

The City of New York
Executive Budget
Fiscal Year 2024

Eric Adams, Mayor

Mayor's Office of Management and Budget
Jacques Jiha, Ph.D., Director

Message of the Mayor

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April 26, 2023

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OFFICE OF THE MAYOR
THE CITY OF NEW YORK

ERIC ADAMS
MAYOR

To the Citizens of the City of New York
Members of the City Council
Members of the Financial Control Board

To my fellow New Yorkers:

The Mayor's Message is my chance to communicate directly with you about what we have done this year to manage the city's resources effectively and efficiently, the challenges we face, and the steps we are taking to protect the city's fiscal strength in crafting the Fiscal Year 2024 Executive Budget.

First, I want to celebrate some of the remarkable things that are happening in New York City:

- The city's private sector employment is now at 99.7 percent of pre-pandemic levels – 11,000 jobs short of a full recovery;
- Our city is a safer place to live, work, and raise a family, with crime rates falling across many of the major crime categories;
- Tourism is flourishing. We expect 61 million visitors this year, and hotel rooms are nearly full;
- Our cultural landscape continues to expand. I am looking forward to Hip Hop 50, a year long celebration of the musical and cultural revolution that was launched in August 1973 in the Bronx, that sets the stage for the grand opening of the city's Hip Hop Museum in 2024, and;
- The world is paying attention to our success – New York City was selected as one of the host cities for the 2026 FIFA World Cup, which will be the largest and longest championship in FIFA history!

However, while we have much to celebrate, we face serious challenges. We are seeing mixed economic signals across the country and at home. The national economy is slowing, and the recent banking crisis has shaken markets. And though New York City has experienced strong job growth and tourism has made gains, the slow pace of employees returning to offices has driven commercial vacancy rates to record highs. In addition, rising interest rates have caused the City's housing market to soften, and Wall Street activity to slow. As a result of these economic conditions, we expect the city's tax revenue growth to slow in the coming years. At the same time revenues are diminishing, costs are skyrocketing. The city is expected to spend \$4.3 billion by July 2024 to care for tens of thousands of asylum seekers, and the federal and state governments have offered inadequate support. We also face fiscal pressure related to adding an additional \$16 billion across the city's financial plan to fund the cost of new and upcoming labor settlements following

successful contract negotiations with DC37 and the Police Benevolence Association that established the framework for wage increases across the represented workforce. Paying our employees a fair wage is an administration priority that also helps with recruitment and retention.

On top of these needs, the governor's Executive Budget proposes more than \$1 billion in cuts and costs shifts.

These new costs and ongoing challenges reinforce our commitment to the fiscal strategy that we have followed in this administration since day one – stay focused on achieving savings, make government more efficient and a better steward of taxpayer dollars, and use our limited resources wisely. Fiscal monitors have approved this steady approach; in February, Fitch Ratings upgraded our bond rating to AA and affirmed the administration's strong fiscal management and the city's increased ability to withstand fiscal headwinds.

As we continue into the second year of this administration, we have also deepened our commitment to making investments and taking actions that promote equity and pathways to good paying jobs, provide care and support to working people, and ensure that New York is a safe and clean place to live, work, and raise a family. This year alone, we:

- Expanded neighborhood safety teams to additional neighborhoods, investing in more violence-prevention programs in neighborhoods with the highest concentration of violent crime;
- Launched a new climate budgeting process — making New York City the first big city in the nation to adopt the approach of aligning financial resources with our sustainability and resiliency goals;
- Put more money directly in New Yorkers' pockets by expanding the Earned Income Tax credit, and;
- Developed an innovative three-part mental health plan focused on child and family mental health.

The actions we have taken in the Executive Budget will make our great city safer and cleaner, and more resilient, prosperous, and equitable. Thank you for your interest in New York City government. As always, we will keep getting stuff done for New Yorkers, across every borough and in every neighborhood.



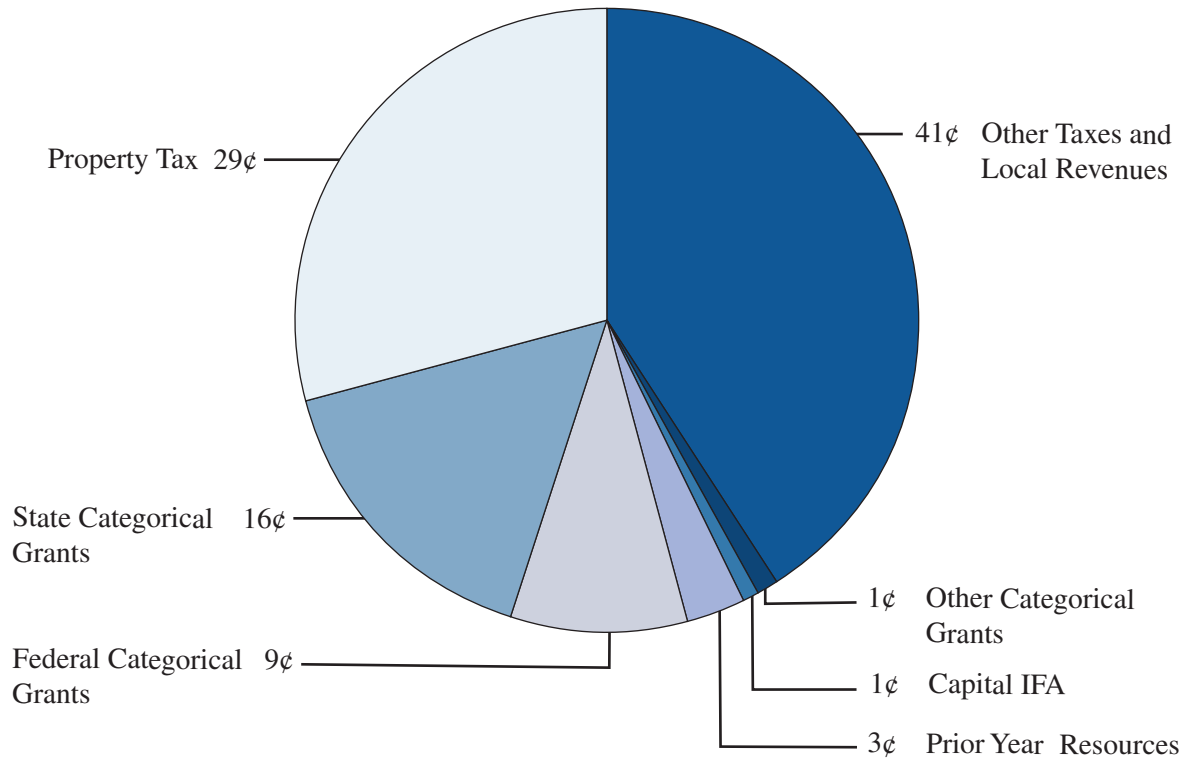
ERIC ADAMS
Mayor of The City of New York

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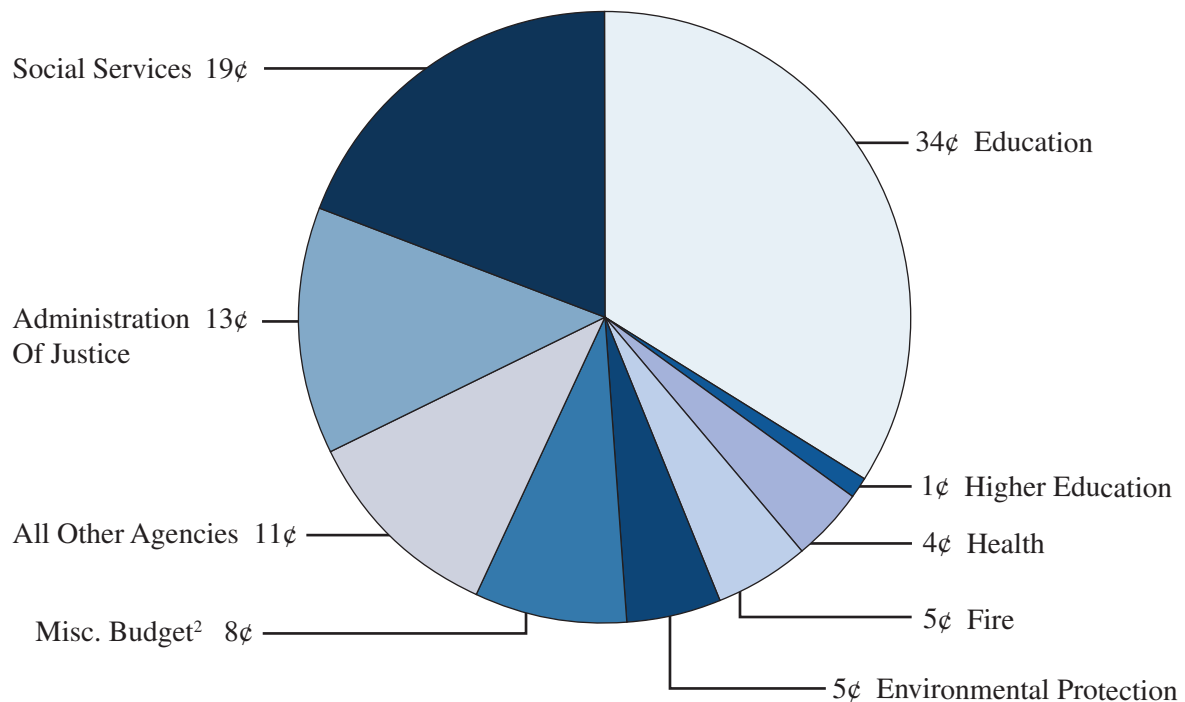
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Budget and Financial Plan Summary

Where the 2024 Dollar Comes From



Where the 2024 Dollar Goes¹



¹ Reflects the allocation of Fringe Benefits, Pensions and Debt Service to the agencies. Excludes the impact of prepayments.

² Includes Labor Reserve, General Reserve, Capital Stabilization Reserve, Judgments and Claims, MTA Subsidies and Other Contractual Services.

Source: NYC OMB

BUDGET AND FINANCIAL PLAN OVERVIEW

The Executive Plan sets forth revenues and expenses for fiscal years 2023 through 2027.

The 2024 Executive Budget is \$106.7 billion. This is the forty-fourth consecutive annual budget which is balanced in accordance with Generally Accepted Accounting Principles (GAAP).

Major highlights of the Executive Budget and Financial Plan are:

- Revenues and expenditures are balanced for 2023 and 2024 and gaps of \$4.2 billion, \$6.0 billion, and \$7.0 billion are projected for fiscal years 2025, 2026 and 2027, respectively.
- The 2024 budget is balanced using a prepayment of \$3.0 billion from fiscal year 2023.
- Forecast revenues have increased by \$2.3 billion, \$2.4 billion, \$2.4 billion, \$2.6 billion, and \$4.0 billion in fiscal years 2023 through 2027, respectively.
- Agency expense changes have increased by \$815 million, \$959 million, \$473 million, \$507 million, and \$558 million in fiscal years 2023 through 2027, respectively.
- Asylum Seekers City funded expenses are \$962 million, \$1.7 billion, and \$710 million in fiscal years 2023 through 2025, respectively.
- The labor reserve has increased by \$2.3 billion, \$1.7 billion, \$3.1 billion, \$4.0 billion, and \$4.8 billion in fiscal years 2023 through 2027, respectively.
- Agency proposed gap closing actions, which reduced spending, are \$417 million, \$863 million, \$927 million, \$926 million, and \$892 million in fiscal years 2023 through 2027, respectively. Debt Service savings are \$111 million, \$86 million, \$89 million, \$70 million, and \$42 million in fiscal years 2023 through 2027, respectively.
- The general reserve has decreased by \$1.5 billion in fiscal year 2023.
- The capital stabilization reserve has decreased by \$250 million in fiscal year 2023.
- A reduction of prior payables of \$400 million in fiscal year 2023.

The following tables detail the changes since the January 2023 Financial Plan and the revenues and expenditures for the five-year financial plan.

**Changes Since the January 2023 Financial Plan
City Funds (\$ in Millions)**

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Gap to be Closed - January 2023 Financial Plan.....	\$—	\$—	\$(3,166)	\$(5,011)	\$(6,469)
Revenue Changes:					
Tax Revenues	\$2,086	\$2,238	\$2,203	\$2,420	\$3,802
Non-Tax Revenues	118	98	78	77	63
Unrestricted Aid	37	—	—	—	—
PEG - Revenue	9	98	91	93	90
Total Revenue Changes	\$2,250	\$2,434	\$2,372	\$2,590	\$3,955
Expense Changes:					
Agency Expense Changes	\$815	\$959	\$473	\$507	\$558
Asylum Seekers.....	962	1,738	710	—	—
Federal Funding Adjustment	—	(130)	132	—	—
Labor Reserves	2,288	1,684	3,103	4,020	4,839
PEG - Expense	(417)	(863)	(927)	(926)	(892)
Debt Service.....	(111)	(86)	(89)	(70)	(42)
General Reserve	(1,505)	—	—	—	—
Capital Stabilization Fund.....	(250)	—	—	—	—
Prior Payables.....	(400)	—	—	—	—
Total Expense Changes	\$1,382	\$3,302	\$3,402	\$3,531	\$4,463
Gap to be Closed Before Prepayments	\$868	\$(868)	\$(4,196)	\$(5,952)	\$(6,977)
FY 2023 Prepayment	(868)	868	—	—	—
Gap to be Closed - April 2023 Financial Plan	\$—	\$—	\$(4,196)	\$(5,952)	\$(6,977)
Asylum Seekers - City	\$962	\$1,738	\$710	\$—	\$—
Asylum Seekers - State	438	562	290	—	—
Asylum Seekers - Fed	—	600	—	—	—
Total	\$1,400	\$2,900	\$1,000	\$—	\$—

Fiscal years 2023 and 2024 are balanced in accordance with Generally Accepted Accounting Principles (GAAP), except for the application of Statement No. 49 of the Government Accounting Standards Board (GASB 49) which prescribes the accounting treatment of pollution remediation costs, and without regard to changes in certain fund balances described in General Municipal Law 25.

	(\$ in Millions)				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<i>Revenues</i>					
<i>Taxes:</i>					
General Property Tax.....	\$31,432	\$32,269	\$32,232	\$32,501	\$33,108
Other Taxes.....	38,456	38,149	39,881	41,250	43,092
Tax Audit Revenue.....	1,200	721	721	721	721
Subtotal - Taxes.....	\$71,088	\$71,139	\$72,834	\$74,472	\$76,921
Miscellaneous Revenues.....	8,251	7,793	7,624	7,562	7,518
Unrestricted Intergovernmental Aid.....	297	—	—	—	—
Less: Intra-City Revenues.....	(2,361)	(1,996)	(1,987)	(1,989)	(1,986)
Disallowances Against Categorical Grants.....	(15)	(15)	(15)	(15)	(15)
Subtotal - City Funds.....	\$77,260	\$76,921	\$78,456	\$80,030	\$82,438
Other Categorical Grants.....	1,109	1,082	1,075	1,070	1,070
Inter-Fund Revenues.....	706	720	725	732	732
Federal Categorical Grants.....	11,721	10,411	8,060	7,052	7,026
State Categorical Grants.....	18,113	17,555	17,540	17,304	17,367
Total Revenues.....	\$108,909	\$106,689	\$105,856	\$106,188	\$108,633
<i>Expenditures</i>					
<i>Personal Service:</i>					
Salaries and Wages.....	\$33,461	\$32,661	\$33,793	\$35,090	\$36,297
Pensions.....	9,414	9,634	10,415	10,878	11,060
Fringe Benefits ¹	12,375	13,300	14,155	14,913	15,529
Subtotal – Personal Service.....	\$55,250	\$55,595	\$58,363	\$60,881	\$62,886
<i>Other Than Personal Service:</i>					
Medical Assistance.....	6,297	6,651	6,385	6,385	6,535
Public Assistance.....	1,970	1,650	1,650	1,650	2,000
All Other.....	43,238	38,559	35,925	34,729	35,000
Subtotal – Other Than Personal Service.....	\$51,505	\$46,860	\$43,960	\$42,764	\$43,535
Debt Service ^{1,2}	7,544	7,815	8,266	9,034	9,725
FY 2022 Budget Stabilization and Discretionary Transfers ¹	(6,114)	—	—	—	—
FY 2023 Budget Stabilization ²	3,035	(3,035)	—	—	—
Capital Stabilization Reserve.....	—	250	250	250	250
General Reserve.....	50	1,200	1,200	1,200	1,200
Less: Intra-City Expenses.....	(2,361)	(1,996)	(1,987)	(1,989)	(1,986)
Total Expenditures.....	\$108,909	\$106,689	\$110,052	\$112,140	\$115,610
Gap To Be Closed.....	\$—	\$—	\$(4,196)	\$(5,952)	\$(6,977)

¹ Fiscal Year 2022 Budget Stabilization and Discretionary Transfers total \$6.114 billion, including GO of \$3.318 billion, TFA-FTS of \$1.964 billion, lease debt service of \$40 million and Retiree Health Benefits of \$792 million.

² Fiscal Year 2023 Budget Stabilization total \$3.035 billion, including GO of \$868 million and TFA-FTS of \$2.167 billion.

ECONOMIC OUTLOOK

Overview

The US economy rebounded in the second half of 2022 after a slowdown at the start of the year, but activity is decelerating again due to the Federal Reserve's (Fed) aggressive efforts to cool aggregate demand and suppress inflation pressures. Over the past year the Fed has raised the fed funds policy rate nine times, which has slowed interest-sensitive sectors including housing and durable goods consumption. However, other sectors, such as consumption of services, the labor market, and supply chains have reacted more slowly, due to the continuing recovery from pandemic dislocations. The rapid series of bank runs in March this year, culminating in two major bank failures, further complicates the Fed's already difficult position on monetary policy as it weighs the trade-offs between financial stability, credit availability, and high inflation. The forecast assumes that further rate hikes through the first half of 2023 and tight credit conditions will result in real GDP growth of one percent in 2023, down from 2.1 percent in the prior year. This is stronger than OMB's prior (January 2023) forecast, but the projection still features a growth pause in the first half of the year.

Consumption spending and labor markets continue to be the keys to understanding the path of the economy. While personal consumption expenditures (PCE) have been supported by ample jobs and wage gains, there are signs that spending is finally starting to react to the Fed's tighter monetary policy and higher interest rates. Consumption of goods has been contracting, while spending on services is still growing as pandemic related dislocations gradually unwind. There are numerous headwinds that will force consumers to retrench in 2023 and beyond. Households have spent a considerable share of their windfall from pandemic relief programs and saving rates have dropped below long-run averages. Likewise, consumers have relied heavily on credit card financing, but tightening loan standards will constrain credit growth. Higher rates and tighter financial conditions have also hampered investment spending, with residential fixed investment subtracting from growth in 2022 and projected to continue to be a drag in 2023. Furthermore, as the economy slows, the rundown of overstocked inventories will also become a headwind.

While employment gains have slowed in response to the Fed's aggressive monetary tightening, the adjustment has been protracted and some labor indicators are still stubbornly upbeat. Monthly job growth has decelerated but is still well above the average pre-pandemic pace. The unemployment rate remains at or near 50-year lows. Part of the residual strength is due to the continuing rebound of the sectors hardest hit by the pandemic. In addition, Covid deaths, reduced immigration, and the maturing of the Baby Boomers into retirement age has constrained the supply of labor and will restrict recovery of labor force participation.

Financial markets were already downcast prior to the banking sector chaos in March 2023. Tighter financial conditions engineered by the Fed, lower liquidity, and higher interest rates weighed on equity markets in 2022. The collapse of Silicon Valley Bank and Signature Bank – the second and third largest bank failures in U.S. history – complicates the Fed's future pivot to a more accommodative monetary policy. It also highlights how monetary policy can affect the stability of the financial system in unexpected ways since Fed policies both exacerbated the interest rate risk faced by the banking system and have indirectly encouraged the outflow of bank deposits, which has resulted in the need for emergency credit. Tight liquidity has led to a large decline in Wall Street activity, with subdued fixed income and equity underwriting. Accordingly, Wall Street profits declined by over half in 2022, albeit from an unusually strong 2021.

The New York City labor market was strong in 2022, adding an impressive 237,000 jobs. As of March 2023, 97 percent of pandemic-related losses were recovered. While some sectors recouped all of their losses, industries that shed a large proportion of jobs in the spring of 2020 are still below pre-pandemic levels. Job growth is expected to slow, increasing by just 0.5 percent in 2023. Nevertheless, employment is forecasted to return to its pre-pandemic level of 4.7 million at the beginning of 2024. Wage earnings growth is also projected to decelerate from the 10.9 percent increase in the third quarter of 2022, softening in 2023 as employment and average wage growth slow.

The residential real estate market in New York City slowed in the second half of 2022, with both transactions and prices falling in the fourth quarter of

the year. The decline is attributed to higher interest rates and rapid price gains during the pandemic, which made housing less affordable. Additionally, higher rates kept homeowners out of the sales market, reducing supply. The number of transactions is expected to fall 12 percent in 2023, with single-family home sales projected to be hit the hardest. Prices are also forecasted to fall slightly in 2023, declining by three percent, before rebounding in the out-years. Meanwhile, the rental market has loosened considerably since the first half of 2022, and rents are expected to be flat in 2023 due to competing pressures from high demand and affordability concerns.

The remote work trend has led to reduced demand for office space and higher vacancy rates in the commercial real estate market. In late January, only 52 percent of Manhattan office workers were in the office on a given day. As a result, leasing activity for Class A space in the first quarter of 2023 was 50 percent lower than in 2019. Despite weak new leasing, asking rents were sustained by the flight-to-quality trend and landlord concessions, which do not show up in asking rents. However, in 2023, weak demand will cause asking rents to grow only slightly. Vacancy rates are expected to peak in 2023 and will moderate to around 19 percent by 2026. The City's tourism industry continued to recover in 2022. NYC Tourism + Conventions estimated more than 56 million travelers visited the City in 2022, recovering 85 percent of 2019's peak. The return of international travel boosted Broadway attendance and lifted the hotel occupancy rate. Overall, the City's tourism sector is expected to continue to normalize in the out-years.

** All economic data are reported on a calendar year basis.*

THE U.S. ECONOMY

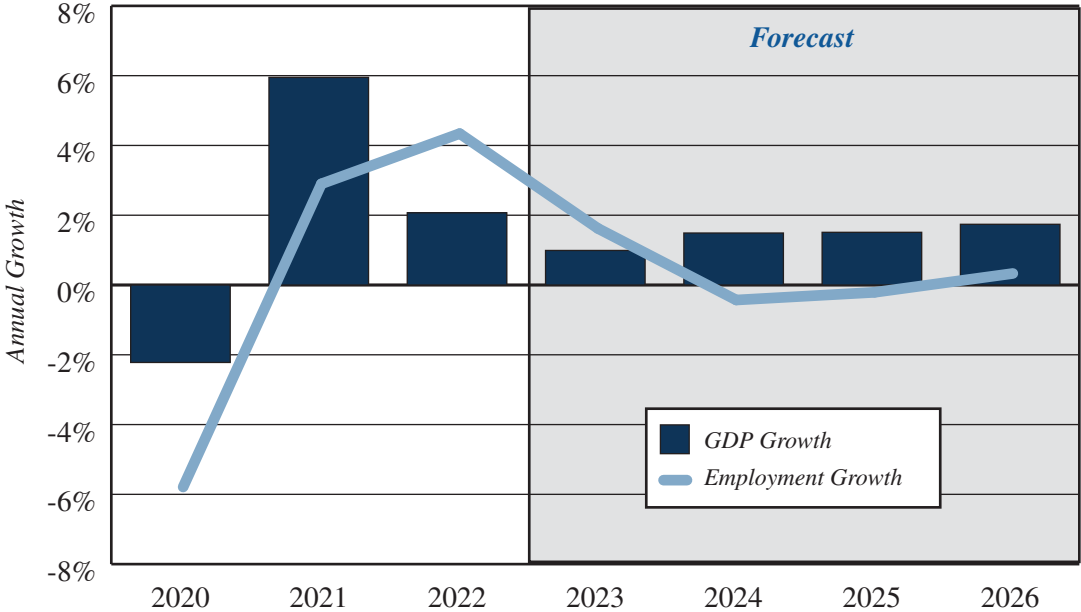
The U.S. economy rebounded in the second half of 2022 after a slowdown at the start of the year. However, data continues to send mixed economic signals with the Federal Reserve (Fed) in a protracted inflation fight, consumption patterns and labor markets continuing to normalize from the pandemic, and, most recently, a chaotic period of financial unrest culminating in the second and third largest bank failures in U.S. history. The recent financial turmoil greatly complicates the Fed’s already difficult position on monetary policy as it weighs the trade-offs between financial stability, credit availability, and high inflation. Other potent risks include the ongoing debt-ceiling impasse, which could result in a fiscal crisis by summer, and ongoing geopolitical conflicts, both in Ukraine and Taiwan. The forecast projects real GDP growth of one percent in 2023, down from 2.1 percent in the prior year. The full-year growth rate is stronger than OMB’s prior forecast in January (0.3 percent), but it still includes a growth pause in the first half of the year, largely due to continued Fed tightening and elevated uncertainty.

It is well known that higher interest rates impact economic behavior with “long and variable” lags, a characterization attributed to Milton Friedman. Over the past year the Fed has raised the fed funds policy rate nine times to constrain aggregate demand and slow inflation. Interest-sensitive sectors have responded, with housing and durable goods consumption decelerating. However, other sectors, such as consumption of services, labor markets, and supply chains have reacted more slowly, due to the continuing recovery from pandemic dislocations. This disconnect complicates the Fed’s decision on when to shift to a more accommodative policy stance.

The latest national income data reflects these influences, with real GDP decelerating to 2.6 percent in the fourth quarter of 2022, down from 3.2 percent in the third. Of this growth, personal consumption expenditures (PCE) accounted for 0.7 percentage points (ppt), down from a 1.5 ppt contribution in the prior quarter. The composition of the PCE growth reveals that goods outlays have contracted for four straight

U.S. GDP AND EMPLOYMENT GROWTH

Tighter financial conditions slow GDP growth in 2023. Employment growth also decelerates and remains weak due to demographic trends.



Source: U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics, NYC OMB

quarters, offset by a continuing rebound in services spending – a normalization of expenditures disrupted by the pandemic, which temporarily skewed consumption toward goods. This correction will continue for some time. As of the fourth quarter, real goods spending was 15.4 percent above pre-pandemic levels (flat from the third quarter), while service spending was only four percent above its prior peak but still expanding. One exception to this trend is the unwinding of supply constraints in the auto industry. While still below pre-pandemic levels, domestic auto production rebounded in 2022, up 13 percent after two years of contraction, and output gains continued into early 2023. This new supply found willing buyers despite rising financing costs. Sales increased 8.2 percent year-over-year (YoY) in the first quarter of 2023. At the same time, data released by Kelley Blue Book – an auto pricing service – showed that in March 2023, for the first time in 20 months, the average new car sold for less than sticker price.

