fiscal Year 2022 Budget Stabilization and Discretionary Transfers total $5.272 billion, including GO of $2.768 billion, TFA-FTS of $1.964 billion, lease debt service of $40 million and Retiree Health Benefits of $500 million.

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Reference: ExecFY23