There are signs that consumers will continue to retrench this year. Moody's Analytics recently estimated that households have spent about \$1 trillion of their \$2.3 trillion windfall from pandemic-era relief programs and much of the remaining savings is held by the highest income households, who have a lower marginal propensity to consume. As reserves dwindle, the saving rate declined, dropping from an average of 11.8 percent in full-year 2021 to just 4.5 percent in the first two months of 2023, well below the long-run average of 7.6 percent. Likewise, credit card debt has been growing at a double-digit annual pace since March 2022. However, the ratio of household debt service payments to personal income at the end of 2022 (9.7 percent) remains slightly below pre-pandemic levels. Further reliance on short-term debt is likely to slow as lenders tighten standards after recent banking turmoil. The NY Fed's Survey of Consumer Expectations for March indicated that the share of consumers reporting that credit was either somewhat or much harder to obtain jumped to 58 percent, the highest level in data going back to 2013.

The recent retail sales report likewise shows a softening trend, with overall sales suffering monthly declines in February and March. On a year-over-year basis, retail sales slowed to 2.9 percent YoY in March, down from a 9.3 percent average pace in full-year 2022. However, some of the weakness in recent data is due to unusual factors such as declining prices for autos and energy. For example, spending at gasoline stations posted large monthly (down 5.5 percent) and annual (down 14.2 percent) declines in March, driven by a 19

percent drop in regular gas prices over the last year. Another factor was a dip in income tax refunds this year. The Internal Revenue Service reported that the YTD refunds through the first quarter were down over 10 percent compared to the same period in 2022.

Tighter financial conditions continue to hamper investment spending, with fixed investment contracting from the second through fourth quarters of 2022. The main source of the weakness has been steep cutbacks in housing production in response to higher interest rates on mortgages and construction loans. Residential fixed investment has been a drag on growth for the last seven quarters and in 2022 accounted for a net subtraction of over half a percentage point. With mortgage rates projected to remain above six percent until mid-2024, this headwind will continue for at least another year. Nonresidential fixed investment has been volatile but accounted for half of a percentage point of growth in 2022, down from 0.83 ppt in 2021. In the fourth quarter, the structures component of nonresidential investment jumped, adding 0.38 ppt to growth, largely driven by spending on energy (mining and wells), which benefitted from better production conditions as supply chains and staffing improved. By the end of 2022, the number of oil and gas drilling rigs was up by a third over the year and had nearly returned to 2019 levels. Looking to the first quarter of 2023, growth in core durable goods orders – a proxy for business investment spending – decelerated to an average of 4.1 percent YoY in January and February, down from double-digit annual growth in early 2022. Combined with the tightening of credit conditions due to the regional banking crisis, investment spending is expected to be muted this year.

The most volatile investment component is the change of private inventories, which typically has no long-run impact on growth since deviations from planned inventory growth are quickly corrected. In the five years prior to the pandemic, the net contribution was nearly zero. However, during the pandemic, the rapid depletion of inventories was a net drag on growth as supply chain constraints and labor shortages slowed production and prevented restocking. This process reversed in 2022 as production conditions improved, resulting in a 0.74 ppt growth contribution, the largest annual boost since the end of the financial crisis downturn in 2010 (1.4 ppt). With growth projected to slow in 2023, inventories will again swing to a net drag, subtracting nearly a half-percentage point from 2023 growth. In subsequent years, the impact is expected to return to a more normal pattern with a largely neutral impact.

While employment gains have slowed in response to the most aggressive monetary tightening since the 1980's, the adjustment has been remarkably protracted. Fed Chair Powell recently described the labor market as still extremely tight due to pandemic-induced supply and demand imbalances. At the headline level, monthly gains in national employment averaged 345,000 jobs in the first quarter of 2023, down from an average increase of 561,000 per month in the first quarter a year ago. While the pace has moderated, it is still well above the pre-pandemic average of roughly 200,000 per month. Likewise, the unemployment rate fell to 3.4 percent in January, the lowest in more than 50 years.

Part of the puzzle is that the economy is still recovering from the pandemic, so hard-hit sectors such as leisure and hospitality and other services are still understaffed and slow to react to business conditions. However, against this backdrop, interest rate and business cycle sensitive sectors are behaving in a predictable way to the slowing economy. Finance, employment services, retail, and manufacturing either contracted or suffered below-average growth in the first quarter of 2023. Non-cyclical sectors including education, health, and government reported above-average job growth over the same period.

Other labor indicators also support the view that labor markets are finally responding to the Fed's efforts. Job openings appear to have peaked last year and as of February are down 17 percent or two million positions. There is typically a negative relationship between job vacancies and the unemployment rate – as the unemployment rate increases, the number of vacancies declines.¹ During the pandemic, this relationship showed a discrete break indicating difficulty matching workers with job openings, likely due to Covid-19 related factors such as health concerns, childcare difficulties, and pandemic relief programs. The drop in vacancies with a flat unemployment rate signifies that job matching efficiency is beginning to return to pre-pandemic levels. In addition, the quit rate has also declined steadily from a record high of three percent in April 2022 to 2.6 percent in February 2023, which suggests that workers are less confident about switching jobs.

While these are signs that labor markets are adjusting, the pandemic and the passage of time has resulted in a long-term decline in the supply of workers. Last year, in a speech at the Brookings Institute, Chairman Powell identified three causes of labor shortages: early retirement, a decline in

immigration flows, and Covid-related deaths. A recent study published by Brookings concluded that after adjusting the labor force data for recent population revisions from the 2020 Census, the net labor force has contracted by 900,000 potential workers, due to Covid deaths and reduced immigration.² Moreover, over the last three years, a larger share of the Baby Boomer cohort has moved past retirement age, which will result in further shrinkage of the labor force. These demographic changes will continue to restrain the labor force participation rate, which at 62.6 percent in March was still 0.7 ppt below pre-pandemic levels.

Chairman Powell is acutely aware that the sluggish response of the labor market is just one of many challenges to the Fed's balancing act between fighting inflation and maintaining stability in the nation's financial system. As such, the Fed has adopted a cautious approach to rate hikes in the face of recent banking turmoil and growing economic uncertainty. Even so, monetary policy is expected to remain tight in the near term as the Fed continues to combat stubborn inflation. In a recent speech, Fed Chair Jerome Powell acknowledged the economic uncertainty of tighter credit conditions for households and firms as banks pull back on lending following the failures of Silicon Valley Bank (SVB) and Signature Bank. According to the Fed's minutes in March, the Federal Open Market Committee (FOMC) considered skipping a rate hike as officials weighed the risk of tumult in the banking system and persistent inflation. However, most FOMC members expressed confidence that the U.S. banking system would remain resilient as regulators intervened and provided liquidity and lender-of-last-resort tools to banks, thereby mitigating future risks of widespread panic. As a consequence, the Fed's current monetary policy stance continues to focus on alleviating inflationary pressure. Nevertheless, Chair Powell stated that the pace of future increases will take into account the lags in monetary policy that affect economic activity and inflation, along with economic and financial developments.

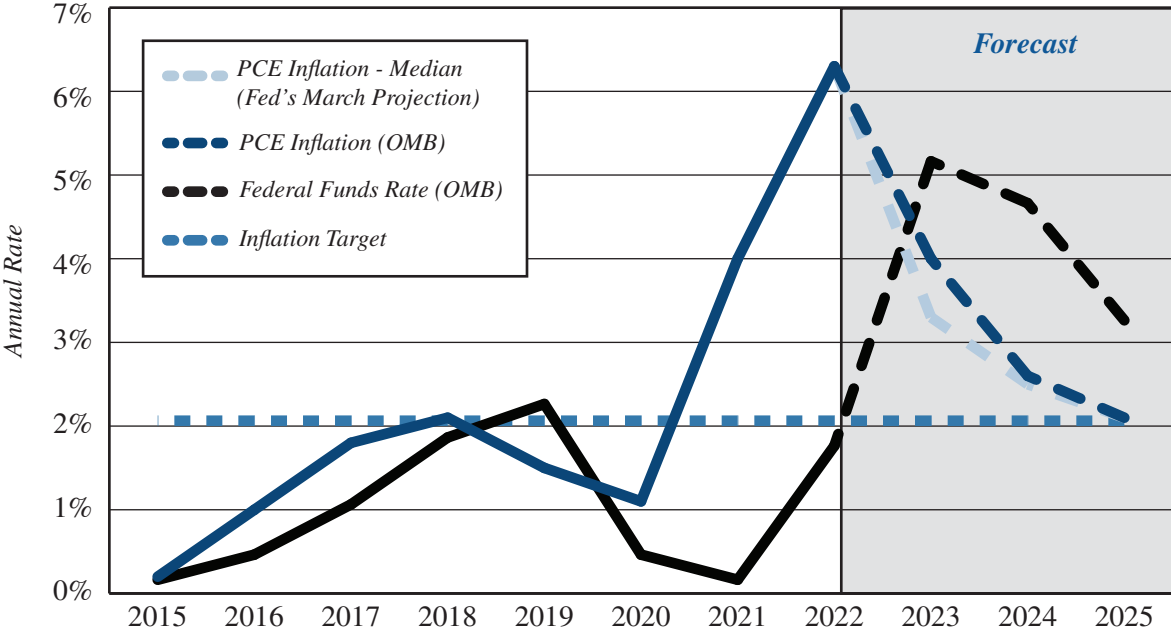
In March, the FOMC unanimously voted to raise borrowing costs by a quarter percentage point, thereby reaffirming its commitment to bring inflation back down to the Fed's two percent target. The increase was part of the Fed's series of hikes implemented since early 2022. In total, the Fed has lifted its policy rate nine times since March 2022, with the current policy rate now in the range of 4.75 to 5.00 percent. The latest increase raised the effective federal funds rate to 4.83 percent as of mid-April 2023—the highest since 2007.

1 William M. Rodgers III and Alice L. Kassens, "What Does the Beveridge Curve Tell Us about the Labor Market Recovery?" Federal Reserve Bank of St. Louis, On the Economy Blog, July 14, 2022.

2 Lauren Bauer, Wendy Edelberg, Sara Estep, and Brad Hershbein, "Who's missing from the post-pandemic labor force?" Brookings Institution, April 4, 2023.

FEDERAL FUNDS RATE AND INFLATION

The Fed's strong monetary policy response is projected to slow down the pace of inflation in the outyears.



Source: Federal Reserve, U.S. Bureau of Economic Analysis, NYC OMB

However, the increase in March was more dovish than the Fed’s series of 75-basis-point increases last year. Fed Governor Christopher Waller, member of the FOMC, said in a recent speech that tighter credit conditions following stress in the banking sector could preclude the need for additional tightening in monetary policy. However, Waller also identified inflation as being of greater concern and supported the current path in monetary policy. Overall, the Fed is expected to pause rate hikes starting in the second half of 2023. Based on Fed funds futures prices, the Chicago Mercantile Exchange (CME) projects an 83 percent chance that the FOMC will raise the Fed funds rate in the next meeting in May 2023 to a range of 5.00 to 5.25 percent and pause there until November. The Fed’s projection in March also suggests another rate hike in 2023, with a median Fed funds rate of 5.1 percent by the end of 2023, unchanged from the prior projection in December. OMB expects a slightly stronger response from the Fed, with two additional rate hikes in 2023, which would bring the Fed funds rate to around 5.3 percent by the third quarter.

In addition to rate hikes, the Fed utilized quantitative tightening, another contractionary monetary policy, to restrain economic growth and reduce high inflation. At the FOMC’s meeting in March, the Fed stated that it

expected to continue shrinking its securities holdings by not reinvesting the funds from maturing securities – a policy previously announced in December. Such quantitative tightening is expected to put upward pressure on longer yields since the Fed effectively reduces demand for these securities. Officials established a monthly cap of approximately \$60 billion in Treasuries and approximately \$35 billion in mortgage-backed securities for monthly purchase. As of mid-April, the Fed’s total balance sheet stands at \$8.6 trillion, \$7.9 trillion of which are securities held outright, down from nearly \$9 trillion in early 2022.

However, the Fed also showed discretion amid the recent banking crisis; in fact, its total balance sheet briefly increased by approximately \$300 billion between March 8 and March 22. Chair Powell described the expansion of the balance sheet, mainly with reference to the discount window and the new Bank Term Funding Program, as brief liquidity support for banks but not as part of a larger monetary policy. The recent spike in the balance sheet suggests that the Fed is prepared to provide short-term credit, as necessary, to ensure the smooth functioning of the financial markets.

Despite tighter monetary policy and easing supply chains, inflation remained stubbornly elevated.

According to February’s Beige Book—a summary of current economic conditions across the 12 Federal Reserve districts—inflationary pressure remained sticky or high in most districts as input costs continued to inch higher. Wages also increased at a moderate pace across districts and thus added some pressure to price growth. However, with supply chain improvements, the pace of price increases for goods has slowed in recent months. Notably, the Fed’s preferred measure of inflation, the personal consumption expenditures price index (PCE), has continued to trend lower in recent months. The headline PCE price index, which includes energy prices, decelerated to a pace of 5.0 percent YoY in February, down from a peak of 7.0 percent in June 2022. However, the Fed’s recent projection suggests that inflation could remain above its two percent target until at least 2025. The Fed’s median projection of the PCE inflation rate in March forecasts inflation to slow to 3.3 percent in 2023 before dropping to 2.1 percent in 2025. Similar to the Fed’s projected path, OMB forecasts PCE price inflation to decelerate to 4.0 percent in 2023 before falling to 2.1 percent in 2025.

The consumer price index (CPI) also slowed for a ninth consecutive month in March amid easing bottlenecks in supply chains and falling energy prices. On an annual basis, the headline CPI grew 5.0 percent in March, down from a peak of 9.1 percent in June 2022. The decline in energy prices was the greatest contributor to slower inflation, while warmer weather in recent months and supply chain normalization helped to push down gas prices. Even so, excluding the volatile components of food and energy prices, core CPI rose 5.6 percent on an annual basis—a tenth of a percentage point higher than in February. For that reason, members of the FOMC agreed that monetary policy may need to remain tight for the time being

In contrast to the labor market and other sectors that responded sluggishly to the Fed’s fastest tightening in recent history, financial markets reacted rapidly to lower liquidity and higher interest rates starting in early 2022. Before March 2023, financial markets were intensely focused on the Fed’s aggressive efforts to control inflation, seeking to intuit when the Fed would finally pause interest rate hikes and return to an accommodative position. Equity prices and other asset values sagged while volatility soared. Throughout the year, periods around FOMC meetings and the monthly release of the Consumer Price Index were particularly volatile. The bank runs in March 2023, which precipitated the second (Silicon Valley Bank) and third (Signature Bank) largest bank failures in U.S.

history, added a vexing challenge to the Fed’s already complicated inflation fight – which played a role in creating the very conditions that resulted in the bank turmoil.

One of the core economic functions of the banking system is maturity transformation, where short-term funding sources, such as demand deposits, are turned into long-term assets like mortgages, commercial loans, and government securities. The stability of this arrangement rests on depositors’ beliefs that they have access to their funds on short notice without limit. The collapse of depositor faith typically precipitates a run on the bank. In many ways, the SVB was particularly vulnerable to these forces. It had an unusually narrow base of depositors consisting mainly of startup firms and venture capitalists, most of whom held deposits well above the Federal Deposit Insurance Corporation (FDIC) \$250,000 account threshold for deposit insurance. In addition, on the asset side, SVB had invested more than half of its holdings in long-dated, fixed-rate U.S. Treasuries and agency securities. As interest rates rose over 2022, the value of these bonds declined, a fixed-income characteristic termed interest rate risk. The longer the duration of the asset, the greater the drop in price. In SVB’s case, nearly 80 percent of its bond investments had a maturity of 10 years or more.³ According to FDIC estimates, the potential unrealized losses for the entire banking industry at the end of 2022 totaled \$620 billion.

If banks were able to hold long-dated securities to maturity, the potential losses would never materialize since the holder would receive the face value of the bond. However, deposit outflows at SVB forced the bank to sell part of its Treasury portfolio at a \$1.8 billion loss, a deficit it attempted – but ultimately failed—to fill through sales of new equity and private investment. In a single day, depositors withdrew \$42 billion from SVB, about 20 percent of total deposits. Heavy withdrawal demand soon spread to other banks including Signature Bank, First Republic Bank, and Credit Suisse.

The turmoil triggered a rapid policy response from the FDIC, the Fed, and the U.S. Treasury, primed by their prior experience with the 2008 financial crisis. To date, these measures appear to have contained a possible contagion and reassured financial markets. To stabilize deposits, the FDIC extended deposit insurance to uninsured funds by designating SVB and Signature Bank systemic risks. It also took the firms into receivership and arranged buyouts. To address industry-wide funding stress, the Fed quickly opened a new credit facility, the Bank Term Funding Program

³ See “Remarks by Vice Chairman Travis Hill at the Bipartisan Policy Center on the Recent Bank Failures and the Path Ahead,” FDIC, April 12, 2023.

(BTFP), that operates in a similar manner to the Fed’s primary credit program (the discount window) by making short-term loans to banks against collateral. The main innovation of the BTFP is that pledged collateral is accepted at par value, shielding banks from the interest rate risk inherent in long-dated securities. This differs from the discount window, which until recently, applied a haircut on collateral to reflect fair market values.⁴ In addition, loans through the BTFP can be for up to a year, much longer than the 90-day maximum through the discount window.

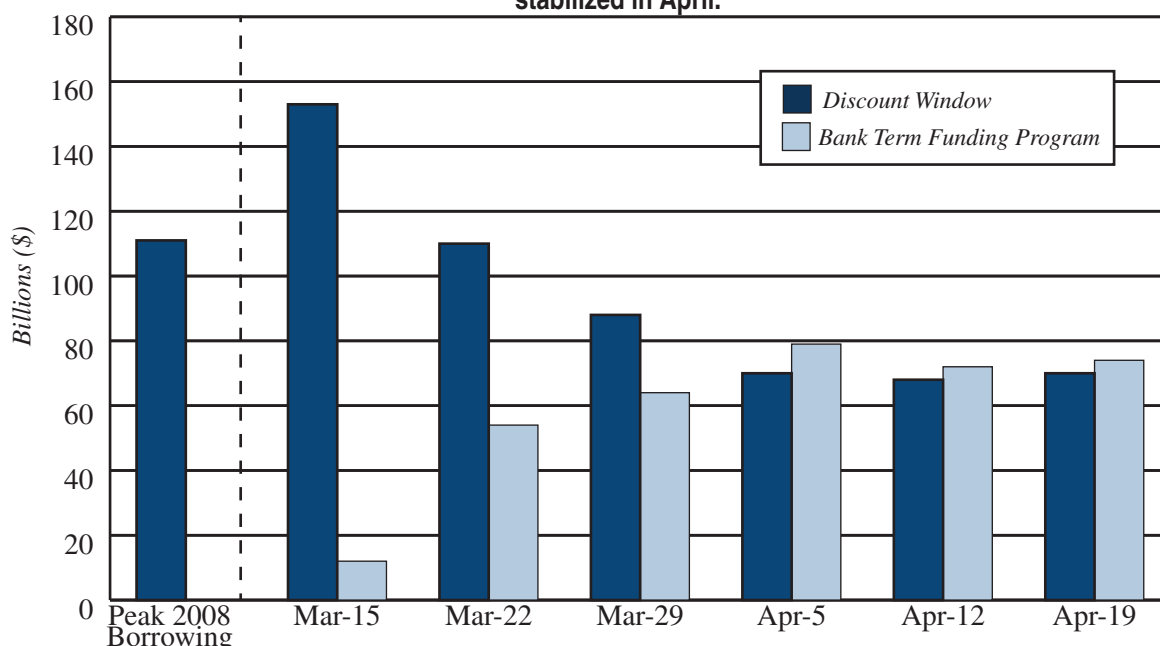
Demand for funds through both the discount window and the BTFP has been strong, with aggregate borrowing through both facilities declining marginally from a peak total of \$165 billion per week at the onset of the turmoil in mid-March to an average of roughly \$140 billion per week in April, evenly split between the discount window and the BTFP. By comparison, peak discount window borrowing at the height of the 2008 financial crisis was \$111 billion, signifying that there is still a significant need for liquidity. Part of this demand is driven by the funding required to fill a secular decline in deposits, a trend that started last year. Coinciding with the start of Fed rate hikes in the first quarter of

2022, depositors have moved funds to alternative investments promising higher yields. From April 2022 through February 2023, deposits at all U.S. commercial banks fell by \$415 billion. Over the same period, retail money market funds, an interest-bearing competitor to deposits, gained over \$250 billion. As a further illustration of the complexity of the current situation, a large share of money market fund assets is reinvested into the Fed’s overnight reverse-repo program, which pays an annualized rate of 4.8 percent. In essence, the reverse repo program is incentivizing deposit outflows, which are causing further banking stress.

Although equity and bond markets reacted to the bank turmoil in mid-March, conditions appear to have improved by the end of the quarter, resulting in a rebound from a disappointing 2022. The tech-heavy Nasdaq index was up 16.8 percent in the first three months of 2023 following four consecutive quarterly drops in 2022 which cut index levels by a third. The S&P 500 was up seven percent, while the Dow, with the least tech exposure of the three main indexes, gained 0.4 percent. However, the first quarter was not without drama. In the second week of March, as the news of SVB’s problems unfolded, the S&P shed 4.8 percent and

BORROWING FROM THE DISCOUNT WINDOW AND THE BANK TERM FUNDING PROGRAM

The Fed’s new emergency credit facility, the Bank Term Funding Program, has helped shield banks from unrealized losses on long-dated securities. Demand for credit from the BTFP and the discount window stabilized in April.



Source: Board of Governors of the Federal Reserve System

4 As of mid-March, the Federal Reserve Board relaxed the margins applied to discount window borrowing to match the terms of the BTFP.

the CBOE VIX measure tracking expected volatility jumped to 26.5, up 43 percent from the prior week. Yet, the S&P rallied thereafter, gaining 3.5 percent through the rest of the month. One possible factor behind the market response was the reasoning that the banking stress and more restrictive lending conditions would help mute inflation and temper the Fed's interest rate path. On point, in his March FOMC press conference Chair Powell stated that the tightening credit conditions could be thought of "as being the equivalent of a rate hike or perhaps more than that."

Bond yields were stable in the first quarter of 2023, although the Merrill Lynch Option Volatility Estimate (MOVE) index, a bond analog of the VIX based on options pricing for Treasuries, spiked during the failure of SVB. Ten-year Treasury yields ended 2022 at 3.9 percent. Yields rose briefly above four percent at the beginning of March and then settled to just under 3.5 percent by the end of the quarter. Not surprisingly, the largest weekly movement was a 50-basis point (bps) drop the week that SVB was shut down. At the same time, the MOVE index jumped 46 percent from the end of February to mid-March, hitting levels last seen during the 2008 financial crisis. However, this was short-lived and by early April, the index had returned to levels close to the 2022 average.

Issuance of new fixed income securities plunged 34 percent (down \$4.6 trillion) in 2022 from the record peak of \$13.4 trillion in 2021, representing a return to pre-pandemic levels. Over half of the drop was a \$2.4 trillion decline (down 53 percent) in mortgage-backed securities as higher rates cooled housing markets. The issuance of U.S. Treasury securities also dropped \$1.3 trillion (down 25.5 percent), but the Congressional Budget Office (CBO) increased its estimate of federal funding needs in 2023 due to new legislation and higher inflation and interest rate projections. This will necessitate further Treasury issuance this year. Overall underwriting continued to decline in the first quarter, with total issuance down \$471 billion (down 16.7 percent). However, one unexpected increase (up \$330 billion) in the first quarter was debt issued by government sponsored enterprises (GSE), which are primarily involved with mortgage finance. One of the GSE's, the Federal Home Loan Bank, is active in short-term financing of regional banks and has been borrowing heavily to supply needed liquidity to the banking system.

Retail investment outflows from mutual and exchange traded funds (ETF) slowed in the first

quarter of 2023 following large withdrawals in 2022. The Fed's efforts to cool the economy last year and the ensuing slump in stock prices led to a net outflow of \$54 billion from equity funds. Likewise, rising interest rates threatened bondholders with capital losses. In response, investors redeemed \$345 billion from fixed income funds. With the Fed tapering rate hikes and likely to pause in a few months, the interest rate risk has subsided. As a result, investors returned to bond funds, buying a total of \$66.8 billion of bond-based mutual funds and ETFs. However, at the same time, savers continued to sell equity funds, withdrawing \$58 billion in the first quarter, likely opting to wait on the sidelines to see how the banking turmoil would evolve.

Many of the core investment bank business lines languished in 2022 with scant signs of improvement in 2023 – signaling that financial conditions remain tight. After dropping 94 percent in 2022, the value of initial public offerings (IPO) in the first quarter of 2023 contracted further by 6.6 percent YoY. The mergers and acquisitions (M&A) activity is likewise slow, with the value of M&A deals falling 79 percent YoY in the first quarter, a volume that is roughly a fifth of the average first quarter dealmaking prior to the pandemic. The only activity that posted a gain in 2022 was equity trading, which increased 3.5 percent YoY. But even this proved transitory. Average daily trading volume declined 0.75 percent in the first quarter of 2023 as trading slowed in reaction to the March banking chaos.

The challenging conditions and muted activity have resulted in sharply lower profits on Wall Street. Full year 2022 profits totaled \$25.5 billion, down 56.3 percent from 2021 – which was the second strongest year in Wall Street history. Despite the headwinds, revenue was up 12.1 percent, but was more than offset by expense growth of 35 percent, driven primarily by higher borrowing costs. While the NYSE member firm data for the first quarter is not yet available, the five largest banks have completed their first quarter earnings calls. Pre-tax earnings of the investment banking units for these firms increased 4.3 percent YoY, with net revenue increasing by 0.7 percent. The banks that are most focused on investment banking and securities trading, Goldman Sachs, and Morgan Stanley, reported earnings declines, while the firms with more diversified business lines, JP Morgan Chase, Bank of America, and Citigroup, all reported earnings gains as rising interest rates pushed net interest earnings on commercial and consumer lending higher.

THE NEW YORK CITY ECONOMY

The New York City economy remains resilient but is showing signs of ebbing. In full-year 2022, the City added jobs at a historically fast pace. However, in recent months, due to rising interest rates, job growth has slowed, and some sectors shed jobs. The residential real estate market followed a similar pattern to that of the labor market, with activity and prices dropping from elevated levels in the second half of the year. In contrast, the commercial real estate market continues to be flat as work-from-home dampens demand for offices. Nevertheless, the City’s tourism industry remains strong, with both hotel occupancy rates and room rates on the rise as more visitors return to the City. Overall, economic activity in the City is expected to slow throughout the remainder of 2023 under sustained tight macroeconomic conditions.

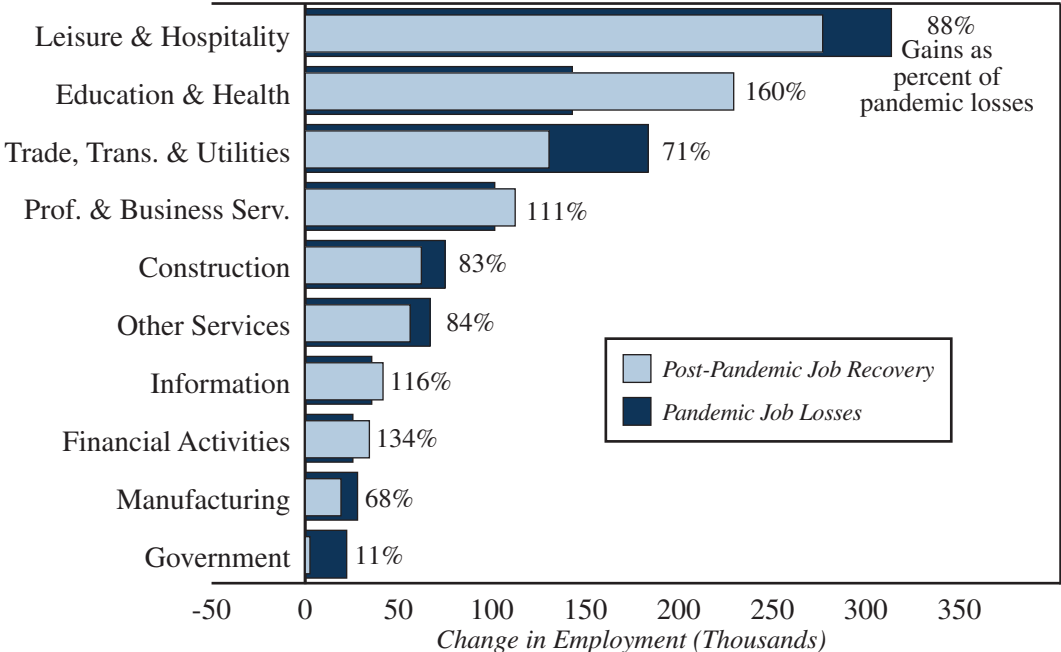
2022, New York City’s unemployment rate registered 4.6 percent – the lowest since March 2020. Since then, the unemployment rate has climbed, reaching 5.4 percent in March 2023. However, over the same period, the labor force grew by 75,000. As of March 2023, the labor force participation rate hit 61.9 percent – the highest on record in data going back to 1976. In 2023, employment growth is expected to slow to 0.5 percent as the economy cools. Due to the recent benchmark revision to the NYC employment data, which raised 2022 total employment by 43,000, OMB projects employment to return to its pre-pandemic peak of 4.7 million in the first quarter of 2024, two quarters earlier than previously projected.

The New York City labor market continues to expand. Employment grew 5.4 percent in 2022, more than twice the average rate over the 10 years preceding the pandemic (2.3 percent annual growth).¹ In August

Three years after its onset, the Covid-19 pandemic continues to cast a shadow on the New York City labor market. While 97 percent of pandemic-related job losses have been recouped, recovery has been inconsistent across industries. The sectors that experienced high rates of job loss at the beginning of the pandemic due

NYC EMPLOYMENT RECOVERY BY SECTOR

Total employment in NYC fell by 957 thousand jobs in March and April 2020. 97 percent of the losses were recovered by March 2023.



Source: New York State Department of Labor, NYC OMB

1 Growth rates are on a fourth quarter-to-fourth quarter basis unless stated otherwise.

to their dependence on in-person interactions (leisure & hospitality, construction, manufacturing, other services and trade, transportation & utilities) are still below February 2020 levels. All other sectors have more than fully recovered. While average private sector wages grew 2.6 percent year-over-year (YoY) in the third quarter of 2022, wages in industries that are still below pre-pandemic levels each grew at a rate above five percent YoY. These sectors likely raised wages quickly to attract back the workers lost during the pandemic. This elevated wage growth is not expected to continue as the economy slows. Private non-financial average wage growth is expected to slow to 1.9 and 1.2 percent in full-year 2022 and 2023, respectively.

Of the major sectors, the trade, transportation & utilities sector average wages grew the most in the third quarter of 2022, the last available data, accelerating 7.9 percent YoY. As of March 2023, trade, transportation & utilities employment is 53,000 jobs below February 2020 levels, the largest deficit of the major sectors. About three quarters of this shortfall is due to the retail trade subsector, which is down 41,000 jobs from February 2020. Retail employment, which was already in decline prior to 2020, has struggled to rebound from the effects of the pandemic due to the continued popularity in online shopping, labor shortages and inflationary pressures. In November and December 2022 alone, 6,000 retail jobs were shed as employers pulled back from the usual holiday hiring boom. Retail

employment is forecasted to continue to be weak, falling 1.1 percent in 2023. Neither the retail trade subsector nor the overall trade, transportation & utilities sector are expected to return to pre-pandemic levels by the end of the forecast horizon.

The leisure & hospitality sector, which lost the most jobs of the major sectors in March and April 2020 (down 314,000 jobs), has recovered 88 percent of pandemic losses. In 2022, the sector added an average of 5,000 jobs a month, much higher than the five-year pre-pandemic average of 1,000 a month. Sector wage growth was also robust, growing at a rate above 6.5 percent YoY for the first three quarters of 2022 as employers elevated wages to attract workers in a tight labor market. Since industry employers have struggled to rebuild their staff levels, sector employment is expected to continue growing despite an expected slowdown in economic conditions. OMB forecasts the sector to expand by 3.2 percent in 2023, faster than the five-year pre-pandemic average of 2.4 percent. Leisure & hospitality employment is projected to return to its pre-pandemic peak in the first half of 2025.

While most sectors expanded rapidly in 2021 as Covid-19 restrictions were lifted, construction sector employment contracted by 1.8 percent, due mainly to disruptions from the pandemic, such as supply-chain constraints. According to the New York Building Congress, construction spending in the City

New York City Job Growth Forecast

NYC Employment (Thousands)	2022	Forecast	
	Level	2023 Level Change	2024 Level Change
Total	4,554	92	77
Private	3,971	95	76
Financial Activities	487	-1	0
Securities	191	-2	1
Professional & Business Services	776	17	21
Information	235	0	4
Education	255	5	5
Health & Social Services	853	36	26
Leisure & Hospitality	403	38	15
Wholesale & Retail Trade	436	-1	-1
Transportation & Utilities	147	5	2
Construction	143	2	3
Manufacturing	58	-5	-1
Other Services	179	3	2
Government	583	-2	0

Source: NYC OMB

Note: Totals may not add up due to rounding.

is projected to have grown 79 percent in 2022 as the economy normalized.² Correspondingly, construction employment rose 2.9 percent in 2022. In the first three months of 2023, the sector added 3,000 positions. However, this elevated rate of growth is not expected to continue. Due to high interest rates and an expected slowdown in building activity, OMB forecasts construction employment to decline by 1.4 percent in 2023 before resuming positive growth in the out-years.

Office-using employment, which consists of jobs in the professional & business services, information and financial activities sectors, contracted by a modest 11 percent at the pandemic's onset. In 2021 and 2022, 7,000 office-using jobs were added per month, on average, as these sectors benefitted from accommodative financial conditions and flexible work arrangements. By August 2022, each of these sectors surpassed their pre-pandemic employment levels. However, rising costs and increasing economic uncertainty has weighed on these sectors in recent months, and employment contracted by 8,000 in the first three months of 2023. OMB expects office-using employment to remain muted for the rest of the year, falling by 0.6 percent in 2023 before resuming positive growth.

The largest of the office-using sectors, professional & business services, returned to pre-pandemic levels in August of 2022. The two largest subsectors of professional & business services illustrate how the pandemic's initial impact continues to dictate job growth and recovery. The high-paid professional, technical & scientific component declined by just eight percent at the pandemic's onset as it was able to easily transition to remote work. Since then, subsector employment has been strong, recovering all pandemic losses by April 2022. In contrast, the lower-paid administrative services subsector, which lost over a fifth of jobs at the pandemic's onset, reached pre-pandemic levels almost a year later, in March 2023. While the administrative services subsector continues to post gains, the professional, technical & scientific subsector lost 5,000 jobs in the first three months of 2023. OMB expects that growth in the sector as a whole will decelerate to 0.8 percent in 2023 down from 5.7 percent in 2022.

Financial sector employment, which declined just three percent at the height of the pandemic, recovered losses by March 2022, the same month the Fed began to raise interest rates. The sector continued to grow

in the following months, until September, when the effects of tighter monetary policy including the steep decline in equity prices and deceleration of banking activity impacted NYC financial sector employment. The highly paid securities component, which makes up about half of sector employment, recovered all its pandemic-related losses by December 2021. Securities sector employment has been volatile over the past few months. In January, 2,000 securities positions were shed – the largest monthly decline since June 2020. Because tight financial conditions are expected to persist, financial employment is forecasted to decline in 2023, falling by 3.7 percent. The securities subsector is projected to contract by 4.7 percent in 2023.

Real estate sector employment grew quickly from July 2021 to July 2022, rising seven percent as real estate industry activity rebounded from pandemic lows. But rising rates cooled the housing market with a corresponding impact on employment. From July 2022 to March 2023, the sector shed 2,000 jobs. Real estate employment is expected to continue to fall in 2023 (down 2.1 percent) as activity in the sector remains depressed. As of March 2023, employment is 7,000 jobs below February 2020 levels and is not expected to recover until the first half of 2026.

The first sector in NYC to recoup its pandemic losses, information, returned to pre-pandemic levels in November 2021. Over the span of the pandemic, the sector grew extremely quickly, adding 45,000 jobs from July 2020 to July 2022. For reference, in the five years prior to the pandemic, the sector gained 30,000 jobs. In the second half of 2022, because of shifting economic conditions, employment levels began to fluctuate. Tech firms, which make up much of the information sector, trimmed their employment levels as demand for their products waned and rising interest rates drove up costs. In January 2023, 10,000 information jobs were lost – the largest monthly decline since April 2020. OMB forecasts information sector growth to be flat in 2023, before assuming moderate growth in the out-years.

The education & health sector, which makes up about a quarter of all jobs in New York City, has been above its pre-pandemic peak since February 2022. Unlike the other sectors that recovered all of their pandemic losses, job growth has not faltered, adding jobs every month since. Growth was led by the healthcare & social assistance component, which gained 80,000 jobs from February 2022 to March 2023. During the same period, the education component netted just 2,000

2 NYC Construction Outlook 2022-2024. New York Building Congress. (n.d.). Retrieved April 13, 2023, from <https://www.buildingcongress.com/advocacy-and-reports/reports-and-analysis/NYC-Construction-Outlook-2022-2024.html>

jobs. Education & health employment is historically non-cyclical; thus, the forecasted economic downturn is not expected to greatly affect sector employment. OMB projects education & health employment to grow 1.6 percent in 2023 followed by 3.7 percent in 2024.

Like employment, total private sector wage earnings growth was strong in 2022, growing by 10.9 percent YoY in the third quarter. Every sector reported an increase in wage earnings, led by leisure & hospitality (up 33.3 percent YoY), which recorded both strong employment and average wage growth. Wage earnings growth was also notable in the trade, transportation & utilities (up 14.2 percent YoY) and manufacturing (up 13.5 percent YoY) sectors. OMB forecasts total private wage earnings to increase by 8.5 percent in full-year 2022, and then slow to 0.2 percent growth in 2023.

Beginning in the second half of 2022, the residential real estate market slowed considerably from its pandemic highs. Higher interest rates and rapid price gains in 2021 and early 2022 drastically reduced housing affordability, leading to diminished demand for homes in the City. Meanwhile, higher mortgage rates have kept homeowners, many of whom locked

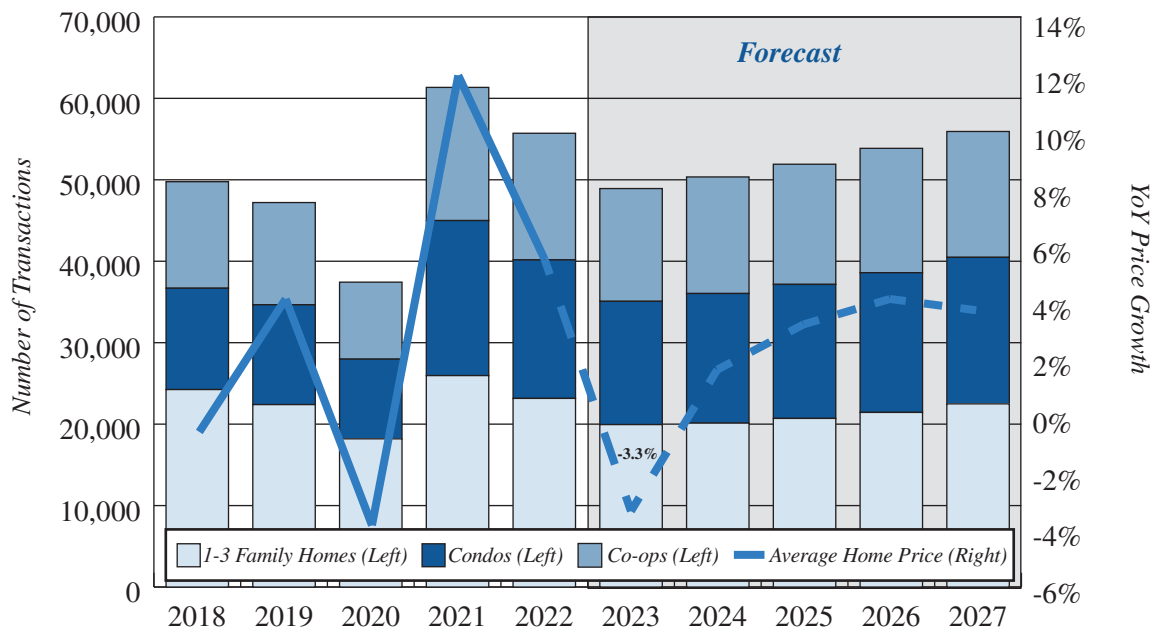
in low rates in 2020 and 2021, out of the sales market, reducing supply. The result is a deteriorating residential real estate market in which both transactions and prices fell in the fourth quarter of 2022.

According to the Department of Finance (DOF), the total number of transactions in the fourth quarter of 2022 was down 33 percent YoY and down 17 percent from the pre-pandemic average, marking the first time since the third quarter of 2020 that transactions dropped this low. By property type, condo sales fell 37 percent YoY in the fourth quarter, followed by single-family homes and co-ops, which were down annually by 33 percent and 27 percent, respectively. The slowdown in home sales is expected to continue into 2023, with total transactions forecasted to fall 12 percent as both buyers and sellers wait for rates to drop. The decline will be led by single-family home sales, which are projected to fall 14 percent in 2023, while condos and co-ops are each projected to fall 11 percent. Thereafter, with the Fed expected to begin cutting rates, transactions will rebound by three percent in both 2024 and 2025.

A key factor behind falling sales is low inventory levels. The number of homes for sale on StreetEasy has been below the 2019 average every month since July

SALES VOLUME BY HOUSING TYPE AND AVERAGE PRICE GROWTH

Transactions in every housing category will fall again in 2023, as will average home prices across all three categories. Thereafter, transactions and prices will begin to rebound.



Source: NYC Department of Finance, NYC OMB

2021, leading to a 12 percent YoY decline in 2022. Even in the fourth quarter, when the number of homes sold in the City was more than 2,000 below the pre-pandemic average, inventory still fell by over 1,800 units from September to December as homeowners kept their homes off the market. The dearth of new listings has continued into 2023, with StreetEasy reporting 10 consecutive months of YoY declines in the number of new listings added to the StreetEasy website.³ In March, the number of new for-sale listings fell 21 percent from year-ago levels.

In the first half of 2022, with inventories low and demand greater than it is currently, prices remained resilient. But, as home sales fell, so did prices. Average prices declined on a quarterly basis in both the third and fourth quarters of 2022, in line with normal seasonality, but a clear reversal following six consecutive quarters of rising prices—a series that tied the record in data going back to 1975. On an annual basis, prices fell four percent in the fourth quarter, the first YoY decline since the first quarter of 2021. Single-family home prices continued to grow in the fourth quarter, gaining two percent YoY, while condo and co-op prices fell three percent and 10 percent, respectively, from year-ago levels.

With the Fed not expected to cut rates until 2024, coupled with still-high inflation and widespread fears of recession, prospective homebuyers will likely remain cautious in 2023. As a result, demand for homes is expected to be weak, placing further downward pressure on prices. However, the low inventories from 2022 will continue this year, which will put a floor under home prices. As such, the average price of a NYC home will fall three percent this year, representing a significant reversal from the six percent increase in 2022. Condos are expected to see the steepest decline, with prices projected to fall five percent, while co-op prices will lose three percent and single-family home prices will lose one percent. A two percent rebound in prices is then expected in 2024, before accelerating to three and four percent in 2025 and 2026, respectively.

While not depressed like the sales market, the rental market has faded considerably since the first half of 2022. After increasing at least one percent every month from May 2021 to August 2022, rents have moved laterally since September due to two opposing forces. For one, demand is high, mainly because of lower affordability in the sales market and a greater need for remote workspace at home compared to pre-pandemic requirements. All things being equal, this

greater demand should lead to rising rents. However, in the three years since the onset of Covid-19, rents have risen 14 percent, double the typical three-year increase seen before the pandemic. Meanwhile, average weekly earnings in the City have increased only six percent over the same period, leading to a rent-to-income ratio of 68.5 percent in the NYC metro area, far higher than the next closest metro area, Miami, at 41.6 percent.⁴ As a result, many NYC renters seem to have reached an affordability threshold, in which they are either unable or unwilling to pay more for rent. Due to these competing pressures, rents are expected to be flat in 2023, ending the year only four dollars above 2022's year-end value. On an annual average basis, rents grow four percent, down from 20 percent in 2022. After 2023, rent growth is expected to be moderate, ranging from 0.4 percent to 1.2 percent between 2024 and 2027.

According to the U.S. Census Bureau and the New York City Department of Buildings, building permit filings in New York City led to the authorization of 49,886 new residential units in 2022, a 150 percent increase from 2021. The large increase in the number of residential permits last year stems from developers rushing to get permits approved before the expiration of the 421-a tax exemption in June, which had provided tax relief to real-estate developers building multi-family residential units. Through the first two months of 2023, permits are down 39 percent. The decline is led by Queens, which has registered 421 fewer permits this year than through the same period last year. Permits are expected to fall 69 percent in 2023 and another 18 percent in 2024 due to high borrowing rates, the glut of permits last year, and the lack of a replacement for 421-a.

While the residential real estate market experienced a strong pandemic recovery through the first half of last year, the commercial office market has struggled to regain its footing since the onset of Covid-19 and is expected to face protracted challenges. Remote work has been the primary cause of the sector's difficulties, as it has reduced demand for office space and led to a surge in the vacancy rate. In late January, only 52 percent of Manhattan office workers were in the office on an average weekday, according to the Partnership for New York City, and employers anticipate that number will level off at 56 percent, indicating that office demand is approaching its “new normal.” This is a troubling prospect given that new leasing in the first quarter was less than half its 2019 level. Despite this, there is strong demand for new and luxury office space,

3 Kenny Lee, “Brooklyn Is the Most Competitive Market for Renters Right Now,” *StreetEasy Reads* (blog), April 17, 2023, <https://streeteasy.com/blog/brooklyn-most-competitive-rental-market/>.

4 Lu Chen and Mary Le, “Moody's Analytics,” *Moody's Analytics* (blog), January 19, 2023, <https://cre.moodyanalytics.com/insights/market-insights/q4-2022-housing-affordability-update/>.

which has supported the upper tier of Class A buildings in Manhattan through the so-called “flight-to-quality.”

In the first quarter of 2023, the leasing of Class A space totaled only 2.9 million square feet (msf), representing a 50 percent decline compared to 2019. Unlike first quarter 2022, both Midtown and Downtown have experienced weakness so far this year. Midtown leasing in the first quarter was 32 percent below 2019 levels, while Downtown leasing was down 84 percent. Across all property classes, overall leasing activity was down 53 percent from the first quarter of 2019, only slightly worse than the Class A market. However, compared to luxury office space, the rest of the market is performing significantly worse, as the “flight-to-quality” trend continues. According to CoStar, 2022 leasing activity for 5-Star buildings in Midtown and Downtown Manhattan was only three percent below 2019 levels, while for 4-Star buildings it was down by 32 percent.⁵

Since the pandemic began, the surge in available sublease space has worsened the commercial office market's outlook. As of March, the amount of Class A space available for sublease was almost 18 msf, more than four times the pre-pandemic average. All things being equal, a greater supply of sublet space generates downward pressure on the rest of the market because it is less expensive to sublet, leading to reduced leasing activity and lower rents in the direct market.

On top of sublease space, the total inventory of Class A space has grown by 5.1 msf since the beginning of 2022, with Midtown adding 8.4 msf and Downtown losing 3.3 msf. Inventory fell in Downtown because space was removed for renovations and because Cushman & Wakefield reclassified some space into a separate “Life Sciences” category. The relatively strong leasing activity in Midtown during the first three quarters of 2022 was fueled by the addition of 5.8 msf of space during that period combined with the flight-to-quality trend. Since then, however, Midtown inventories have increased by 2.6 msf while leasing activity has been subdued as economic uncertainty outweighed the benefits of high-end office space. At the same time, downtown inventory fell by 2.1 msf in the first three quarters of 2022 and by another 1.2 msf in the two quarters since, contributing to the weak leasing activity over the entire period. Looking ahead, the pipeline of new buildings remains strong in 2023, with 10.6 msf of new space expected by the end of the

year. Thereafter, the pipeline shrinks to 0.5 msf in 2024 before growing to three msf and four msf in 2025 and 2026, respectively.

Weak demand and 12 msf of new space in the Manhattan office market over the last two years caused vacancy rates to increase for all eight quarters in 2021 and 2022. In the first quarter of 2023, however, the Class A vacancy rate fell to 21.7 percent due to a 0.7 percentage point decline in Midtown's vacancy rate in January. However, in the subsequent two months, the Midtown vacancy rate has increased 0.5 percentage points, ending the first quarter at 21.5 percent compared to 22.5 percent in Downtown. The vacancy rate is expected to peak this year at 22.7 percent, with Midtown ending the year at 22.6 percent and Downtown ending the year at 23.1 percent. It will then fall by approximately one percentage point per year through 2026.

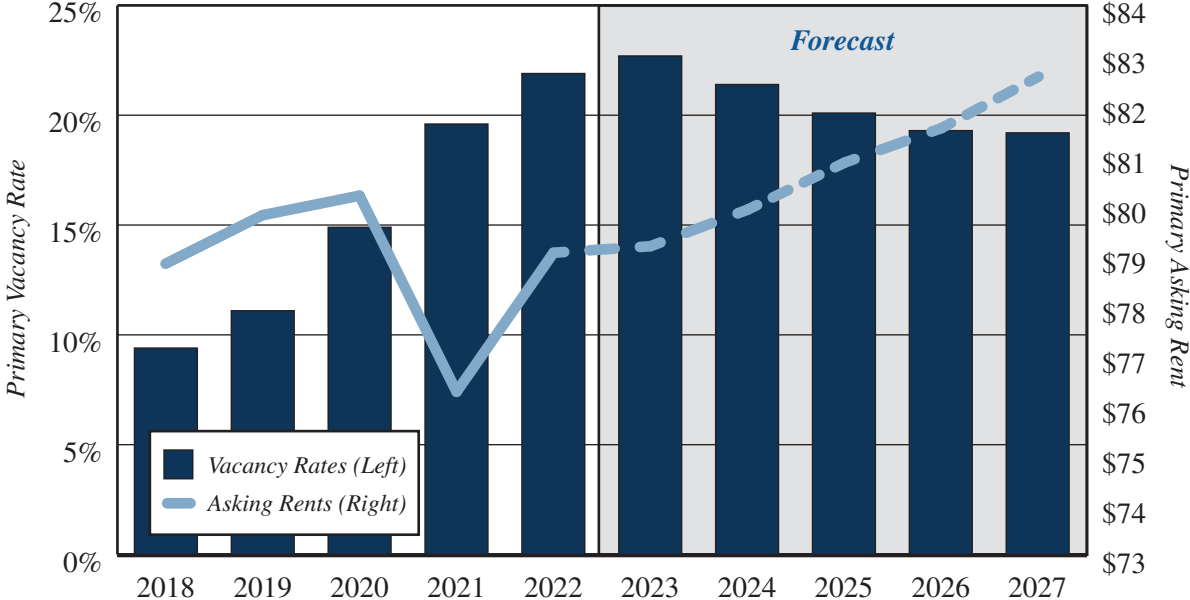
Despite record vacancy and modest leasing activity, asking rents began to recover last year, recouping 71 percent of their 2021 losses. Asking rents, which are not the same as actual rent paid, were supported by two factors. The first is the flight-to-quality among office tenants, which has enabled the newest and highest quality office buildings to continue to command extremely high rents, dragging average asking rents up along with them. The second factor is landlord concessions, such as months of abated rent and tenant improvement allowances, which do not show up in asking rent data. Therefore, when concessions are higher than normal, as they are currently, asking rents are artificially inflated compared to net effective rents. In the first quarter, Class A asking rents rose 55 cents per square foot (psf), but will end 2023 only slightly higher than 2022, with all the strength coming from Downtown. Downtown asking rents, which ended 2022 nearly 11 percent below year-end 2019, are expected to rebound 3.5 percent this year and will come to within 13 cents of their pre-pandemic level by 2027. Meanwhile, at the end of 2022, Midtown asking rents were 0.5 percent above their pre-pandemic value despite high vacancy rates and low leasing levels. As a result, market fundamentals are expected to catch up to asking rents in Midtown, causing them to fall 0.6 percent in 2023 before rebounding to around one percent growth per year between 2024 and 2027.

So far in 2023, the financial services sector has dominated new leasing activity, making up 37 percent

⁵ Based on CoStar's Building Rating System, which is a national rating for commercial buildings on a universally recognized 5 Star scale.

COMMERCIAL VACANCY RATES AND ASKING RENTS

Over seven msf of new inventory in 2022 helped asking rents recoup some of their 2021 losses, while also lifting the vacancy rate to 22 percent. In 2023, high interest rates and economic uncertainty will cause asking rents to stall and vacancy rates to peak.



Source: Cushman & Wakefield, NYC OMB

of new leases greater than 10,000 square feet (sf) in the first quarter, up from 29 percent at this time last year. Meanwhile, the technology, advertising, media, and information services (TAMI) sector made up only 16 percent of large new leases in the first quarter, down from 33 percent in the first quarter of 2022. TAMI firms' reduced leasing activity has coincided with a general slowdown in the sector, which has been hampered by high interest rates, resulting in poor stock market performance and an increase of layoffs throughout the industry. Given economic uncertainty and the recent collapse of Silicon Valley Bank, TAMI leasing will likely remain muted going forward, a disconcerting prospect for the City's office market, which relies heavily on the TAMI sector.

to reach 63.3 million in 2023 and to surpass 2019's peak by 2024. Notably, the number of international visitors visiting New York City grew more than triple in 2022 from 2021 as global travel restrictions continue to ease. International visitors from Western Europe saw a significant rebound in 2022, accounting for a sizable portion of international visitors in the City. Business travel, the hardest hit component of the market, also reported a significant rebound in 2022 with 8.9 million visitors traveling to the City in 2022 for business related trips – up from 3.9 million in 2021. However, this segment of travel remained lackluster – still 35 percent below 2019 levels. Weakness in business travel could potentially moderate the pace of the recovery in 2023 despite a strong rebound in 2022.

The New York City tourism industry continues to bounce back amid robust visitation trends. The return of international travel also boosted Broadway attendance and hotel occupancy. New York City Tourism + Conventions (formerly NYC & Company) estimated 56.7 million travelers visited the City in 2022 – a 72 percent increase from 2021 and around 85 percent of 2019's peak. The total number of visitors is forecasted

Broadway reported another encouraging season, posting higher attendance and stronger ticket sales. According to Charlotte St. Martin, President of the Broadway League, the current number of theatregoers remained below the 2019 season, but St. Martin is confident that Broadway would return to its pre-pandemic level in the near term.⁶ Broadway venues reported a total of 283,000 attendees in the second full

6 Sands, Roger. "Broadway: The Engine That Helps Fuel New York City's Economy." Forbes. Forbes Magazine, January 23, 2023.

week of April 2023 – still about 20,000 attendees below the pre-pandemic level of 304,000 attendees reported in the same week in 2019, but stronger than the 262,000 patrons in the second full week of April 2022. Robust ticket sales boosted Broadway's grosses to \$38 million in the second full week of April, compared with \$35 million the same week in 2022. With more new shows in the pipeline and robust demand, Broadway's attendance and grosses are expected to continue to recover in 2023.

The return of international visitors in recent months and strong domestic demand also helped the City's hotel industry. According to New York City Tourism + Conventions, New York City had the fifth highest hotel occupancy and third highest hotel room rate amongst the top 25 markets in the country. Hotel occupancy rate recovered at a solid pace in 2022, bringing the year-end average to 74.4 percent, albeit still 14 percent below the full year 2019 rate. Nevertheless, hotel room rates averaged \$286 in 2022, surpassing 2019's rate by 11 percent. These positive trends continued into 2023. The latest weekly data showed hotel occupancy rate surpassed 78 percent in the last week of March 2023 and an average daily rate of \$248, exceeding same-week 2019 rates by 13 percent. On an annual basis, occupancy rates are forecast to reach 80 percent in 2023 before surpassing pre-pandemic levels in 2027, while hotel room rates are projected to surpass their pre-pandemic level in 2023, reaching \$287 in 2023 (annual average).

Overall, the NYC economy is expected to decelerate in 2023 as the post-pandemic recovery nears completion and the economy adjusts to higher interest rates and various economic headwinds. Employment in the City will increase by only 0.5 percent in 2023 but will still recover all pandemic losses by the first quarter of 2024. Meanwhile, as high interest rates cause the economy to slow, average wages will fall, and wage earnings will increase only marginally. Tight financial conditions will also cause residential real estate prices to decline and sales volumes to fall, albeit from elevated post-pandemic levels, while work-from-home arrangements will continue to challenge commercial real estate. Nevertheless, the outlook for tourism remains sanguine as hotel occupancy rates continue to improve and room rates surpass 2019 levels.

Risk to the Forecast

There are several pressing economic and political risks that have the potential to change the economic outlook. The recent episode of banking turmoil significantly complicates the Fed's inflation fight, as it balances the demands for short-term credit and financial stability against its year-long effort to subdue inflation. The tightening of lending conditions in the aftermath of the March bank runs and the outflow of deposits from the banking system will result in lower credit provision and softening growth. In response, the Fed has introduced new liquidity to the banking sector through the Discount Window and the Bank Term Funding Program. At the same time, the Fed is signaling further rate hikes in the face of stubbornly high inflation readings. Managing and communicating these conflicting forces will be crucial to avoid further volatility and a potential recession. Moreover, the threat of a Federal government shutdown this summer due to the debt ceiling impasse is another potent risk that would also have repercussions for financial markets and the Fed. Internationally, the Russia-Ukraine war and the simmering China-Taiwan conflict has the potential to escalate, resulting in further supply disruptions, energy price spikes and slower global growth.

**Forecasts of Selected Economic Indicators for the United States and New York City
Calendar Year 2022-2027**

	2022	2023	2024	2025	2026	2027	1979- 2021*
NATIONAL ECONOMY							
Real GDP							
Billions of 2012 Dollars	\$20,015	\$20,213	\$20,514	\$20,823	\$21,180	\$21,549	
Percent Change	2.1	1.0	1.5	1.5	1.7	1.7	2.6%
Non-Agricultural Employment							
Millions of Jobs	152.6	155.1	154.4	154.1	154.3	154.8	
Level Change	6.3	2.5	-0.7	-0.3	0.2	0.5	
Percent Change	4.3	1.6	-0.4	-0.2	0.1	0.3	1.2%
Consumer Price Index							
All Urban (1982-84=100).....	292.6	305.4	313.6	320.4	327.4	335.0	
Percent Change	8.0	4.4	2.7	2.2	2.2	2.3	3.2%
Wage Rate							
Dollars Per Year	73,541	76,717	80,422	83,921	87,341	90,867	
Percent Change	4.5	4.3	4.8	4.4	4.1	4.0	3.9%
Personal Income							
Billions of Dollars	21,806	22,870	23,946	25,008	26,119	27,321	
Percent Change	2.4	4.9	4.7	4.4	4.4	4.6	5.7%
Before-Tax Corporate Profits							
Billions of Dollars	3,393	3,384	3,426	3,470	3,603	3,753	
Percent Change	8.1	-0.2	1.2	1.3	3.8	4.2	5.7%
Unemployment Rate							
Percent	3.6	3.6	4.1	4.4	4.5	4.4	6.2% avg
10-Year Treasury Note							
Percent	3.0	4.0	3.7	3.4	3.3	3.2	5.9% avg
Federal Funds Rate							
Percent	1.7	5.1	4.6	3.2	2.6	2.6	4.6% avg
NEW YORK CITY ECONOMY							
Real Gross City Product**							
Billions of 2012 Dollars	\$942.3	\$947.8	\$967.1	\$983.6	\$999.4	\$1,014.3	
Percent Change	6.5	0.6	2.0	1.7	1.6	1.5	2.4%
Non-Agricultural Employment***							
Thousands of Jobs	4,554	4,646	4,723	4,798	4,875	4,946	
Level Change	297.6	92.3	76.7	74.9	77.3	70.7	
Percent Change	7.0	2.0	1.7	1.6	1.6	1.5	0.6%
Consumer Price Index							
All Urban (1982-84=100).....	310.1	321.1	327.3	332.8	338.2	343.9	
Percent Change	6.1	3.5	1.9	1.7	1.6	1.7	3.3%
Wage Rate							
Dollars Per Year	114,954	113,120	117,037	120,942	124,456	128,457	
Percent Change	1.1	-1.6	3.5	3.3	2.9	3.2	4.8%
Personal Income							
Billions of Dollars	703.7	719.5	755.4	790.4	827.2	867.4	
Percent Change	-0.5	2.2	5.0	4.6	4.6	4.9	5.6%
NEW YORK CITY REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate****							
Dollars per Square Feet	\$79.1	\$79.2	\$79.9	\$80.9	\$81.5	\$82.6	
Percent Change	3.6	0.2	0.9	1.2	0.9	1.3	2.1%
Vacancy Rate****							
Percent	21.9	22.7	21.4	20.1	19.3	19.2	10.9% avg

* Compound annual growth rates for 1979-2021. Compound growth rate for Real Gross City Product covers the period 1990-2021.

** Starting in 2021, forecasts of gross city product reflect estimates of local area GDP (for NYC) published by the U.S. Bureau of Economic Analysis. Estimates of NYC gross city product published prior to 2021 represent OMB's estimates of NYC economic activity.

*** Annual averages derived from non-seasonally adjusted quarterly forecasts.

**** Office market statistics are based on 1985-2022 data published by Cushman & Wakefield.

STATE AND FEDERAL AGENDA

STATE

The Governor's 2023- 2024 Executive Budget included \$209 Million in cuts and cost shifts to New York City in FY23, more than \$1 Billion in FY24 that grows in the outyears, if enacted as written. The most significant impacts are the Governor's proposals for the City to contribute \$530 million to the Metropolitan Transit Authority (MTA) in FY24 that grows in the outyear, and annual Medicaid funding cuts of \$125 million in FY23 and \$340 million in FY24.

Other proposals that would create new costs for the City budget include the removal of the statewide Charter School Cap, which would cost the City \$1 Billion when new schools are phased in, with no appropriated state funding; the authorization of Zombie Charters, which would cost the City between \$200 Million and \$300 Million when new schools are phased in, with no appropriated state funding; the establishment of a minimum wage that increases with inflation, which would cost \$180 Million over the course of the financial plan, with no appropriated state funding; and, Pay and Resolve that could cost the City \$36 million in FY24 and \$75 million in FY25.

The City projects that it will face additional costs from the use of federal Title XX funding to pay for protective and preventive services for children and families. No funding was added to the budget to support the 18-B rate increases, which leaves the City with a mandated annual cost of \$84 Million beginning in FY23 and continuing in the outyears.

The Assembly and Senate One-House Budgets rejected most of the cuts and cost-shifts included in the Governor's Budget. Specifically, Medicaid cost-shift, MTA Contribution increases, removal of the Charter School Cap, reauthorization of Zombie Charters, and the Pay and Resolve adjustment. The Governor's Minimum Wage proposal was also rejected.

The State of New York has not yet adopted a budget for the state fiscal year 2023-24, which began on April 1, 2023. The Mayor's Executive Budget does not incorporate into the financial plan any of the potential cuts and cost shifts from the Governors' Executive Budget. The Executive Budget recognizes \$1 Billion over two years for reimbursement of up to 29% of the city's shelter costs, that was included in the

Governor's Budget and both the Assembly and Senate One-House Budgets.

FEDERAL

In December 2022, President Joe Biden signed a \$1.7 trillion Federal government spending package that will fund the Federal government through Federal Fiscal Year (FFY) 2023. This spending bill includes \$772.5 billion for non-defense discretionary programs \$858 billion in defense funding. For the programs of interest to New York City (City), most were level-funded or contained modest changes.

Last month, President Biden released his budget proposal for FFY24, which begins on October 1, 2023. The President's proposal totals \$6.8 trillion in mandatory and discretionary spending, and asks for \$1.73 trillion in new FFY24 discretionary funds.

One of the biggest threats to New York City's fiscal security continues to be the asylum seeker crisis. As New York City fulfills City and State mandates in this area, the City has spent \$817 million dollars through March 2023 to aid in welcoming more than 55,000 migrants to the City, and the Office of Management and Budget (OMB) anticipates these costs to grow to \$4.3 billion by the end of FY24.

In the aforementioned \$1.7 trillion Federal spending package, \$800 million in funding was included for competition by cities to help defray the costs of the migrant crisis. New York City expects to receive a portion of that funding, and to further aid the City with costs incurred during the migrant crisis, the City has asked for more than \$1.5 billion in Federal and State relief, and welcomes the funding that has already been received. The Executive Plan reflects \$600 million from the Federal government to cover expenses for the asylum seeker crises.

New York City will continue to work with our Federal and State partners to ensure the City has all that it needs to effectively deal with this humanitarian crisis. In the coming months, the fiscal outlook at the Federal level is uncertain. As soon as June, but no later than this fall, the Federal government may default on its debt if Congress fails to increase the debt limit. A

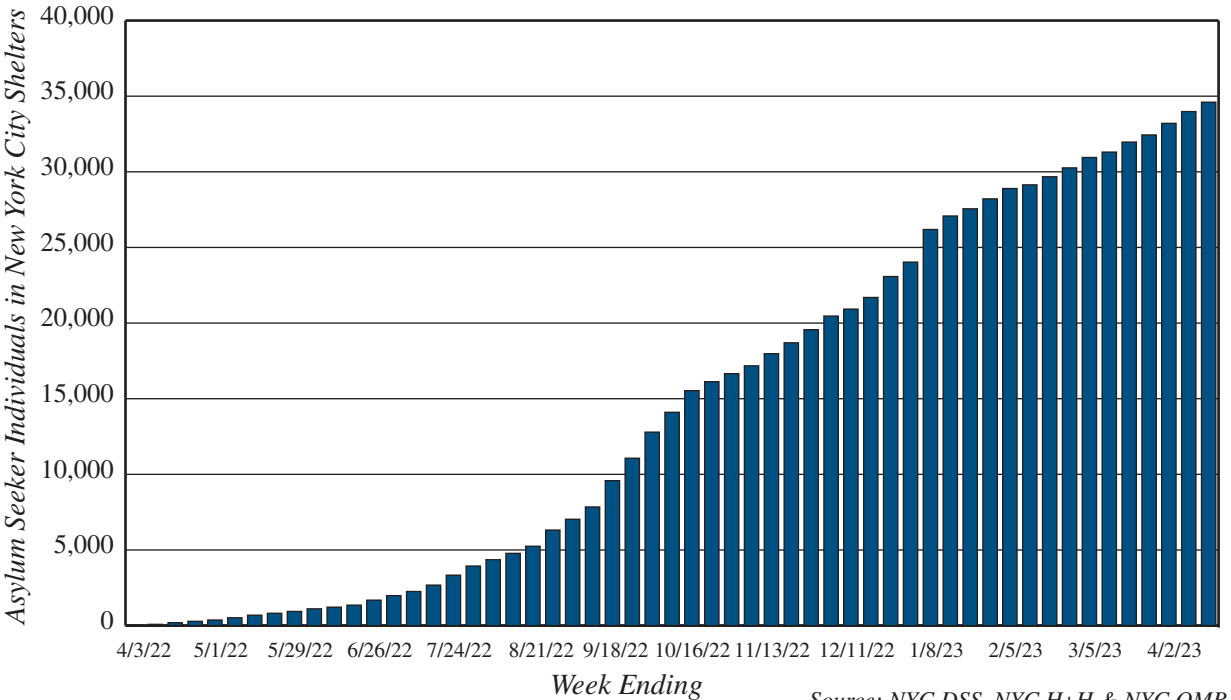
default could have catastrophic effects on New York City's economy and the broader, national economy. Additionally, before October 1, 2023, Congress must pass a budget for FFY24 in order to prevent a government shutdown, which would also have broad, negative effects on the City's economy in the form of reduced receipts in Federal funding, on which the City typically relies to help pay for services like food nutrition and education.

President Biden's proposed budget for FFY24 includes level-funding, modest changes, or increases for most programs of interest to the City. The President's budget proposal constitutes a nearly \$90 billion overall increase over the current year, by contrast, House Republicans are seeking cuts from FFY23 totaling roughly 9 percent, based on the Federal Office of Management and Budget's figures.

ASYLUM SEEKERS

Over the past year, New York City has experienced a large increase in asylum seeker migrants, with over 55,000 individuals seeking help from the City. Many asylum seekers are characterized by significant economic and health challenges and require deep support from the City to provide food, shelter, and clothing, as well as access to legal and educational resources. Since April 2022, the average number of asylum seekers in the City’s shelter systems has increased from 200 to 35,000 individuals daily. As of April 2023, the census continues to grow at a high rate.

ASYLUM SEEKERS IN NEW YORK CITY SHELTER FACILITIES



New York City has made significant investments to care for asylum seekers. In October 2022, the City declared a state of emergency and created a new shelter system, Humanitarian Emergency Response and Relief Centers (HERRCs) to directly meet the needs of asylum seekers. Across the Department of Homeless Services (DHS) and HERRC systems, the City has added 103 emergency shelters and eight HERRCs to account for significant growth in shelter need.

- FY23Q1: \$64.9 million
- FY23Q2: \$304.0 million
- FY23Q3: \$448.6 million

The asylum seeker emergency has had a significant fiscal impact on the City. Between July 2022 and March 2023, the City has spent an estimated \$817 million to support the population. Costs have grown substantially over time as the census of asylum seekers has increased.

At the current rate of growth in the asylum seeker population, the City expects to spend a total of \$1.4 billion in FY23 and \$2.9 billion in FY24 to care for the population. These costs place a great strain on the City’s budget and may lead to disruption in programs and services citywide. To date the City has not received adequate related financial support from the Federal or State governments.

The future course of the asylum seeker emergency is unclear. Through April 2023, the Federal government has used a public health order to limit irregular migration patterns into the United States. The public health order is scheduled to expire on May 11, 2023, and the expiration may generate an increase in asylum seeker inflow and associated costs to New York City.

TAX REVENUE ¹

Tax Revenue Summary

Total tax revenue, including audits, is forecast to grow 2.1 percent in 2023 and 0.1 percent in 2024.

New York City's economy and its tax base continued to rebound in 2023, however the pace of growth has slowed considerably compared to 2022. In 2022, total tax revenue grew 6.2 percent as a sharp reduction in property taxes due to the impact of the pandemic were more than offset by an 18.8 percent increase in non-property taxes. Last year's growth in non-property taxes came predominantly from three revenue sources – personal income tax (PIT)², business income taxes, and real estate transaction taxes. In 2023, these sources of strength face challenges as monetary tightening through rising interest rates have had a widespread impact across the City's economy. Declines on Wall Street and sluggish equity markets have reduced bonuses as well as non-wage income and corporate profitability. Higher mortgage interest rates have dampened demand for residential real estate, pushing potential buyers to the sidelines. Commercial transactions have also experienced a steep decline as a result of a weaker office market outlook. The bright spot remains the consumption-based taxes. While sales tax growth has started to decelerate from the record levels seen last year, it is still expected to grow steadily boosted by a better-than-expected tourism turnaround.

Non-property taxes decline 2.2 percent in 2023 and another 0.8 percent in 2024. These declines are slightly offset by modest growth in the property tax, resulting in overall growth of 2.1 percent in 2023 and flat growth in 2024. In the out-years, weaker property tax growth is offset by modest growth in non-property taxes yielding total tax revenue growth that averages 2.6 percent from 2025 to 2027.

Forecast Summary for 2023

The tax revenue outlook improved considerably for 2023. Total tax revenue is now estimated at \$71.088 billion, \$2.086 billion above the January 2023 Financial Plan. The improved outlook reflects broad gains across the non-property tax base. The biggest gains in non-property revenue come from the PIT, business, and sales taxes. Increased audit revenue also adds \$479 million to the total.

The income-based taxes all increased over the prior plan but are still expected to decline compared to 2022. The **personal income tax** is forecast at \$15.941 billion, an increase of \$657 million compared to the January 2023 Financial Plan as drops in 2022 liability proved to be less severe than previously thought. **Corporate business** taxes are forecast at \$5.351 billion, an increase of \$181 million over the January 2023 Financial Plan as drops in the finance sector are offset by strength in non-finance sectors. The **unincorporated business** tax is projected at \$2.489 billion, an increase of \$169 million over the January 2023 Financial Plan.

Consumption-based taxes coast on strength from 2022 into 2023 but headwinds are expected to arrive by 2024. **Sales tax**, fueled by increased personal income and higher prices, is expected to grow to \$9.462 billion, 10.7 percent over last year. **Hotel tax** collections are forecast at \$637 million for the year, growth of 84.8 percent, finally back to pre-pandemic levels.

Changes to property-based taxes are small plan-over-plan. **Property tax** revenue is expected to be \$31.432 billion, growth of 6.8 percent from 2022 and an increase of \$155 million over the January 2023 Financial Plan. The **real property transfer tax** (RPTT) is forecast at \$1.270 billion, a 33.3 percent decline from the prior year. **Mortgage recording tax** (MRT) revenue is forecast at \$910 million, a 31.9 percent decline over the prior year. With worsening office vacancy rates, the **commercial rent tax** (CRT) is forecast to be \$876 million, flat compared to 2022. Together, RPTT, MRT, and CRT add just \$11 million over the January 2023 Financial Plan.

Forecast Summary for 2024

Total taxes are forecast at \$71.139 billion in 2024, \$2.252 billion more than projected in the January 2023 Financial Plan, growth of 0.1 percent over 2023. Growth is led by a 2.7 percent rebound in the property tax, offset by a 0.8 percent decline in non-property taxes.

The outlook for 2024 sees a moderate increase in the real property tax over the prior year. Other property-related taxes are revised up slightly compared to the January 2023 Financial Plan. Transaction taxes

¹ All years referenced in the Tax section are City fiscal years unless otherwise noted.

² Starting with 2023, all references to PIT also includes the newly enacted pass-through entity tax (PTET).

(RPTT and MRT) are forecast at \$2.196 billion, \$49 million above the January 2023 Financial Plan. This reflects moderate 0.7 percent year-over-year growth, as the residential market is expected to slow with the increase in mortgage interest rates and lower inventory. Commercial transactions are forecast to grow only at a modest pace.

Income-related taxes add \$965 million plan-over-plan, but personal and corporate income taxes are still projected to decrease from 2023 levels. Wall Street profits remain subdued at historical levels as overall economic conditions weaken. As a result, personal income taxes drop 4.4 percent, corporate business taxes decline by 3.0 percent. The unincorporated business tax grows by a modest 1.7 percent.

Consumption taxes, both hotel and sales tax, are forecast to continue to grow at a more moderate pace as inflation forces consumers and tourists to spend less. Interest rate hikes also make spending on credit more expensive. Sales tax grows at 3.3 percent to reach a level of \$9.772 billion and hotel tax reaches \$666 million, growth of 4.6 percent over 2023.

Overall revenue growth is forecast to average 2.6 percent per year in the out-years. Property tax growth remains flat as uncertainty surrounds the future of the office market. Non-property taxes are forecast to grow at an annual average rate of 4.1 percent.

2023 and 2024 Tax Revenue Forecast (\$ in Millions)

Tax	2023	2024	Increase/(Decrease) From 2023 to 2024	
			Amount	Percent Change
Real Property	\$31,432	\$32,269	\$837	2.7%
Personal Income ¹	15,941	15,243	(698)	(4.4%)
Business Corporation ²	5,351	5,189	(162)	(3.0%)
Unincorporated Business	2,489	2,531	42	1.7%
Sales and Use	9,462	9,772	310	3.3%
Real Property Transfer	1,270	1,343	73	5.7%
Mortgage Recording	910	853	(57)	(6.3%)
Commercial Rent	876	890	14	1.6%
Utility	440	449	9	2.0%
Hotel	637	666	29	4.6%
Cigarette	18	17	(1)	(5.6%)
Cannabis	0	12	12	2,770.8%
All Other	923	1048	125	13.5%
Subtotal	\$69,750	\$70,282	\$533	0.8%
STAR Aid	138	136	(2)	(1.4%)
Tax Audit Revenue	1,200	721	(479)	(39.9%)
Total †	\$71,088	\$71,139	\$52	0.1%

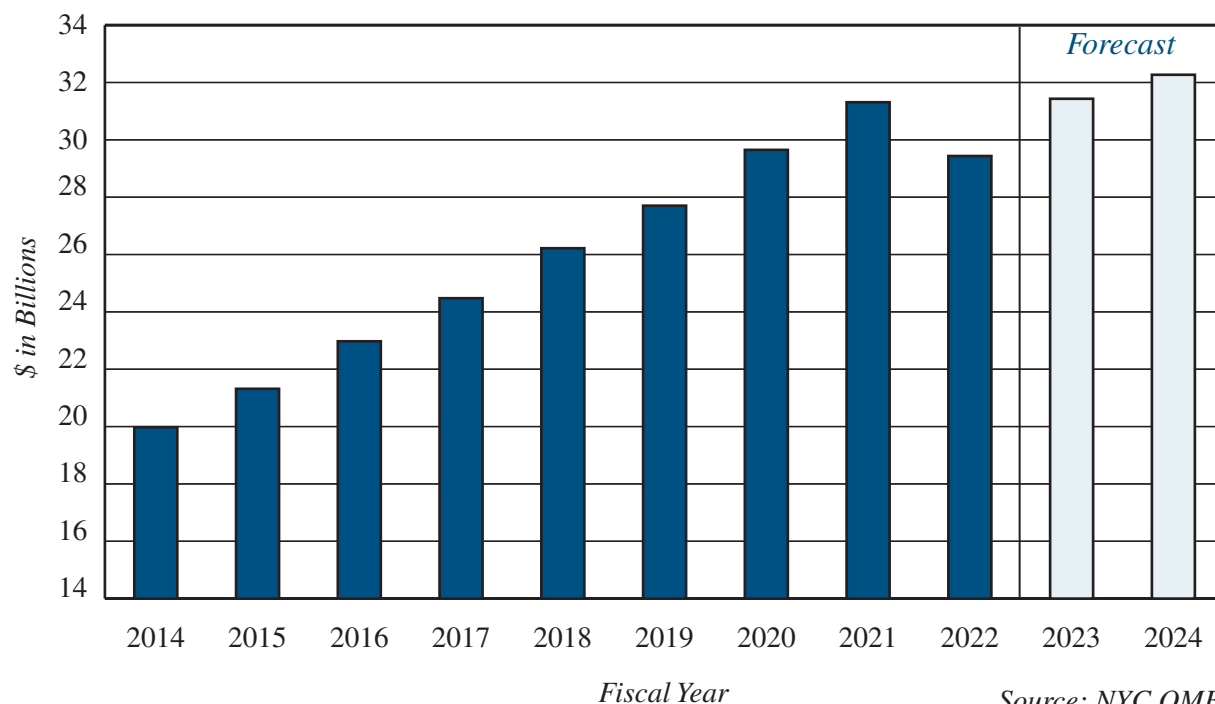
1. Personal Income includes Pass-Through Entity Tax (PTET)

2. Business Corporation Tax Includes both General Corporation and Banking Corporation tax revenues.

† Totals may not add due to rounding.

REAL PROPERTY TAX

REAL PROPERTY TAX 2014 - 2024



Distribution of Property Parcels by Class

	Parcels*	Percentage Share
Class 1	698,627	63.82%
Class 2	295,828	27.02%
Class 3	370	0.03%
Class 4	99,922	9.13%
Citywide	1,094,747	100.00%

* FY 2023 final roll

Real property tax revenue is projected to account for 45.4 percent of total tax revenue in 2024, or \$32.269 billion.

2023 Forecast: Property tax revenue is forecast at \$31.432 billion, 6.8 percent growth over the prior year, \$155 million above the January 2023 Financial Plan.

In 2023, the change is based on higher-than-expected collections from the current year’s levy by \$235 million, offset by a reduction in revenue of \$80 million due to the absence of the lien sale in the current fiscal year, for a net increase of \$155 million over the January 2023 Financial Plan.

2024 Forecast: Property tax revenue is forecast at \$32.269 billion, growth of 2.7 percent over the current year, \$398 million above the January 2023 Financial Plan.

The property tax levy forecast is based on the 2024 tentative roll released in January, wherein citywide total taxable billable assessed value (TBAV) increased by \$12.0 billion to \$286.8 billion, growth of 4.4 percent. The tentative roll is expected to be reduced by \$3.4 billion on the final roll attributable to Tax Commission actions, Department of Finance change-by-notices, and completion of exemption processing.

On the 2024 tentative roll, Class 1 TBAV increased 6.0 percent over the prior year. After the tentative-to-final roll reduction change, TBAV on the final roll is expected to grow 5.0 percent, higher than last year's growth of 3.8 percent.

Class 2 TBAV on the tentative roll increased 3.1 percent. With an estimated tentative-to-final roll reduction of \$1.3 billion, TBAV is expected to increase 1.9 percent on the final roll, lower than last year's growth of 6.9 percent.

On the tentative roll, Class 3 (utilities) properties saw TBAV grow 4.0 percent. After the assessments for Class 3 special franchise properties are completed by the New York State Office of Real Property Tax Services, Class 3 TBAV growth on the final roll is expected to be 6.9 percent.

Class 4 TBAV on the tentative roll increased 5.2 percent. TBAV for offices grew 4.1 percent, stores grew 2.8 percent, and hotels grew 6.9 percent on the tentative roll. With an estimated tentative-to-final roll reduction of \$2.5 billion, TBAV is expected to increase 3.2 percent on the final roll, compared to last year's growth of 8.0 percent.

Beginning 2024, revenue increases include Department of Finance's initiative to remove ineligible properties from receiving property tax abatements, amounting to \$7 million annually.

2025 through 2027 Forecast: Class 1 TBAV is forecast to grow at an annual average of 3.8 percent from 2025 through 2027.

For Class 2, overall TBAV growth is expected to average 1.2 percent from 2025 through 2027.

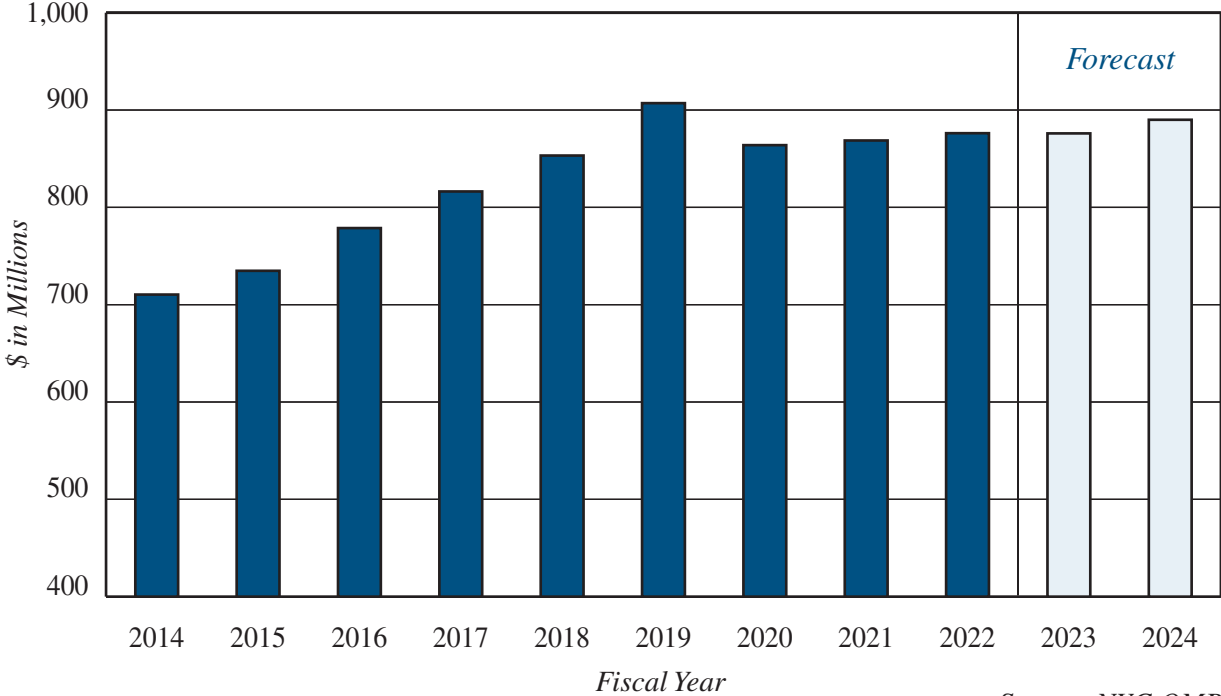
Class 3 TBAV growth is forecast at an annual average of 1.0 percent from 2025 through 2027.

Class 4 TBAV growth is forecast to be essentially flat from 2025 through 2027 as a weaker office market outlook dampens the overall growth.

With a prolonged recovery of both Class 2 and Class 4, the total property tax levy is expected to grow only 1.0 percent on average from 2025 through 2027. Total property tax revenues are expected to grow at an annual average rate of 0.9 percent from 2025 through 2027, in line with the levy growth.

COMMERCIAL RENT TAX

COMMERCIAL RENT TAX 2014 - 2024



Source: NYC OMB

The commercial rent tax is projected to account for 1.3 percent of total tax revenue in 2024, or \$890 million.

2023 Forecast: Commercial rent tax revenue is forecast at \$876 million in 2023, flat compared to 2022 and \$14 million above the January 2023 Financial Plan. The increase between plans is associated with higher-than-expected collections. Year-to-date collections through March are up 4.8 percent over the prior year. However, concerns about the longer-term impacts of the pandemic linger.

The overall vacancy rate in Manhattan rose to a historic high of 22.2 percent in early 2023 from the 11.3 percent seen in March 2020.¹

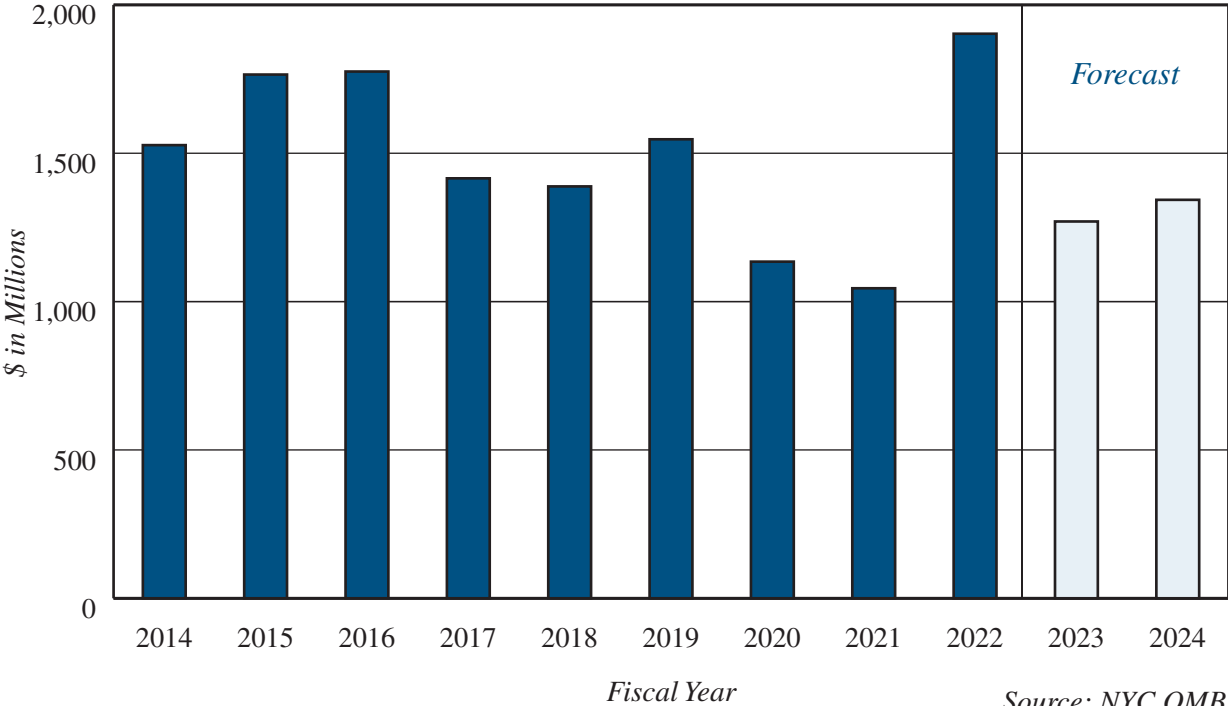
2024 Forecast: Commercial rent tax revenue in 2024 is forecast at \$890 million, essentially flat from 2023 and \$27 million higher than the January 2023 Financial Plan. The increase between plans reflects the rebound of commercial rent taxpayers in the service and retail industries from pandemic-era lows.² These industries were disproportionately impacted by COVID-19 due to the nature of their operations but are expected to recover as the City’s tourism sector improves.

While there are still substantial risks within the commercial office real-estate market that will take time to work out, the commercial rent tax forecast is expected to have an average growth of 2.0 percent from 2025 to 2027.

1 Cushman & Wakefield Manhattan Office Report. <https://www.cushmanwakefield.com/en/united-states/insights/us-marketbeats/new-york-city-area-marketbeats> Accessed April 5, 2023 and April 2020.
2 DOF Statistical Profile of NYC Commercial Rent Tax 2022. <https://www.nyc.gov/site/finance/taxes/business-reports/commercial-rent-reports-statistical-profiles.page>

REAL PROPERTY TRANSFER TAX

REAL PROPERTY TRANSFER TAX 2014 - 2024



The real property transfer tax (RPTT) is projected to account for 1.9 percent of total tax revenue in 2024, or \$1.343 billion.

2023 Forecast: Real property transfer tax revenue is forecast at \$1.270 billion, a decline of 33.3 percent from the prior year, and \$14 million above the January 2023 Financial Plan estimate.

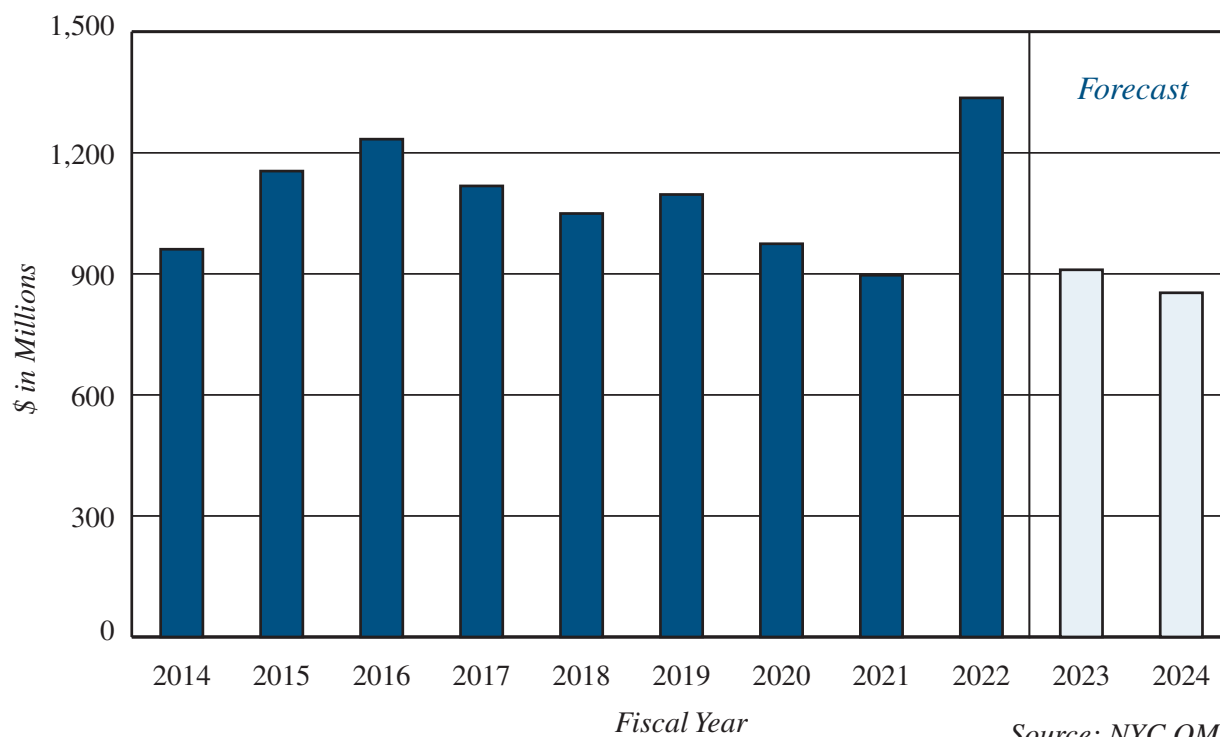
Revenue from residential transactions is forecast to decline 28.2 percent in 2023. The current forecast reflects a return to normalcy from the unusually high post-pandemic revenue levels in 2022, which were the highest on record. The 2022 growth of 60.8 percent was partly driven by a rush to lock in lower interest rates. The 2023 forecast reflects a slowdown in transaction volume as higher interest rates contribute to a lack of inventory as homeowners who bought or refinanced with low interest rates are now reluctant to sell their homes and buy another with a higher interest rate mortgage.

Revenue from commercial transactions is forecast to decline 40.1 percent in 2023, reflecting a combination of a drop from 2022 relative highs and the uncertainty surrounding the commercial office and retail sectors as hybrid work arrangements are expected to persist.

2024 Forecast: Real property transfer tax revenue is forecast at \$1.343 billion in 2024, 5.7 percent growth over the current year, and \$49 million above the January 2023 Financial Plan estimate. This increase is driven mostly by growth in the commercial sector. Although nowhere near pre-pandemic highs, commercial revenue in 2024 is expected to be 12.7 percent higher than in 2023. As post-pandemic-era trends, including higher interest rates, begin to moderate, commercial property revenue is expected to settle at a new normal that reflects new work arrangements and retail trends. Residential revenue is also forecast to grow in 2024, but at a modest rate of 1.4 percent, reflecting the stabilization of the residential sector. Total RPTT revenue growth is expected to average 6.2 percent from 2025 through 2027.

MORTGAGE RECORDING TAX

MORTGAGE RECORDING TAX 2014 - 2024



Source: NYC OMB

The mortgage recording tax (MRT) is projected to account for 1.2 percent of total tax revenue in 2024, or \$853 million.

2023 Forecast: Mortgage recording tax revenue is forecast at \$910 million for 2023, a decline of 31.9 percent from the prior year and \$17 million below the January 2023 Financial Plan estimate.

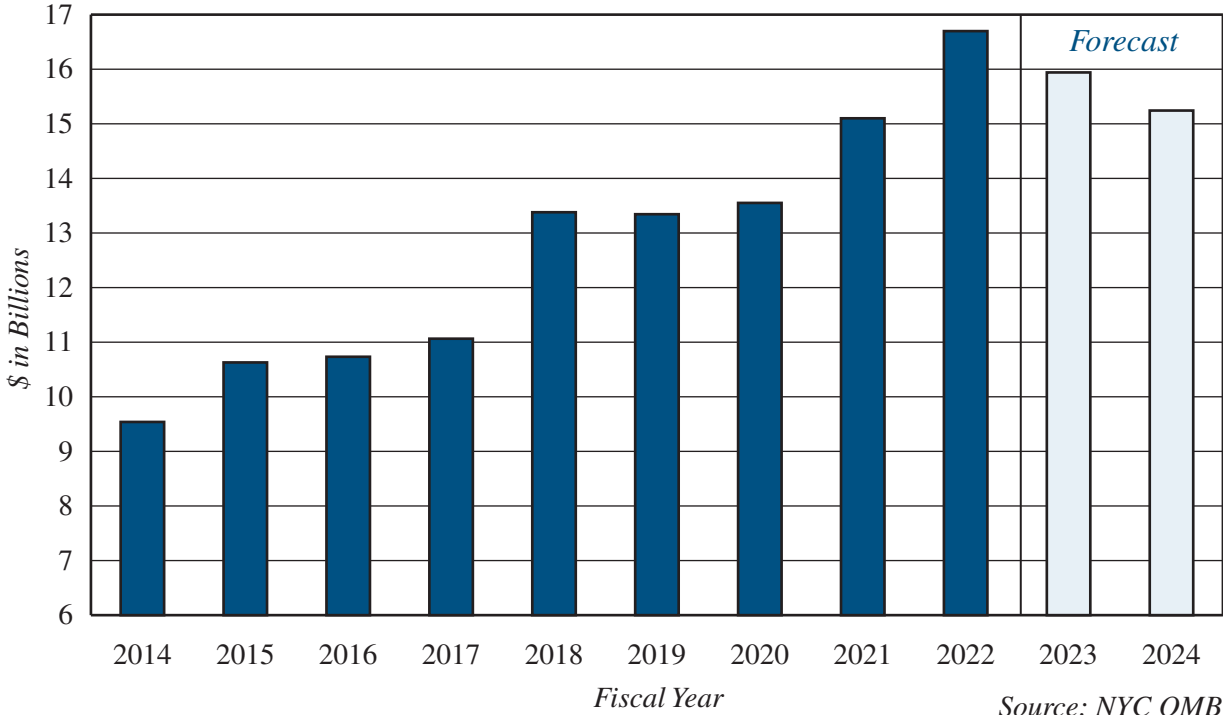
This decline mirrors the changes seen in the residential and commercial RPTT forecast. Revenue from residential mortgages is forecast to decline 37.2 percent in 2023. As residential purchases return to more normal pre-pandemic levels after the extreme highs of 2022, mortgage originations have followed suit. Revenue from commercial mortgages is forecast to decline 26.4 percent in 2023. Similar to commercial RPTT, this reflects the uncertainty present in the commercial office market.

2024 Forecast: Mortgage recording tax revenue is forecast at \$853 million, a decline of 6.3 percent from the current year, and unchanged from the January 2023 Financial Plan.

Revenue from residential mortgage recordings is forecast to grow 4.0 percent in 2024, reflecting a return to more stable growth rates. Residential MRT is forecast to average 9.2 percent growth from 2025 through 2027. Commercial MRT revenue is forecast to decline 15.4 percent in 2024, reflecting a slowdown in commercial real estate transactions due to long-term uncertainty surrounding demand for commercial office space and retail. Commercial MRT is forecast to average 5.8 percent growth from 2025 through 2027.

PERSONAL INCOME TAX

PERSONAL INCOME TAX 2014 - 2024



The Personal Income tax (PIT) is forecast to account for 21.4 percent of the total tax revenue in 2024 or \$15.243 billion.

2023 Forecast: PIT revenue is forecast at \$15.941 billion, a 4.5 percent decrease from the prior year and a \$657 million increase over the January 2023 Financial Plan.

Withholding in 2023 is forecast to increase 3.9 percent year-over-year, totaling \$11.354 billion. This follows last year’s double-digit growth of 11.1 percent. Improved labor markets contribute to solid withholding gains in 2023. However, growth was hampered by a steep drop in withholding associated with end-of-year bonus payments paid primarily in the securities sector, which fell 20.7 percent following last year’s record level.

With respect to the non-wage portion of PIT, though economic projections shape much of the forecast, the

implementation of the City’s Pass-through Entity Tax (PTET) makes it difficult to predict the final level of personal income tax collections.¹

Following record capital gains and business income in liability year 2021, liability years 2022 to 2024 are forecast to decline. Behind this drop in income are depressed equities markets, lower corporate profits, lack of large commercial real estate sales, and the end of pandemic related Unemployment Insurance payments which are taxed as income. The impact of these trends is already showing up in collections. Year-to-date through March, estimated payments were down 41.6 percent as quarterly installment payments saw significant declines. Taxpayers were not permitted to reduce installment payments for liability year 2022 in anticipation of PTET credits. Therefore, this decline can be attributed to a slowing economy.

1 The NYC PTET is an optional tax that partnerships and S-Corporations in NYC may elect to pay beginning in tax year 2022. If an eligible partnership or S-Corporation elects to pay the PTET, its partners or shareholders who are subject to personal income tax will be eligible for a PTET credit on their NYC income tax returns. The purpose of this tax, like the NYS PTET and similar programs in many other states, is to help taxpayers save on federal taxes in light of the federal cap on state and local tax (SALT) deductions. The new tax is expected to be revenue neutral for NYC. For the purpose of analysis PIT and PTET revenues will be discussed in combined totals.

In addition to economic headwinds, it is expected that PIT payments will also be reduced when taxpayers who are owed large credits for PTET paid by their business on their behalf begin to apply them to their April 2023 end-of-year finals and extension payments. Beginning in April 2023, individuals who will claim PTET credits in tax year 2023 can reduce their quarterly installment payments by the value of their expected credit, thereby lowering installments in the fourth quarter of 2023 and beyond.

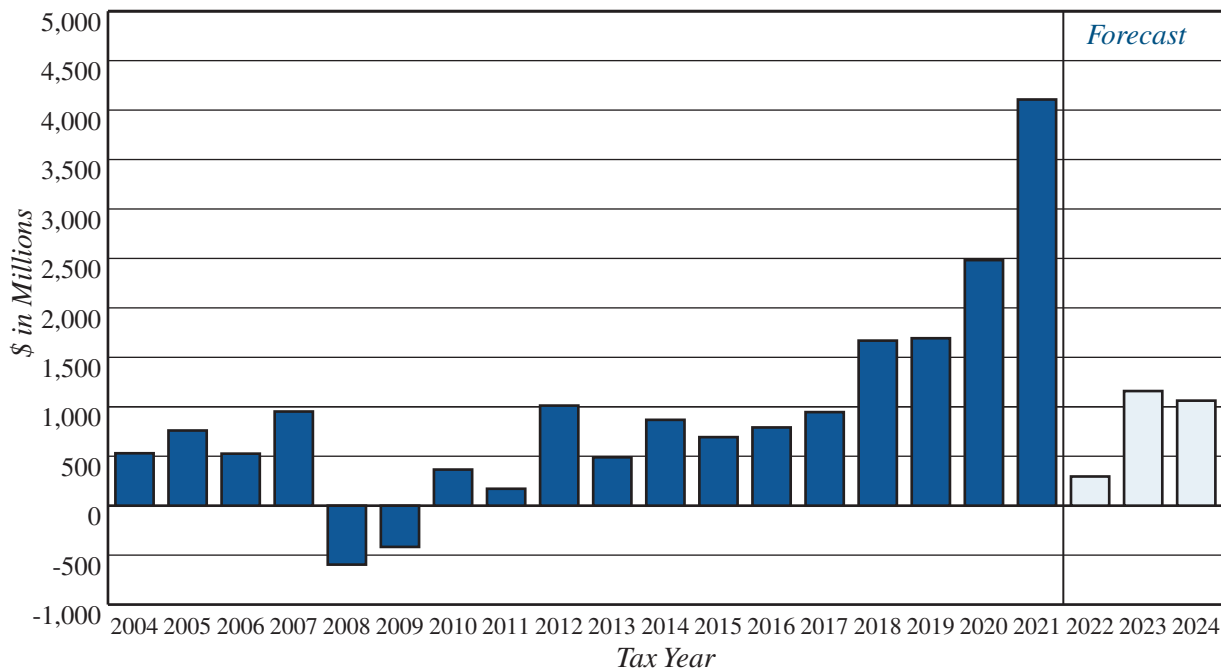
December totaling \$1.682 billion as the newly enacted PTET allowed taxpayers to make payments associated with liability year 2022.

Refunds are forecast to increase primarily from the newly expanded NYC Earned Income Tax Credit program. On the other hand, offsets are forecast to increase due to an unusually high distribution from the State in October 2022 boosting the estimate for the year overall.

In 2023, PTET revenues are forecast to total \$2.467 billion with large lump sum payments received in

The overall non-wage portion of PIT is expected to drop 20.5 percent.

SETTLEMENT PAYMENTS



Note: Adjusted for the City/State final return reconciliation. Settlement Payments are comprised of extensions, finals, offsets, and refunds Source: NYC OMB

2024 Forecast: PIT revenue is forecast at \$15.243 billion, a 4.4 percent decline from the current year and \$399 million above the January 2023 Financial Plan estimate.

Withholding is forecast to increase 2.8 percent over the prior year to \$11.676 billion. Bonuses are projected to decrease slightly, 2.0 percent, to \$1.332 billion, while strong wages and employment continue to buttress base withholding.

In 2024, total non-wage components including PTET are projected to drop 22.3 percent to \$3.566 billion as the economy continues to slow. PTET is forecast to decline 39.2 percent over the prior year to \$1.500 billion in 2024. Following the first year of PTET, various PIT components are projected to experience unusual growth rates in connection with PTET.

PIT revenues are forecast to average annual growth of 5.2 percent from 2025 through 2027 as non-wage income begins to recover. By 2026, PIT revenue levels exceed their 2022 highs.

Personal Income Tax and Pass-through Entity Tax Forecast (\$ in Millions)

	2023 ^f	2024 ^f	2025 ^f	2026 ^f	2027 ^f
Personal Income Tax	13,474	13,743	14,625	15,597	17,756
Pass-Through Entity Tax.....	2,467	1,500	1,500	1,125	0
Total Revenue	15,941	15,243	16,125	16,722	17,756

f = Forecast.

Personal Income Tax Collections By Component (\$ in Millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 f	2024 ^f
Withholding	\$6,976	\$7,513	\$7,753	\$8,169	\$9,360	\$9,641	\$9,972	\$9,834	\$10,925	\$11,354	\$11,676
Estimated Payments ¹	2,680	3,167	3,021	2,633	3,717	3,129	3,059	4,208	4,692	1,711	2,228
Final Returns	380	429	439	408	410	541	556	750	839	305	403
Other ²	810	837	896	1,038	1,146	1,332	1,236	1,523	1,528	1,761	852
Gross Collections	\$10,846	\$11,946	\$12,109	\$12,248	\$14,633	\$14,643	\$14,823	\$16,315	\$17,983	\$15,131	\$15,160
Refunds	(1,307)	(1,317)	(1,376)	(1,183)	(1,253)	(1,299)	(1,272)	(1,214)	(1,285)	(1,657)	(1,417)
Net Collections	\$9,539	\$10,629	\$10,733	\$11,064	\$13,380	\$13,344	\$13,551	\$15,101	\$16,698	\$13,474	\$13,743
PTET										2,467	1,500
Less TFA Retention											
Total	\$9,539	\$10,629	\$10,733	\$11,064	\$13,380	\$13,344	\$13,551	\$15,101	\$16,698	\$15,941	\$15,243

1 Includes extension payments.

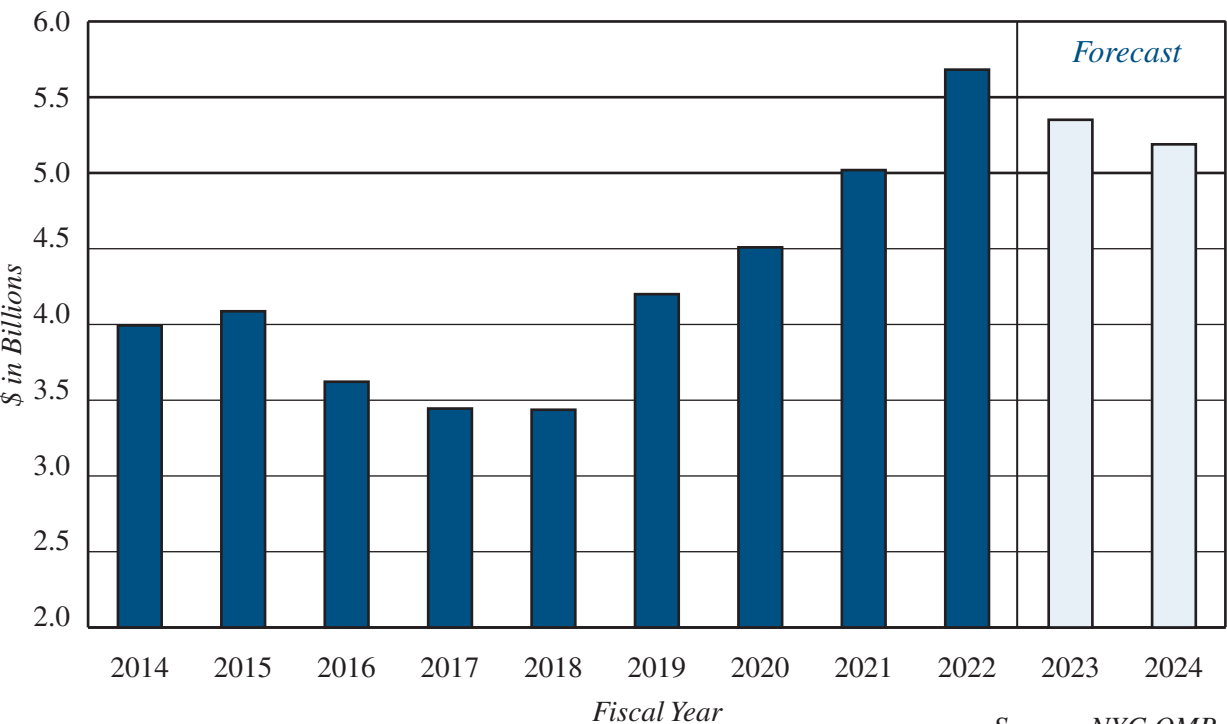
2 Offsets, charges, assessments less City audits.

f = Forecast.

Totals may not add due to rounding.

BUSINESS CORPORATION TAX

BUSINESS CORPORATION TAX 2014 - 2024



Source: NYC OMB

The business corporation tax is forecast to account for 7.3 percent of the total tax revenue in 2024, or \$5.189 billion.

2023 Forecast: Business corporation tax revenues are forecast to decline 5.8 percent to \$5.351 billion in 2023, a drop from exceptionally strong net collections in 2022 and a \$181 million increase over the January 2023 Financial Plan. Despite strong year-to-date collections, an analysis of stated liability paints a less rosy picture for the remainder of 2023. Finance liability declines as Wall Street profits plummet following record pandemic years, while non-finance sectors continue to grow.

Year-to-date through March, business corporation tax net collections are essentially flat from record-high collections in 2022. Though gross collections grew at a moderate pace of 3.5 percent over last year, a significant increase in refunds contributed to flattened growth, as taxpayers correct for overpayments in previous years. In part, the gross collections may continue to reflect the

impact of Wall Street’s extraordinary performance in calendar year 2021, as firms seek to comply with safe harbor underpayment rules.¹

However, significant declines in finance sector profits are expected to materialize in lower collections for the remainder of the year. Firms have been hit by ballooning interest-related expenses associated with the Federal Reserve’s efforts to tighten monetary policy by lifting interest rates higher. As a result, New York Stock Exchange (NYSE) member-firm profits in calendar year 2022 dropped 56.3 percent to \$25.5 billion. Calendar year 2022 stated liability is down from the prior year, dominated by steep decreases in finance liability. Collections have not yet reflected this drop, because corporations’ tax payments have been unusually high relative to their reported liabilities. The remainder of the fiscal year is forecast to decline 20.2 percent overall from the prior year as firms are expected to downwardly adjust their tax payments to reflect their depressed liability.

1 Firms may be penalized for underpayment if their estimated tax payments are less than the tax paid for the prior year (NYC Admin Code §11-606(1)(b)(1), §11-647(b)(1), §11-656(1)(b)(1)).

Year-to-date through February, non-finance industries saw strong collections growth, which more than offset a decline in finance. Strength in non-finance is expected to blunt the impact of finance declines with estimated 3.3 percent growth in 2023, continuing to increase over record levels in the prior year. This is driven by firms' ability to increase prices as well as continued overall economic growth.

Refunds are also forecast to increase in response to current payment trends. As the finance industry cools, firms are expected to request refunds to reconcile elevated tax payments with a lower final tax liability.

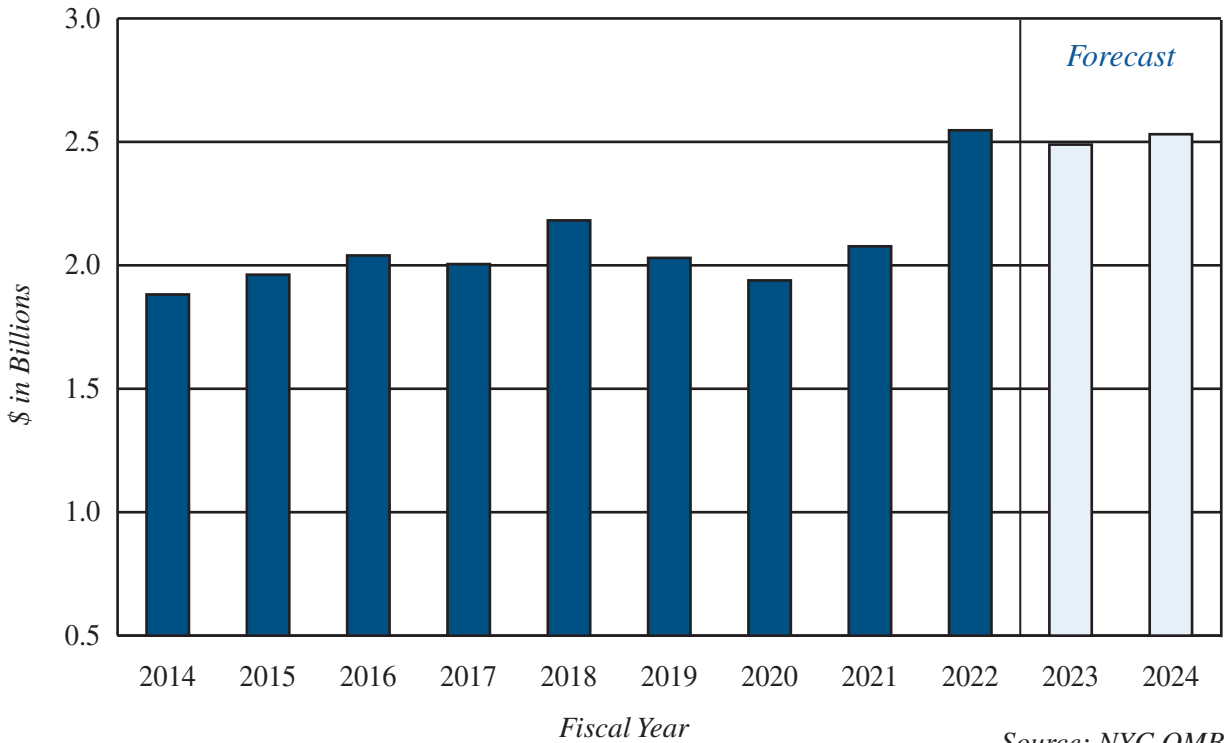
2024 Forecast: Corporate tax collections are forecast at \$5.189 billion in 2024, a \$400 million increase over the January 2023 Financial Plan and down 3.0 percent from the prior year. The upward revision over the prior plan reflects an improved NYSE member-firm profits forecast, though down 14.6 percent year-over-year for liability year 2023.

The risks facing 2023 will continue into 2024. Firms are expected to continue to adjust their previous tax payments to reflect their actual liability in 2024. Taxpayers are likely to request higher refunds in 2024 to reconcile prior year gaps between their stated liability and actual tax payments as well.

Overall, from 2025 through 2027, corporate tax collections are forecast to hold steady, dipping an average of 1.0 percent, while remaining well above pre-pandemic levels.

UNINCORPORATED BUSINESS TAX

UNINCORPORATED BUSINESS TAX 2014 - 2024



Unincorporated Business Tax (UBT) is forecast to account for 3.6 percent of the total tax revenue in 2024, or \$2.531 billion.

2023 Forecast: UBT revenue is forecast at \$2.489 billion, a decline of 2.3 percent from the prior year, or \$169 million above the January 2023 Financial Plan. UBT net collections year-to-date through March declined 0.9 percent from the prior year.

After extraordinary growth in 2022, UBT collections are forecast to drop slightly. As the collections from the first three quarters of 2023 demonstrated, both the finance and non-finance sectors have retained much of their strength. The finance sector is expected to outperform the prior plan forecast, attributable to the improved performance of private equity and hedge funds during high market volatility. However, the non-finance sectors are projected to perform less well than previously anticipated.

In the final quarter of 2023, UBT revenue is expected to decline 5.4 percent year-over-year. Strength in the early part of 2023 was fueled by collections

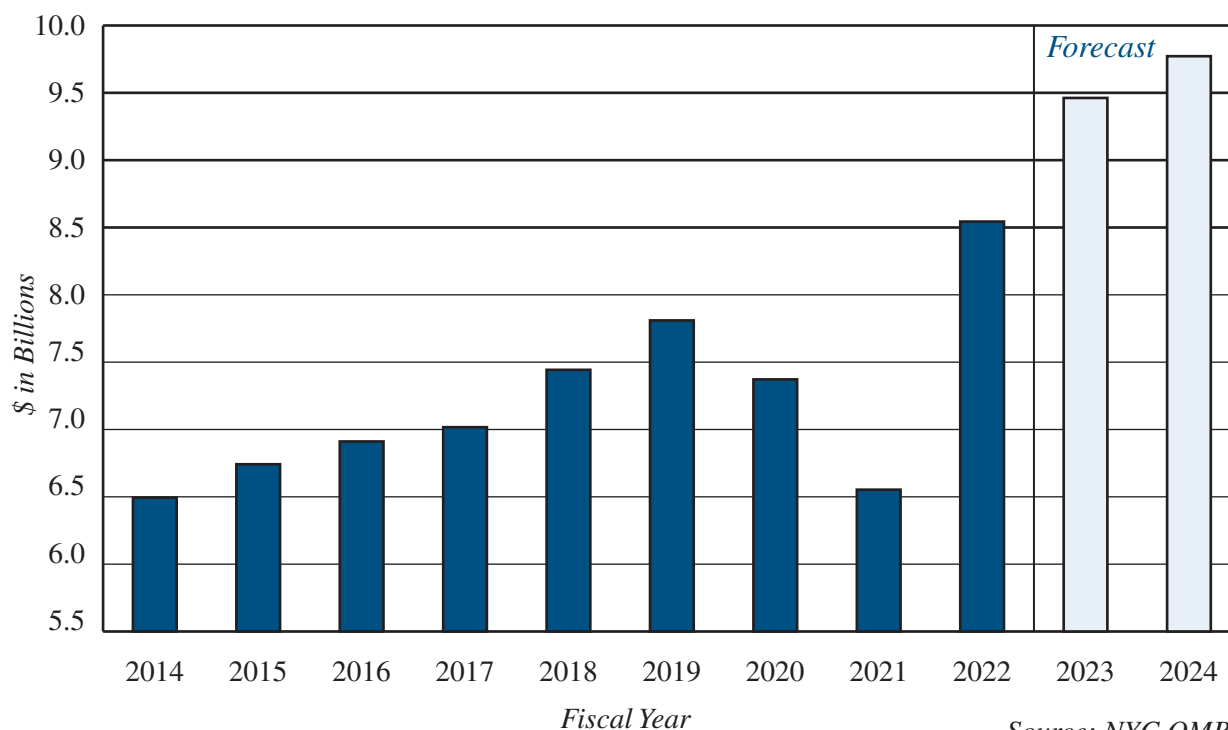
associated with the record-breaking 2021 liability year. The final quarter will begin to see collections from the softer liability years 2022 and 2023. Further, as firms reconcile their tax liabilities with tax payments, they are likely to demand more refunds to reduce overpayments on account. This could chip away at net revenue growth.

2024 Forecast: UBT revenue is expected to reach \$2.531 billion in 2024, representing a 1.7 percent year-over-year increase or \$166 million over the January 2023 Financial Plan. The finance sector is predicted to contribute the most to this growth, with payments expected to increase \$179 million over the previous forecast. This growth is due to solid increases in financial market activity. In contrast, the non-finance sectors are expected to experience decelerated growth over the previous forecast as general economic activity slows.

From 2025 through 2027, UBT revenue is forecast to have an annualized average growth of 3.4 percent.

SALES AND USE TAX

SALES TAX 2014 - 2024



Source: NYC OMB

The sales and use tax is projected to account for 13.7 percent of the total tax revenue in 2024, or \$9.772 billion.

2023 Forecast: Sales tax revenue is forecast at \$9.462 billion, growth of 10.7 percent over the prior year including the Distressed Hospital Assistance Account and MTA State intercepts.¹ Sales tax collections year-to-date through March increased 14.8 percent over the same period in the previous year. Collections continue to be strong as wage growth, a tight labor market, and accumulated savings support healthy local consumption. Sales were bolstered by a solid holiday shopping season, elevated prices, and a steady return of tourist activity. While consumer spending has not been hampered as much as initially anticipated, current economic trends suggest consumption growth may be subdued for the remainder of the fiscal year.

These trends include persistent inflation, elevated interest rates, high credit card debt, and concerns of an economic slowdown leading to a pullback in spending habits.

In February, U.S. retail sales slowed after a strong start in January as consumers are beginning to constrain spending. Increased prices in non-discretionary categories such as food and rent negatively impact spending in other areas,² which could affect collections.

While many consumers have relied on rising wages as well as savings to support spending, there is evidence of increased reliance on credit card debt.³ With the Fed raising interest rates, coupled with increasing credit card debt, borrowing costs are poised to become higher in the coming months. This may lead consumers to constrain spending.

1 Without the Distressed Hospital and Assistance Account and MTA State intercepts, sales tax in fiscal year 2023 is expected to increase 9.9 percent.

2 <https://www.forbes.com/sites/shelleykohan/2023/03/16/february-retail-sales-show-signs-of-curtailed-consumer-spending/?sh=3b90337c39eb>

3 <https://www.bloomberg.com/news/articles/2023-03-15/us-retail-sales-decline-0-4-after-surgin-in-january?sref=mr5ATXJe>

Overall, growth in collections is expected to be restrained for the remainder of the fiscal year. While higher borrowing costs and prices subdue consumer spending, pent-up demand for services, a still-strong labor market and gradual easing of inflation continue to support household consumption.

2024 Forecast: Sales tax revenue is forecast at \$9.772 billion, growth of 3.3 percent over the current year, net of the Distressed Hospital Assistance Account and MTA State intercepts.⁴ The forecast is \$506 million above the prior plan. Collections growth is anticipated to experience modest gains as wage earnings and tourism grow at a moderate pace.

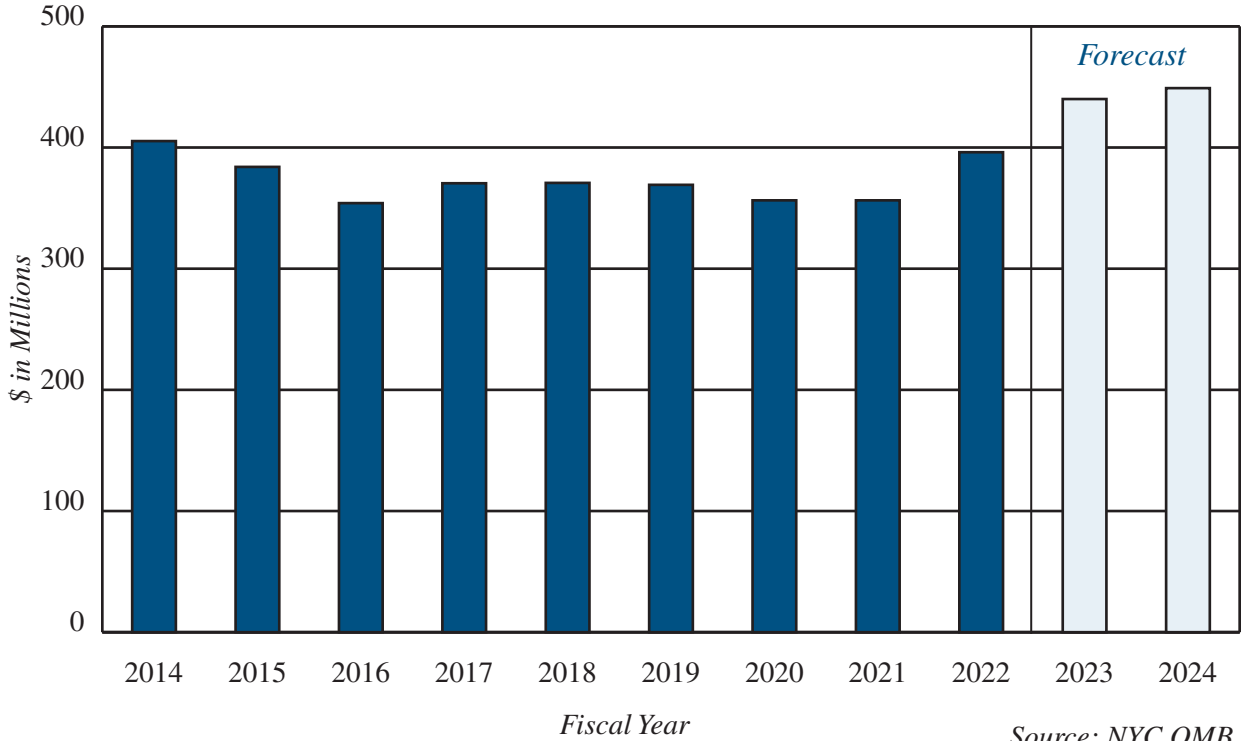
While economic uncertainty looms, consumer spending will continue to moderate from recent trends due to economic headwinds including depleted pandemic savings and elevated borrowing costs. Despite these economic headwinds, consumption activity is anticipated to stabilize due to a relatively healthy labor market. Fed interest rate hikes are also expected to slow, putting downward pressure on borrowing costs and inflation, increasing the possibility of a “soft landing”.

Sales tax revenue growth is forecast to average 5.1 percent annually from 2025 through 2027, reflecting a balanced labor market and steady wage earnings growth, healthy increase in tourist activity, and a stable macro economy.

⁴ Without the Distressed Hospital and Assistance Account and MTA State intercepts, sales tax in fiscal year 2024 is expected to increase 3.2 percent.

UTILITY TAX

UTILITY TAX 2014 - 2024



Source: NYC OMB

The utility tax is projected to account for 0.6 percent of total tax revenue in 2024, or \$449 million.

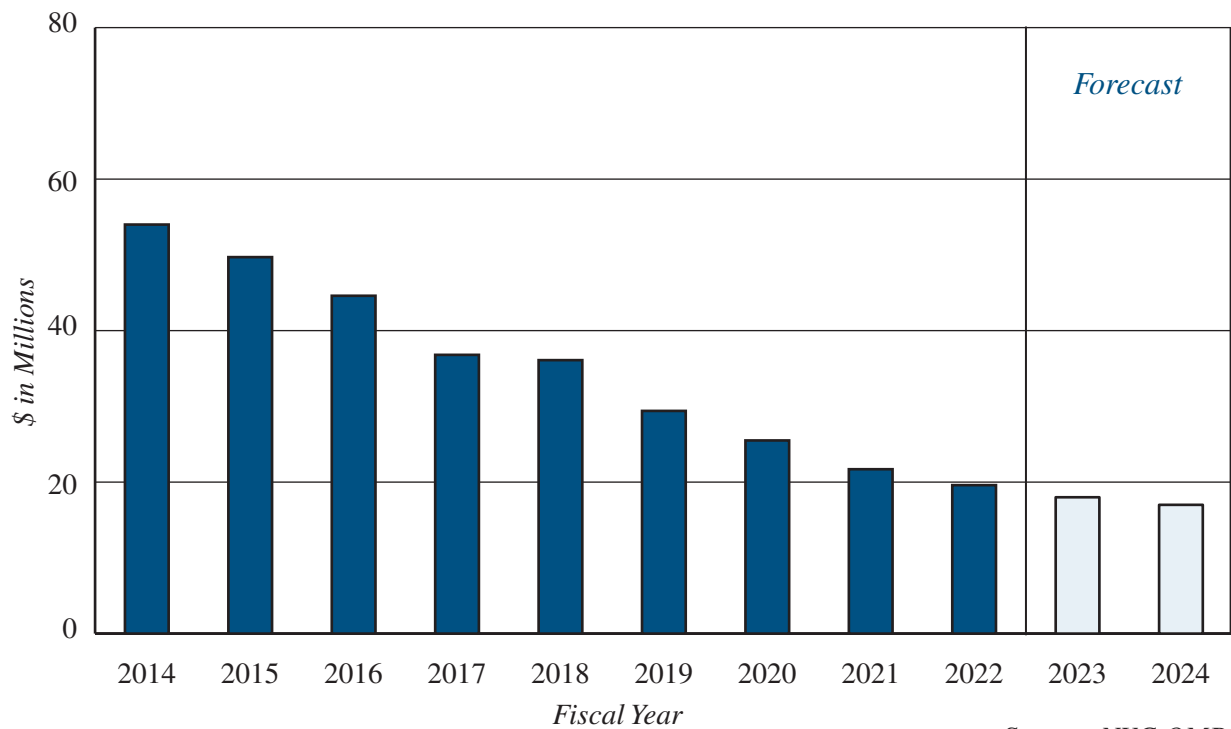
2023 Forecast: Utility tax revenue is forecast at \$440 million in 2023, 11.1 percent growth over the prior year, and up \$61 million from the January 2023 Financial Plan. Year-to-date collections through March have grown 11.4 percent over the prior year as a result of high electric and natural gas prices. Collections through the remainder of the fiscal year are forecast to grow 10.4 percent over the same previous year period, due to persistently high energy prices that have counteracted the lower energy consumption due to warmer than average winter weather.

2024 Forecast: Utility tax revenue is forecast at \$449 million, an increase of 2.0 percent over the current year, and up \$54 million from the January 2023 Financial Plan. Electricity prices are expected to moderately increase over their 2023 levels, slightly offset by a decrease in projected natural gas prices.

Utility tax is forecast to increase by an average of 2.0 percent per year from 2025 to 2027.

CIGARETTE TAX

CIGARETTE TAX 2014- 2024



Source: NYC OMB

The cigarette tax is forecast to account for 0.02 percent of total tax revenue in 2024, or \$17 million.

2023 Forecast: Cigarette tax revenue is forecast at \$18 million in 2023, a decline of 8.3 percent from 2022.

2024 Forecast: Cigarette tax is forecast at \$17 million in 2024. This represents a decline of 5.6 percent over the current year. With a combined City and State tax on a pack of cigarettes at \$5.85, NYC is the third highest city/state cigarette tax levied jurisdiction in the country, coming in behind Chicago and Evanston, Illinois. The high rate of cigarette taxes has led to a noticeable decline in the number of packs sold within NYC. The higher tax rate has either diverted purchases to jurisdictions outside the City with lower tax rates, or prompted a change in behavior to seek alternatives.

ADULT USE CANNABIS TAX

**Adult Use Cannabis Tax
(\$ in Millions)**

2023	2024	Increase/(Decrease) From 2023 to 2024 Amount	Percent Change
\$0.418	\$12.00	\$11.582	2,770.8%

Cannabis tax is forecast to account for 0.02 percent of total tax revenue in 2024, or \$12 million.

2023 Forecast: Cannabis tax revenue is forecast at \$418,000 in 2023. Adult use cannabis was legalized in the State on March 31, 2021. The State also authorized a local excise tax on the sale of cannabis products at the rate of 4.0 percent. Currently, there are four licensed dispensaries in the City.

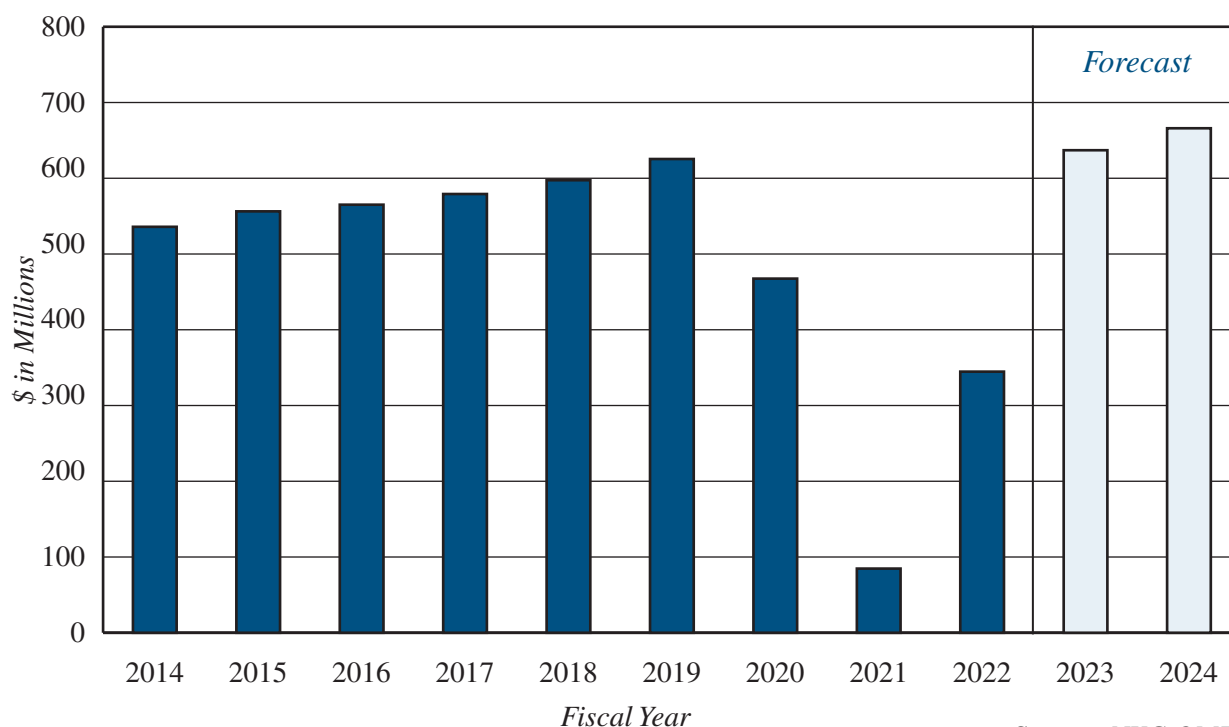
Due to the slow establishment of dispensaries throughout the State and in the City, the first revenues were not expected to be realized until the second half of 2023, with modest gains expected through the remainder of the fiscal year as more licenses to open additional dispensaries are issued.

2024 Forecast: Cannabis tax revenue is forecast at \$12 million in 2024 as dispensaries gradually open to meet the expected demand.

Cannabis tax is forecast to grow by an average of 47.8 percent per year from 2025 to 2027 as the market reaches maturity.

HOTEL TAX

HOTEL TAX 2014 - 2024



Source: NYC OMB

The hotel room occupancy tax is projected to account for 0.9 percent of total tax revenue in 2024, or \$666 million.

2023 Forecast: Hotel tax revenue is forecast at \$637 million, 84.8 percent growth from the prior year, up \$48 million from the January 2023 Financial Plan. Collections year-to-date through March grew 135.9 percent over the prior year. Tourism continues to recover, with domestic travel already surpassing pre-pandemic levels, while international travel lags slightly behind according to the most recent airport arrival data.¹

The hotel occupancy rate increased to an average of approximately 70 percent for the latest quarter, up from the heavily Omicron impacted 2022 level of around 55 percent. Hotel occupancy has recovered to about 90 percent of the pre-pandemic level.

The inventory of hotel rooms has nearly reached pre-pandemic level at around 125,000 rooms. The total number of estimated room nights sold in the first half of 2023 grew around 35 percent compared to the prior

year. Room rates year-to-date have increased steadily, averaging about \$282 per night. December saw a record average daily rate of \$383, a 23 percent increase over the prior year.

While the level of international travel may be dampened by increased inflation coupled with strong US dollar, tourism and revenue can still be expected to grow as China reopens and domestic travel continues to be strong.

2024 Forecast: Hotel tax revenue is forecast at \$666 million, 4.6 percent growth over the current year. The forecast is \$22 million above the January 2023 Financial Plan. The growth is attributed to an increase in room demand as tourism continues to recover to pre-pandemic trends.

The hotel occupancy tax is expected to continue to improve in the out-years, as demand returns and additional hotels reopen, averaging 4.6 percent revenue growth from 2025 through 2027.

¹ <https://www.panynj.gov/airports/en/statistics-general-info.html> Accessed April 19, 2023

OTHER TAXES

All other taxes are projected to account for 1.5 percent of the total tax revenue in 2024, or \$1.048 billion.

**2023–2024 Other Taxes Forecast
Excluding Tax Audit Revenue
(\$000s)**

Tax	2023	2024	Increase/(Decrease) From 2023 to 2024 Amount	Percent Change
Auto Related Taxes				
Auto Use	\$30,000	\$30,000	—	0.0%
Commercial Motor Vehicle.....	60,071	67,071	7,000	11.7%
Taxi Medallion Transfer.....	800	800	—	0.0%
Excise Taxes				
Beer and Liquor.....	25,000	25,000	—	0.0%
Liquor License Surcharge.....	—	6,000	6,000	N/A
Horse Race Admissions.....	50	50	—	0.0%
Medical Marijuana Excise Tax	600	600	—	0.0%
Off-Track Betting Surtax.....	760	760	—	0.0%
Miscellaneous				
Other Refunds.....	(52,000)	(52,000)	—	0.0%
Payment in Lieu of Taxes (PILOTs)	601,000	726,000	125,000	20.8%
Section 1127 (Waiver)	193,000	180,000	(13,000)	(6.7%)
Penalty and Interest Real Estate			—	
.....(Current Year)	30,000	30,000	—	0.0%
Penalty and Interest Real Estate			—	
.....(Prior Year)	42,000	42,000	—	0.0%
Penalty and Interest - Other Refunds.....	(8,000)	(8,000)	—	0.0%
Total	\$923,281	\$1,048,281	125,000	13.5%

AUTO RELATED TAXES

Auto Use Tax: This tax is imposed by the City on privately-owned vehicles at an annual rate of \$15 per vehicle. The tax is administered by the State Department of Motor Vehicles, with an administrative charge levied on the City for this service. The Auto Use tax is expected to generate \$30 million in 2023 and 2024.

Commercial Motor Vehicle Tax: This tax is levied on vehicles used for the transportation of passengers (medallion taxi cabs, omnibuses, and other for-hire passenger vehicles) and all other commercial trucks and vehicles. The tax is administered by the State Department of Motor Vehicles and is charged at different rates depending on the purpose for which the vehicles are used. The annual rate for commercial vehicles weighing less than 10,000 pounds is \$40, with rates increasing progressively for heavier vehicles. Trucks weighing 15,000 pounds pay the highest rate of \$300 per year. Medallion taxicabs and owners of other types of commercial vehicles pay annually in June at a rate of \$400. This tax is forecast to generate \$60.1 million in 2023 and \$67.1 million in 2024. The plan-over-plan change reflects a \$5 million reduction from 2023 through 2027, offset by an increase in revenue from an expanded enforcement program by the Department of Finance Sheriff’s unit that aims to recover unpaid taxes. This initiative is expected to bring in \$7 million a year from 2024 through 2027, for a net increase of \$2 million from 2025 through 2027.

Taxi Medallion Transfer Tax: This tax is imposed at a rate of 0.5 percent of the price paid for the transfer of taxicab licenses (medallions). The rate was reduced from 5.0 percent to 0.5 percent in 2017. The tax is administered by the NYC Taxi and Limousine Commission. This tax is forecast to generate \$800,000 in 2023 and 2024.

EXCISE TAXES

Beer and Liquor Excise Tax: This tax is imposed on beer and liquor sales by licensed distributors and non-commercial importers within New York City. The current tax rate is 12 cents per gallon of beer and 26.4 cents per liter of liquor with alcohol content greater than 24 percent. The City does not impose a tax on wine. This tax is administered by New York State and is forecast to generate \$25 million in 2023 and 2024.

Horse Race Admission Tax: This is a 3.0 percent tax imposed on the price of all paid admissions to horse races on grounds or enclosures located wholly or partially within New York City. This tax is forecast to generate \$50,000 in 2023 and 2024.

Liquor License Surcharge: This surcharge is imposed on distributors and non-commercial importers of beer and liquor at the rate of 25 percent of license fees payable under the New York State Alcoholic Beverage Control Law. As part of the blueprint for New York City’s economic recovery, Mayor Adams suspended this surcharge for one year in the City, effective June 2022. Due to this executive order, the City will receive no revenue from this tax in 2023. In 2024, this tax is forecast to generate \$6 million.

Medical Marijuana Excise Tax: New York City has been receiving payments from the New York State medical marijuana trust fund since July 2016. These payments represent 22.5 percent of the New York State medical marijuana excise tax revenue collected in New York City. This tax is forecast to generate \$600,000 in 2023 and 2024.

Off-Track Betting Surtax: This tax is levied on bets placed at New York City Off-Track Betting offices and on bets placed statewide on races held within New York City. This tax is forecast to generate \$760,000 in 2023 and 2024.

MISCELLANEOUS

Other Refunds: These are refunds primarily paid out on the commercial rent tax, business taxes, and Section 1127 (waiver) and are forecast at \$52 million in 2023 and 2024.

Payments in Lieu of Taxes (PILOTs): PILOTs are contractual agreements between public agencies and private property owners. There are five primary sponsor agencies that serve as intermediaries between the City and the PILOT facility owners: (1) New York City Economic Development Corporation; (2) Industrial Development Agency; (3) Battery Park City Authority; (4) Hudson Yards Infrastructure Corporation (HYIC) and (5) Port Authority of New York and New Jersey. PILOT revenue is forecast to generate \$601 million in 2023 and \$726 million in 2024. This is an

increase of \$225 million in 2024 from the January 2023 Financial Plan. This large variance is due solely to the increased distribution of revenues to the City from HYIC.

Section 1127 (Waiver): Under Section 1127 of the New York City Charter, the City may collect payments from non-resident employees of the City or any of its agencies in an amount equal to what their personal income tax liability would be if they were City residents. Revenue for this tax is forecast to generate \$193 million in 2023 and \$180 million in 2024.

Prior Year and Current Year Penalty and Interest - Real Estate: Taxpayers who do not pay their real property tax on time are liable for interest charges on outstanding balances. Penalties and interest received against current year delinquencies are forecast at \$30 million in 2023 and 2024, while interest collections from prior year delinquencies are expected to be \$42 million in 2023 and 2024.

Penalty and Interest – Other Refunds: The City currently pays out interest on refunds claimed for overpayment against business income taxes and on audits of business corporation and unincorporated business taxes already collected by the Department of Finance or overturned in Federal or State rulings. These refunds are forecast at \$8 million in both 2023 and 2024.

TAX ENFORCEMENT REVENUE

As part of the City's continuous tax enforcement efforts, the Department of Finance targets delinquent taxpayers through agency audit activities, the select use of collection agencies, and computer matches. Audit revenue is forecast at \$1.200 billion in 2023, an increase of \$479.1 million from the January 2023 Financial Plan. Audit revenue is forecast at \$720.9 million in 2024.

MISCELLANEOUS RECEIPTS

Forecast of Miscellaneous Receipts

The non-tax revenue portion of City Funds is referred to as miscellaneous revenues. The 2024 Executive Budget includes eleven classes of miscellaneous revenues which are discussed below.

Miscellaneous revenues are estimated at \$5,797 million in 2024, a decrease of \$93 million from 2023, exclusive of private grants and intra-city revenues. The revenue classes listed above are regrouped and described in the following four areas: Cost-based Charges (Licenses, Permits, and Charges for Services); Water and Sewer Revenues; Fines and Forfeitures; and Other Income (Interest Income, Franchises, Rental Income, and Miscellaneous).

**Miscellaneous Revenues
(\$ in Millions)**

	2023 Forecast	2024 Executive Budget	Forecast to Executive Budget Increase (Decrease)
Licenses.....	\$77	\$66	(11)
Permits.....	290	298	8
Franchises and Privileges.....	386	330	(56)
Interest Income.....	385	436	51
Tuition and Charges for Services.....	878	1,021	143
Water and Sewer Revenues.....	1,826	1,842	16
Rental Income.....	255	257	2
Fines and Forfeitures.....	1,428	1,178	(250)
Miscellaneous.....	365	369	4
Total Miscellaneous Revenues.....	\$5,890	\$5,797	(93)

Cost-based Charges

Cost-based Charges are revenues collected as a result of the City providing a service (copies of official records, or inspections and reviews) and may be related to the government’s police or regulatory functions (pistol permits, restaurant permits, building plan examination fees). In the absence of State legislative authorization for the City to impose a specific fee, the City may, where otherwise allowed by law, impose a user fee to recover the cost of providing services.

Licenses

The City issues approximately 550,000 licenses. About 47,000 are non-recurring, 122,000 are renewed annually, 167,000 biennially, and 214,000 triennially. The major sources of license revenue are taxi and limousine licenses, pistol licenses, private carter licenses, marriage licenses, and various business licenses under the jurisdiction of the Department of Consumer and Worker Protection.

The 2024 forecast for license revenue is \$66 million, \$11 million less than 2023. This decrease is attributable to an expected drop off in license activity as the post-pandemic surge abates and the cyclical nature of renewals settles to lower levels.

Permits

Permits are issued to 1,199,000 individuals or entities for the use of facilities, premises or equipment. Approximately 243,000 permits are renewable on an annual, biennial or triennial basis. Seasonal or single occurrence permits, such as tennis and building permits, account for 956,000 additional permits, all of which are issued and regulated by twelve City agencies.

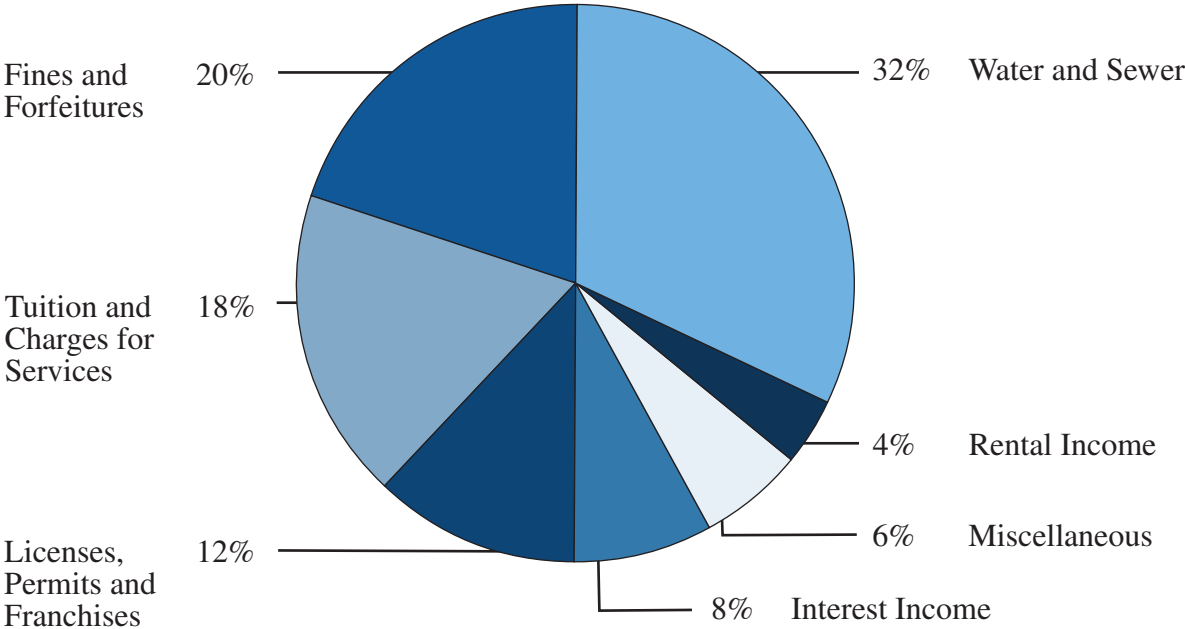
The major sources of revenue are permits for building construction and alterations, street openings, restaurants, hazardous materials, and air pollution control. The 2024 forecast for permit revenue is \$298 million, \$8 million more than 2023. The increase is due to an upturn in receipts for construction related permits issued by the Department of Buildings.

Tuition and Charges for Services

The City collects tuition from students enrolled at community colleges. In addition, the City collects money from charges to the public and other governmental agencies for services rendered. There are over 100 different service fees in this category, including fees for parking, towing, copies of certificates, processing applications, searches, and performing fire and building inspections. The 2024 forecast for tuition and charges for services is \$1,021 million, \$143 million more than 2023. Tuition revenue was adjusted downward in 2023 to reflect reduced student enrollment.

COMPONENTS OF MISCELLANEOUS REVENUES

As a Percentage of 2024



Source: NYC OMB

Water and Sewer Revenues

Water and Sewer charges are collected by the New York City Water Board. From these charges the Board reimburses the City for the operation and maintenance (O&M) of the water delivery and wastewater disposal systems. The O&M reimbursement is equal to the amount spent by the City to supply water and treat and dispose of wastewater on behalf of the Board. The City is reimbursed only for its expenditures. The City will receive \$1,842 million for O&M services rendered in the delivery of water and the collection, treatment, and disposal of wastewater.

Fines and Forfeitures

The City collects fine revenue through courts and administrative tribunals for violations issued under the New York City Administrative Code, New York State Vehicle and Traffic Law, and other laws. Forfeiture revenue is obtained from the surrender and conversion of bail and cash bonds, and contractors’ performance bonds. The 2024 forecast for forfeitures is \$1.2 million. The revenue expected from fines in 2023 and 2024 is listed below:

Fine Revenue

Type (\$ in 000's)	2023 Forecast	2024 Executive Budget
Parking Violations.....	\$707,000	\$596,920
Speed Camera Violations.....	315,000	197,414
Environmental Control Board Violations	112,000	118,162
Department of Buildings Penalties	68,000	79,700
Bus Lane Violations.....	46,000	25,000
Red Light Camera Violations.....	34,500	22,000
Department of Health Violations	21,000	22,000
Department of Finance Late Penalties	22,700	16,500
Taxi and Limousine Commission Violations.....	13,200	14,800
Department of Consumer and Worker Protection.....	14,000	10,550
State Court Fines.....	4,000	4,000
Other Sources.....	69,419	69,419
Total.....	<u>\$1,426,819</u>	<u>\$1,176,465</u>

The Parking Violation division of the Department of Finance is forecasted to collect \$842.7 million in parking, red light, bus lane, weigh in motion, and speed camera fines in 2024, \$261.2 million less than in 2023.

The Parking Violation division processes and adjudicates enforcement camera violations. The red light camera program is designed to promote safe, responsible driving by photographing and fining registrants of vehicles “running” red lights. The Department of Transportation currently has 211 red light cameras operating at 150 intersections. Red light camera violations will generate \$22 million in 2024. In addition, the Department operates a fixed bus lane camera enforcement program along 35 MTA regular and Select Bus Service routes. The Department also partners with New York City Transit to operate bus-mounted cameras on 16 Select Bus Service routes. The revenue from these mobile cameras is remitted to New York City Transit. The Department will generate approximately \$25 million from fixed bus lane cameras in 2024. Legislation passed in 2019 authorizes the Department to use speed camera enforcement in 750 school zones. Currently, 2,175 fixed and 40 mobile cameras are operational within the authorized zones. Speed cameras must be placed within a quarter mile radius of a school and can operate 24 hours a day, 7 days a week, year-round. Collections are expected to be \$197.4 million in 2024. Legislation passed in 2021 authorizes the Department to launch a pilot program using weigh in motion technology to capture overweight trucks on the Brooklyn Queens Expressway. The violations are expected to generate \$1.3 million in 2024.

The Office of Administrative Trials and Hearings is comprised of several administrative tribunals: Health, the Taxi and Limousine Commission, and the Environmental Control Board. The Environmental Control Board adjudicates violations issued by over a dozen City agencies for infractions of the City’s Administrative Code related to street cleanliness, waste disposal, street peddling, fire prevention, air, water and noise pollution, building safety and construction, and other quality of life issues. Revenue from these violations is expected to generate \$143.4 million in 2024.

The Department of Consumer and Worker Protection enforces the City’s consumer protection, licensing, tobacco, municipal workplace, and Truth-in-Pricing laws. In 2024, the Department will generate \$10.6 million in fine revenue. The Department of Consumer and Worker Protection will continue its enforcement strategy which includes an expanded emphasis on education and outreach.

The Department of Finance assesses penalties for failure to timely file Real Property Income and Expense statements and Real Property Transfer documents. The Department’s enforcement efforts are expected to improve compliance due to increased penalties for non-filers who have not filed for three consecutive years.

Revenue is also collected from certain fines adjudicated through the State-operated Criminal and Supreme Court system; revenue net of state processing costs is collected from the adjudication of traffic violations issued in the City of New York. In addition, the City collects fines for administrative code violations and building code violations.

Other Income

Other income includes interest earned on the City's cash balances, concession and franchise payments, rental income, and income from other areas in which productivity may have a positive effect on the amount of revenue collected. Each of the sources included in this area has its own unique basis for management and improvement, some of which are directly affected by the City's policy toward such varied items as housing, economic development, and transportation issues.

Interest Income

The City earns interest income by investing funds from four sources: overnight cash balances, debt service accounts, sales tax, and cash bail balances. Overnight cash balances are invested and historically earn interest at approximately the federal funds rate. Property tax receipts are held by the State Comptroller to satisfy City debt service payments, and earnings are forwarded to the City monthly based on bond payment schedules. The determinants of this revenue source are the value of cash balances, tax receipts, available investment instruments, and the interest rate.

The 2024 forecast for interest earnings is \$436 million, an increase of \$51 million from 2023. The increase is attributable to an increase in the projected federal funds rate for 2024.

Franchises and Privileges

This revenue consists of franchise fees for the public use of City property and privilege and concession fees for the private use of City property. These uses include conduits that run under City streets, concessions in public parks and buildings, and payments from utility companies for transformers on City property.

The 2024 forecast for franchise revenue is \$330 million, \$56 million less than in 2023. The decrease reflects delayed payments made in 2023 that will not continue into 2024.

Rental Income

Rental income is derived from both long and short-term agreements for the occupancy of City-owned properties, including condemnation sites and *in rem* buildings. Roughly 2,600 properties are rented from the City. Approximately 500 are *in rem* or condemnation sites, 200 are covered by long term agreements, and nearly 1,900 are schools that are rented on a per event basis after school hours.

The 2024 forecast for rental income is \$257 million, \$2 million more than in 2023. The increase is a result of new and re-negotiated leases for DCAS managed properties.

Miscellaneous

Miscellaneous revenue is composed of a variety of revenues not otherwise classified in the City's Chart of Accounts. The primary items are the sale of City assets, cash recoveries from litigation and audits, E-911 telephone surcharges, revenue from Police Department Property Clerk auctions, refunds of prior year expenditures, the sale of the City Record and other publications, and subpoena fees. This source of revenue has, at times, contributed significantly to the miscellaneous receipts.

The 2024 forecast for miscellaneous revenue is \$369 million, \$4 million more than in 2023.

Private Grants

The Executive Budget includes \$1,082 million in private grants in 2024, \$27 million less than 2023. Additional private grant funding will be modified into the budget throughout the year, as additional funding sources are identified, and grants are defined.

Interfund Revenues

Interfund Revenues (IFA) are reimbursements from the Capital Fund to the General Fund for authorized first-line architectural, engineering, and design costs incurred by the City's own engineering and support staff. These costs also include employee expenses incurred in connection with eligible capital projects for the development of computer software, networks and systems. All IFA costs are assigned to particular capital projects and are valid capital charges under generally accepted accounting principles. In 2024 expected reimbursements will be \$720 million.

COMMUNITY BOARDS

New York City's 59 community boards provide a formal structure for local citizen involvement in the budget process as well as other areas of City decision making. The Charter mandates that the community boards play an advisory role in three areas: changes in zoning and land use, monitoring the delivery of City services in the community district and participating in the development of the City's capital and expense budgets.

Each community board receives an annual budget to support a district manager, additional staff, and other operating expenses. This excludes the cost of office rent and heat, light and power, which are in a separate unit of appropriation.

Each Borough President appoints board members for staggered two-year terms. City Council members in proportion to each member's share of the district's population select nominees from which half the appointments are made. All fifty members of the community board either live or work in the district.

Each year agencies that deliver local services consult with community boards about budget issues and the needs of the districts, prior to preparing their departmental estimates. Each board then develops and prioritizes a maximum of 40 capital and 25 expense budget requests. For FY 2024 community boards submitted 2,004 capital requests and 1,810 expense requests to 39 agencies. Community board expense budget requests concentrate on local services and personnel increases.

District specific budget information is available in the following geographic budget reports, which accompany the release of the FY 2024 budget.

Register of Community Board Budget Requests for the Executive Budget, Fiscal Year 2024 – lists the funding status for all community board proposals in priority order within community district.

Geographic Report for the Executive Expense Budget for Fiscal Year 2024 – details the expense budgets of fourteen agencies that deliver local services by borough and service district. Includes FY 2023 Executive Budget information as well as FY 2023 current modified budget and budgeted headcount data.

Executive Capital Budget for Fiscal Year 2024 – details the Mayor's Capital Budget by project within agency. Budget data is presented by community district and by agency within borough.

Geographic Fiscal Year 2024 Executive Budget Commitment Plan – presents information on capital appropriations and commitments by community board, including implementation schedules for the current year and four plan years for all active projects by budget line.

CONTRACT BUDGET

The Contract Budget is presented as part of the 2024 Executive Budget submission. The Contract Budget includes all projected expenditures for contracts that are personal service, technical or consulting in nature, as defined in Section 104 of the City Charter. Purchase orders and open market orders, as well as small purchases that do not require registration by the Comptroller’s Office, are included in the Contract Budget. Contracts for the purchase of supplies, materials and equipment are not included.

The 2024 Executive Contract Budget contains an estimated 17,762 contracts totaling approximately \$21.72 billion. Over 77 percent of the total contract budget dollars will be entered into by the Department of Social Services, the Administration for Children’s Services, the Department of Homeless Services, the Department of Health and Mental Hygiene and the Department of Education. The Administration for Children’s Services has \$1.62 billion in contracts, approximately 60 percent of which represents contracts allocated for Children’s Charitable Institutions (\$514 million) and Day Care (\$451 million). Of the \$9.34 billion in Department of Education contracts, approximately 50 percent of the contracts are allocated for Transportation of Pupils (\$1.66 billion) and Charter Schools (\$2.97 billion).

Each agency’s Contract Budget is delineated by object code within the agency’s other than personal service units of appropriation. The Executive Budget Supporting Schedules further break down the Contract Budget by budget code within unit of appropriation. All object codes in the 600 object code series are included in the Contract Budget. In addition, the Executive Budget Supporting Schedules reference the 2023 Modified Budget condition for these contract object codes.

Agencies in preparing their contract budgets were requested to categorize their contracts into 51 specific contract objects. The distribution of these contracts is summarized as follows

	Est # of Contracts	Dollars (Millions)	% Total Dollars
Social Service Related and Health Services.....	4,512	\$8,242	37.9%
· Home Care, Child Welfare, Employment Services, Public Assistance, Day Care, Family Services, Homeless Programs, AIDS, Senior Citizen Programs, Health, Mental Hygiene & Prison Health, etc.			
Youth and Student Related Services.....	3,115	7,438	34.3%
· (including Transportation of Pupils and Payments to Contract Schools)			
Other Services.....	3,180	2,262	10.4%
· Custodial, Security Services, Secretarial, Cultural Related, Employee Related, Economic Development, Transportation, Municipal Waste Exporting, etc.			
Professional Services/Consultant.....	3,593	1,931	8.9%
· Accounting, Auditing, Actuarial, Education, Investment Analysis, Legal Engineering & Architectural, System Development & Management Analysis, etc.			
Maintenance & Operation of Infrastructure	1,650	1,332	6.1%
· Lighting, Street Repair, Buildings, Parks, Water Supply, Sewage and Waste Disposal, etc.			
Maintenance of Equipment.....	1,712	514	2.4%
· Data Processing, Office Equipment, Telecommunications & Motorized Equipment, etc.			
TOTAL	17,762	\$21,719	100.0%

CITYWIDE SUSTAINABILITY AND RESILIENCY

New York City recently published PlaNYC: Getting Sustainability Done, the City's fifth long-term sustainability plan. PlaNYC builds on the prior four plans and focuses on implementing the necessary actions to reduce our greenhouse gas emissions, improve our quality of life, build a green economy, and to protect New Yorkers – especially the most vulnerable among us – from climate threats.

As part of PlaNYC, New York City is introducing climate budgeting, a new process managed by the Mayor's Office of Management and Budget in collaboration with the Mayor's Office of Climate and Environmental Justice that incorporates science-based climate considerations into the City's budget decision-making process by evaluating how actions and spending today contribute to meeting long-term climate targets. The City oversees a multibillion-dollar capital portfolio that shapes our buildings, transportation, recreational spaces, energy supply, and infrastructure; climate budgeting will help us understand the impact of these investments on our climate goals. Furthermore, it will allow us to understand the collective impact of the City's policies and investments toward achieving both our near- and long-term targets. Starting in April 2024, a new climate budget publication will be released as part of the Executive Budget to highlight the City's new and ongoing investments and provide a snapshot of the projected impacts of our collective actions on the path towards meeting long-term climate goals.

In 2023, the City will also publish its first comprehensive study of environmental justice, the Environmental Justice NYC Report, which will identify communities that have been disproportionately impacted by environmental burdens and put forth strategies and recommendations to help ensure that our investments in sustainability and resiliency are equitable.

Fighting Climate Change

To lead the global fight against climate change, New York City will achieve citywide carbon neutrality by promoting and investing in electrification, clean energy, energy efficiency, and sustainable transportation, while ensuring that the benefits of the transition to a green economy, including clean air, cost savings, healthy active lifestyles, and good jobs are shared by all New Yorkers.

Energy Efficiency & Electrification

To do its part, the City has set ambitious goals to reduce greenhouse gas emissions from government operations 40 percent by 2025, 50 percent by 2030, and achieve carbon neutrality by 2050. Since 2006, the City has reduced emissions from its operations by 26 percent. The 2024-2033 capital strategy includes projects across City operations that further reduce emissions, including energy efficiency upgrades at City facilities, electric vehicle purchases, and solar photovoltaic installations. In addition to investments in municipal property, the City also provides private building owners with resources and guidance to implement energy efficiency and electrification, through programs such as the NYC Accelerator and its Property Assessed Clean Energy (PACE) financing program and has created an Office of Energy and Emissions Performance at the Department

of Buildings to support the implementation of local legislation with the goal of decarbonizing private buildings.

Achieving carbon neutrality begins with reducing energy use. Since 2014, the City has invested more than \$775 million in approximately 4,200 energy efficiency projects and 12,500 energy conservation measures across 2,300 buildings, comprising more than 70 percent of City government's building square footage. To date, the City has also installed over 18.3 megawatts of solar photovoltaic systems on City assets and is planning to install an additional 51 megawatts of capacity in the near-term. The investments have decreased energy use by about 3.7 million MMBtus, or about as much energy as used by 250,000 City residences, avoided almost \$115 million in annual energy costs, and reduced emissions by over 325,000 metric tons, the equivalent of removing over 70,000 cars from the road. The City is continuing this work to reduce energy use, with active and planned projects at facilities Citywide. In 2022, the City launched "Leading the Charge", a plan to initiate or complete the conversion of 100 existing schools from polluting fuel oil to all-electric heating by 2030. The construction of all new City schools will be all-electric, creating healthier learning environments and improving air quality in communities disproportionately burdened by pollution.

Renewable Energy

To fulfill the commitment to power New York City government with 100 percent clean and renewable electricity, the City will purchase renewable energy credits generated by wind, solar, and hydropower facilities in upstate New York and Canada that will send power to New York City over two new transmission lines. This voluntary commitment by the City will result in up to \$4 billion in benefits to ratepayers. Additionally, the City will transform the South Brooklyn Marine Terminal into a world-class offshore wind port and continue to install solar photovoltaic systems on City assets.

Sustainable Transportation

The Department of Citywide Administrative Services (DCAS) is leading the implementation of the NYC Clean Fleet Initiative to reduce transportation greenhouse gas emissions by 50 percent by 2025 and to comply with Mayoral Executive Order 90 of 2021 to transition the City fleet to electric by 2035 for light and medium duty vehicles and 2040 for heavy duty. DCAS manages the largest electric fleet in New York State, with over 4,000 electric vehicles, and has ordered over 1,000 new electric replacement vehicles for delivery in calendar year 2023.

The City has made additional efforts to transition toward cleaner medium and heavy-duty vehicles and convert to electric where feasible to further reduce transportation emissions. The Ten-Year Capital Strategy includes projects to convert the Molinari-class Staten Island Ferry vessels to hybrid diesel electric and replace the Cosgrove ferry boat with an all-electric vessel. Similarly, in 2022, the Environmental Protection Agency awarded New York City school bus operators \$18.5 million in rebate funds from the Clean School Bus Rebate Program to purchase 51 electric school buses. This initiative, alongside NYC School Bus Umbrella Services' Vehicle-to-Grid EV School Bus Case Study, funded through an \$8 million grant from New York State Energy Research and Development Authority, will kick off the electrification of the City's entire school bus fleet by 2035.

To support the growing electric fleet, DCAS also manages the State's largest charging infrastructure network with over 1,500 electric vehicle charging ports, including 110 solar-powered electric vehicle carports with another 50 units being brought online and 160 fast

charging stations with another 150 being installed over the next two years. Fast chargers can charge electric vehicles in a fraction of the time it takes a traditional charger and DCAS is partnering with the Department of Parks and Recreation to make at least 20 of the new fast and solar chargers open to the public to increase access to charging infrastructure. Currently 14 chargers are open to the public.

Encouraging sustainable modes of transportation such as walking, biking, and public transportation is key to reducing emissions from vehicles and ensuring a healthy and vibrant city for all New Yorkers. The Department of Transportation works closely with the MTA to improve bus service citywide through treatments like bus lanes, transit signal priority, and camera enforcement of bus lanes. Protected bike lanes, open streets, and pedestrian improvements all encourage New Yorkers to make more sustainable trips. The City continues to implement the New York City Streets Plan, installing new protected bus and bike lanes and introducing transit signal priority to more intersections throughout the City.

Waste Recovery

In 2023, the City announced that all New York City boroughs would receive curbside composting services in a phased roll out. These efforts will divert organic waste from traditional landfills toward beneficial reuses at local composting and anaerobic digesting facilities that will help reduce the City's emissions from the waste sector.

Highlights of the 2024-2033 Ten-Year Capital Strategy

- Building energy retrofits across City facilities (\$4.2 billion) including high energy efficiency lighting and building systems upgrades at City schools (\$1.5 billion), part of the City's commitment to create healthier learning environments.
- Expanding and maintaining greenways to support sustainable modes of transportation and recreation (\$398.3 million).
- Projects that will reduce emissions and air pollution from transportation, including Staten Island Ferry vessel upgrades and electric school buses (\$258.5 million).
- Projects to increase renewable energy availability including installing solar panels at Citywide facilities

(\$10.8 million), developing the City's offshore wind industry (\$179.0 million), and expanding hydroelectric capacity (\$49.1 million).

- Electric vehicle charging infrastructure for City operations and public use (\$165.3 million).
- Reducing emissions from the North River Wastewater Resource Recovery Facility (\$110.0 million).

Preparing for Climate Change

The New York City Panel on Climate Change (NPCC) is a body of more than a dozen leading independent climate and social scientists appointed by the Mayor. Since 2008, the NPCC has analyzed climate trends, developed projections, explored key impacts, and advised on response strategies for the City. The NPCC has identified that the City is already experiencing the impacts of climate change and projects worsening impacts from climate change on the City in the future.

To ensure that the City is taking forward-looking climate projections into account when making capital investments, the City has developed Climate Resiliency Design Guidelines that incorporate the projected severity and frequency of future storms, sea level rise, heat waves, and precipitation. The City is using these guidelines in the design and implementation of 40 pilot projects covering a wide range of assets, from libraries to hospitals to pump stations. Over 40 percent of the projects are located in environmental justice areas. The guidelines and the pilot projects will help shape the development of a resiliency scoring metric that will be applied to all future City capital investments.

Moving forward, the City will launch the next generation of resilience projects through Climate Strong Communities, a program that will invest in communities unaddressed by limited Hurricane Sandy recovery funding, focusing on environmental justice neighborhoods. This program will create multi-hazard resilience and sustainability projects that will position the City to compete for Federal and State funding.

Flood Resiliency

Hurricane Sandy made clear the need for large-scale resilient infrastructure, coastal protection

projects, and other ways of addressing flooding. These infrastructure upgrades, coastal protection, and mitigation projects are funded significantly by Federal resources from FEMA, HUD, and the United States Army Corps of Engineers as well as City funds. Projects are underway to address vulnerabilities in Staten Island, the Rockaways, Lower Manhattan, Red Hook, and Hunts Point. Looking ahead, the City will develop minimum flood resiliency standards for shoreline assets and create a new leadership structure at the Department of Environmental Protection (DEP) for coastal resilience to unify long-term planning and funding, increase coordination and efficiency, and improve maintenance of flood resilience projects. DEP will expand their mission to lead the City's flood resilience work, including management of coastal flooding and stormwater.

More recently, Hurricanes Henri and Ida demonstrated the need to invest in stormwater infrastructure and resiliency to protect the City from the challenges posed by extreme rainfall events. The City will continue upgrading and building out the sewer system to modern standards, including the comprehensive storm sewer system being built in Southeast Queens. The City is upgrading key wastewater treatment facilities and constructing several large combined sewer overflow (CSO) retention tanks to further mitigate the pollution of waterways.

The City is working across agencies to develop Cloudburst management projects that will use grey and green infrastructure, as well as open spaces, to store excess stormwater until torrential rains pass and there is sufficient capacity in the neighborhood drainage system to better manage it. In January 2023, the City expanded its Cloudburst program to four additional locations in Queens, Brooklyn, and the Bronx.

The City is also utilizing natural systems to manage water by building and maintaining green infrastructure, including rain gardens, natural drainage corridors ("Bluebelts") in Staten Island, and the restoration or "daylighting" of Tibbetts Brook in the Bronx. The City is focused on restoring its wetlands, which attenuate flooding, help maintain stream flow, improve water quality, absorb nutrients and carbon, and provide plant and wildlife habitat. Greenery and bodies of water also help to mitigate the adverse impacts of extreme heat and the urban heat island effect.

Heat Resiliency

Heat-related health risks are only increasing as the climate changes and heat waves become more frequent and intense. The City is increasing the amount of shade and cooling through reforestation and the planting of street trees and park trees. Supported by a Federal grant, the City is developing a cool corridors toolkit for heat vulnerable neighborhoods. During heat emergencies, the City operates an extensive network of Cooling Centers, primarily in libraries, community centers, and senior centers, offering safe, free access to cooling during heatwave events, and Be a Buddy, 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. The City has also received Federal grants to plan and implement resilience hubs, community spaces that are protected from climate-induced hazards such as flooding, extreme heat, and power outages. Moving forward, the City will study policy options to determine a maximum summer indoor temperature that protects New Yorkers from dangerously high temperatures in their homes.

Highlights of the 2024-2033 Ten-Year Capital Strategy

- Coastal protection projects, including those managed by the U.S. Army Corps of Engineers, to protect areas including Lower Manhattan, Staten Island's South Shore, the Rockaways, Red Hook, Hunts Point, and more (\$2.6 billion).
- Waterfront and shoreline improvements and projects at City facilities that will increase protection from flood risks (\$2.2 billion).
- Grey infrastructure construction projects such as sewer expansions and road regrading in Southeast Queens (\$2.3 billion) and reducing combined sewer overflows (\$1.1 billion), to decrease flooding and water pollution during storm events.
- Green infrastructure and onsite stormwater management on streets, parks, playgrounds, and NYCHA campuses (\$1.3 billion), and Cloudburst neighborhood stormwater management strategies combining green and grey infrastructure (\$390.4 million).
- Using natural systems to manage water, including developing natural drainage corridors ("Bluebelts") and restoring wetlands (\$907.5 million).
- Increasing shade and cooling across the City through planting street trees and park trees and the reforestation and restoration of natural areas (\$402.0 million).

FINANCING PROGRAM

The City financing program projects \$62.7 billion of long-term borrowing for the period from 2023 through 2027 to support the current City capital program. The portion of the capital program not financed by the New York City Municipal Water Finance Authority (NYW or the Authority) will be split between General Obligation (GO) bonds of the City and Future Tax Secured (FTS) bonds of the New York City Transitional Finance Authority (TFA).

The City and TFA expect to issue \$27.0 billion and \$26.9 billion, respectively, during the plan period. The City issuance supports 43 percent of the total, and TFA FTS issuance supports another 43 percent of the total. NYW expects to issue approximately \$8.9 billion.

Financing Program
(\$ in Millions)

	2023	2024	2025	2026	2027	Total
City General Obligation Bonds	\$3,915	\$4,820	\$5,650	\$6,050	\$6,530	\$26,965
TFA Bonds	3,800	4,820	5,650	6,050	6,530	26,850
Water Authority Bonds ¹	1,163	1,557	1,849	2,054	2,270	8,893
Total.....	\$8,878	\$11,197	\$13,149	\$14,154	\$15,330	\$62,708

1 Includes commercial paper and revenue bonds issued for the water and sewer system's capital program. Figures do not include bonds that defease commercial paper or refunding bonds. Does not include bonds to fund reserves or cost of issuance.

Overview of the Financing Program

The following three tables show statistical information on debt issued and expected to be issued by the financing entities described above.

Debt Outstanding
(\$ in Millions at Year End)

	2023	2024	2025	2026	2027
City General Obligation Bonds	\$40,310	\$42,620	\$45,778	\$49,308	\$53,368
TFA Bonds.....	45,627	48,813	52,791	56,988	61,213
TSASC Bonds.....	938	909	879	854	827
Conduit Debt.....	931	863	794	726	656
Total	\$87,806	\$93,205	\$100,242	\$107,876	\$116,064
Water Authority Bonds.....	\$32,104	\$33,101	\$34,471	\$36,009	\$37,802

Annual Debt Service Costs
(\$ in Millions, Before Prepayments)

	2023	2024	2025	2026	2027
City General Obligation Bonds	\$4,157	\$4,400	\$4,573	\$4,826	\$5,031
TFA Bonds.....	3,259	3,294	3,573	4,089	4,576
TSASC Bonds.....	76	76	76	69	69
Conduit Debt.....	128	121	120	119	118
Total Debt Service.....	\$7,620	\$7,891	\$8,342	\$9,103	\$9,794
Water Authority Bonds ¹	\$1,640	\$1,938	\$2,016	\$2,164	\$2,243

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

Debt Burden

	2023	2024	2025	2026	2027
Total Debt Service ¹ as % of:					
a. Total Revenue	6.9%	7.3%	7.8%	8.5%	9.0%
b. Total Taxes	10.6%	11.0%	11.3%	12.1%	12.6%
c. Total NYC Personal Income.....	1.1%	1.1%	1.1%	1.1%	1.1%
Total Debt Outstanding ¹ as % of:					
a. Total NYC Personal Income.....	12.2%	12.5%	12.9%	13.2%	13.6%

1 Total Debt Service and Debt Outstanding include GO, conduit debt and TFA FTS bonds.

Currently the debt service for the City, TFA FTS, and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 6.9 percent of the City's total budgeted revenues in 2023. That ratio is projected to rise to 9.0 percent in 2027. As a percentage of tax revenues, the debt service ratio is 10.6 percent in 2023 and is projected to increase to 12.6 percent in 2027.

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, and in the case of the City, Krill, 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 rating on the City General Obligation credit. In February, Fitch upgraded the City's rating to its pre-COVID-19 level. The outlooks for NYW and bonds issued on behalf of NYW by EFC have remained stable throughout. Despite any rating actions due to COVID-19, the entities financing the City's capital program have maintained reliable market access to finance capital spending and undertake refinancing transactions, as discussed later.

Issuer	Ratings			
	Moody's	S&P	Fitch	Kroll
NYC GO	Aa2	AA	AA	AA+
TFA Senior	Aaa	AAA	AAA	
TFA Subordinate	Aa1	AAA	AAA	
TFA BARBs	Aa2	AA	AA	
NYW First Resolution	Aa1	AAA	AA+	
NYW Second Resolution	Aa1	AA+	AA+	
EFC Senior SRF Bonds	Aaa	AAA	AAA	
EFC Subordinated SRF Bonds	Aaa	AAA	AAA	

New York City General Obligation Bonds

Since July 1, 2022, the City has issued \$3.9 billion in GO bonds for capital purposes and \$688 million in GO refunding bonds. The dates and principal amounts are as follows:

NYC GO Issuances (\$ in Millions)					
Series	(N)ew \$/ (R)efunding	Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2023 A	N	9/8/22	\$1,250	\$125	\$1,375
2023 B	N	10/18/22	950	400	1,350
2023 CD	R	3/14/23	688	0	688
2023 E	N	4/11/23	950	240	1,190
Total			\$3,838	\$765	\$4,603

The GO refunding transaction the City completed in fiscal year 2023 generated approximately \$36 million of debt service savings during the financial plan period.

In October 2022, the City issued its first Social Bonds, structured as \$400 million taxable General Obligation Bonds. The proceeds of the Social Bonds sale financed affordable housing programs administered by the City’s Department of Housing Preservation and Development.

The City plans to issue GO bonds for capital purposes of approximately \$3.9 billion, \$4.8 billion, \$5.7 billion, \$6.1 billion, and \$6.5 billion in fiscal years 2023 through 2027, respectively.

New York City Related Issuers - Variable Rate Debt

The City and other issuers supporting the City capital program have maintained floating rate exposure to minimize interest costs. When reviewing the City’s variable rate debt, it is useful to include all sources of financing with the exception of NYW, which is typically considered separately for such purposes. Variable rate demand bonds, which require an accompanying bank facility, comprise the majority of the City’s variable rate portfolio. The City, TFA, and the City’s related entities also have floating rate bonds which do not require a bank facility, where interest rates are set periodically according to a benchmark index, by auction, or by a remarketing agent. The City and TFA continue to

explore various debt instruments that will confer the benefit of floating rates. Currently, the City and its related entities, excluding NYW, have approximately \$8.2 billion of floating rate exposure, which typically provides attractive financing costs relative to long term fixed rate debt.

While floating rate debt continues to provide savings relative to fixed rate debt, the exposure is of note because certain events can cause unexpected increased costs. Those events would include rising interest rates, reductions in tax rates in the tax code (in the case of tax-exempt debt), and the deterioration of the City’s credit. Additionally, the deterioration of the credit of a liquidity provider can also have an impact on net interest costs.

The following table shows a breakout of the City’s and its related issuers’ floating rate exposure, excluding NYW. Floating rate exposure is currently at 9.3 percent, including \$600 million of new floating rate bonds issued since July 1, 2022, which remains below the City’s policy guideline of 20 percent. This is even more manageable after taking into account the 10 year average balance of \$8.1 billion of short-term assets in the City’s General Fund, which are an offset to these floating rate liabilities. Net of these floating rate assets, the floating rate exposure of the City, excluding NYW, is almost entirely mitigated. Moreover, the City uses conservative assumptions in budgeting interest rates and associated expenses from floating rate instruments.

NYC Floating-Rate Exposure¹
(\$ in Millions)

	<u>GO</u>	<u>TFA</u>	<u>Conduit</u>	<u>TSASC</u>	<u>Total</u>
Floating Rate Bonds	\$5,057	\$3,032	\$30	\$0	\$8,119
Synthetic Fixed	11	0	31	0	42
Total Floating-Rate	\$5,068	\$3,032	\$61	\$0	\$8,161
Total Debt Outstanding.....	\$40,310	\$45,627	\$931	\$938	\$87,806
<i>% of Floating-Rate / Total Debt Outstanding</i>	<i>9.3%</i>				
Total Floating-Rate Less \$8.1 Billion Balance in General Fund (Floating-Rate Assets).....	97				
<i>% of Net Floating Rate / Total Debt Outstanding</i>	<i>0.1%</i>				

1 End of Fiscal Year 2023 Debt Outstanding as of the April 2023 Financial Plan excluding NYW and HYIC

In addition to the floating rate debt instruments previously discussed, the City has utilized synthetic fixed rate debt (issuance of floating rate debt which is then swapped to a fixed rate). In contrast to variable rate demand bonds and other floating rate instruments, synthetic fixed rate debt is relatively insensitive to changes in interest rates and changes in the City's credit, though it can provide exposure to decreases in marginal tax rates in the tax code. Given the limited floating rate exposure by these instruments, they are counted at 25 percent of par or notional amount in the table above. While the City did not enter into any new interest rate swaps to date in fiscal year 2023, the City terminated one of its two remaining swaps. The TFA has no outstanding swaps. The City is a party to one remaining GO interest rate swap with an outstanding notional amount as of March 31, 2023 of \$43 million, for which the mark-to-market value was negative \$712 thousand. This is the theoretical amount that the City would pay if the swap was terminated under market conditions as of March 31, 2023.

After June 30, 2023, the London Interbank Offered Rate (LIBOR) will be discontinued. The City, TFA, and NYW have no floating rate debt instruments directly linked to LIBOR. Certain debt instruments included alternative rates based on LIBOR. For the outstanding GO and NYW swaps, variable rate payments received are based on a percentage of 1-Month LIBOR and are scheduled to still be in effect after June 30, 2023. Relative to their total debt portfolios, the City and its related issuers have very limited exposure to LIBOR. To address LIBOR discontinuation risk in relation to its swaps, the City and NYW have each adhered to the 2020 IBOR Fallbacks Protocol published by the International Swaps and Derivatives Association, which provides a mechanism to incorporate the Secured Overnight Financing Rate (SOFR) as a replacement for LIBOR. The debt instruments that reference LIBOR have been amended to replace LIBOR with SOFR.

The New York City Municipal Water Finance Authority

The New York City Municipal Water Finance Authority (NYW) was created in 1984 to finance capital improvements to the City's water and sewer system. Since its first bond sale in November 1985, the Authority has sold \$81.5 billion of bonds. These bond issuances included a combination of general (first) resolution, second general resolution and subordinated special resolution crossover refunding water and sewer system revenue bonds.

Of the aggregate bond par amount sold, as of April 13, 2023, \$32.3 billion is outstanding, \$35.4 billion, including \$665 million of special resolution crossover bonds, was refinanced, \$6.6 billion was defeased with Authority funds prior to maturity, and \$7.3 billion was retired with revenues as they matured. In addition to this long-term debt, NYW uses bond anticipation notes (BANs) issued to the New York State Environmental Facilities Corporation (EFC) and has used a commercial paper program as a source of flexible short-term financing. As of April 13, 2023, NYW had \$90.2 million in outstanding BAN draws and available undrawn BAN capacity of \$599 million pursuant to agreements with EFC to fund certain projects. NYW is authorized to draw up to \$600 million of commercial paper notes, including up to \$400 million of the Extendable Municipal Commercial Paper. Currently, the Authority has no commercial paper outstanding, and does not expect to issue commercial paper for the remainder of the current fiscal year and in 2024.

NYW's outstanding debt also includes floating rate bonds, which have been a reliable source of cost-effective financing. NYW has \$4.8 billion of floating rate bonds or approximately 15 percent of its outstanding debt, including \$401 million which was swapped to a fixed rate. NYW's floating rate exposure consists primarily of tax-exempt floating rate debt supported by liquidity facilities. NYW also has \$600.1 million of floating rate bonds which do not require a bank facility, where interest rates are set periodically according to a benchmark index, or by a remarketing agent.

NYW is a party to two interest rate exchange agreements (swaps) with a total notional amount of \$401 million. Under these agreements, the Authority pays a fixed interest rate of 3.439 percent in exchange for a floating rate based on 67 percent of one-month LIBOR. As of March 31, 2023, the combined mark-to-market value of the swaps was negative \$48.4 million. This is the theoretical amount which NYW would pay if both swaps were terminated as of March 31, 2023. As described above, NYW has adhered to the ISDA 2020 IBOR Fallbacks Protocol to address the discontinuation of LIBOR after June 30, 2023.

NYW participates in the State Revolving Fund (SRF) program administered by the EFC. The SRF provides a source of long-term below-market interest rate borrowing, subsidized by federal capitalization grants, state matching funds, and other funds held by EFC. The Authority's BAN draws are expected to be refinanced with fixed rate second resolution bonds issued to EFC.

Summarized in the following table are the issuances that have closed to date in fiscal year 2023. The proceeds of the bonds were applied to pay the cost of improvements to the system or paid principal and interest on certain of the Authority's outstanding debt and paid the costs of issuance.

Series	NYW Issuance (\$ in Millions)				
	(N)ew Money /(R)ef.	Issue Date	Par Amount	True Interest Cost (TIC)	Longest Maturity
2023 AA	N/R	11/22/22	\$750	4.67%	2052
2023 1 ¹	N	12/6/22	\$233	2.71% ²	2052
2023 2 ¹	N	12/13/22	\$107	1.31% ²	2052
2023 BB	R	12/15/22	\$200	VAR	2044
2023 CC	N	2/16/23	\$200	VAR	2053
2023 DD	R	3/21/23	\$1,293	4.06%	2047
			\$2,783		

1 Bonds issued to EFC

2 Includes the benefit from the EFC subsidy and accounts for the cost of annual fees for administration

During the period from 2023 to 2027, NYW expects to issue an average of approximately \$1.8 billion of new money bonds per year. Of this amount, NYW plans to issue to EFC about \$437 million of bonds in 2023 and \$300 million of bonds annually beginning in 2024, taking advantage of the interest rate subsidy available for qualifying projects, and minimizing the overall costs of its financing program. Beginning in 2024, NYW expects to issue approximately 90 percent of its new debt per year as fixed rate debt with the remainder issued as floating rate debt, subject to market conditions.

Act in 1997. The TFA was created to issue FTS bonds, secured primarily with the City's personal income tax, to fund a portion of the capital program of the City. The TFA was originally authorized to issue up to \$7.5 billion of FTS bonds and notes. Currently, TFA is permitted to have \$13.5 billion of FTS debt outstanding and any amounts over and above that level are subject to the City's remaining debt incurring power under the State constitutional debt limit.

Since July 1, 2022, the TFA has issued approximately \$3.8 billion in FTS bonds for capital purposes and approximately \$2.1 billion in refunding bonds. The dates and principal amounts are as follows:

The New York City Transitional Finance Authority

The TFA is a public authority of New York State created by the New York Transitional Finance Authority

Series	NYC TFA Issuances (\$ in Millions)				
	(N)ew\$/ (R)efunding	Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2023 A	N	8/2/22	\$1,250	\$0	\$1,250
2023 BC	R	9/7/22	867	68	935
2023 D	N	11/3/22	950	350	1,300
2023 E	R	2/28/23	1,078	118	1,196
2023 F	N	3/23/23	950	300	1,250
Total			\$5,095	\$836	\$5,931

The TFA refunding transactions completed to date in fiscal year 2023 generated approximately \$280 million of debt service savings during the financial plan period.

The TFA plans to issue TFA FTS bonds for capital purposes of approximately \$3.8 billion, \$4.8 billion, \$5.7 billion, \$6.1 billion, and \$6.5 billion in years 2023 through 2027, respectively.

In April 2006, the State enacted legislation authorizing issuance by the TFA of an additional \$9.4 billion of bonds (Building Aid Revenue Bonds, or BARBs) to be used to fund certain capital costs for the Department of Education. This legislation also provided for the assignment to TFA of State building aid that had previously been paid directly to the City. The financial plan does not currently reflect the issuance of BARBs for new money purposes.

Since July 1, 2022, TFA has issued \$564 million in BARBs for refunding purposes which generated over \$70 million of debt service savings during the financial plan period.

Hudson Yards Infrastructure Corporation

Hudson Yards Infrastructure Corporation (HYIC), a not-for-profit local development corporation, was established to provide financing for infrastructure improvements to facilitate economic development on Manhattan's far west side. Improvements include the extension of the No. 7 subway line west and south, construction of a park, as well as the acquisition of development rights over the MTA rail yards.

In December 2006, HYIC issued its first series of bonds in the principal amount of \$2 billion. HYIC completed its second issuance of \$1 billion of bonds in October 2011. Debt service on the HYIC bonds is being repaid from revenues generated by this new development, notably payments-in-lieu-of-property taxes (PILOT) on the commercial development, tax equivalency payments on residential developments, and various developer payments. To the extent these revenues are not sufficient to cover interest payments, the City has agreed to make interest support payments (ISP) to HYIC subject to appropriation. ISPs have not been required to be made since 2015.

After the initial bond issues funding the capital improvements mentioned above, HYIC has undertaken two refinancing transactions. In May 2017, HYIC issued approximately \$2.1 billion of refunding bonds which refinanced all of its initial \$2 billion bond issue and a portion of its second bond issue under a new legal structure. This refinancing allowed HYIC to remit approximately \$110 million of accumulated revenues for City benefit in 2017. Moreover, the refunding enabled HYIC to transfer to the City excess revenues over and above amounts needed for HYIC debt service. Subsequent to the initial remittance mentioned previously, HYIC has remitted \$750 million to the City

to date. In October 2021, HYIC issued approximately \$450 million in refunding bonds which refinanced the remainder of its second bond issue. This refinancing generated over \$50 million of savings during the period fiscal years 2022-2025 and additional annual savings thereafter. After the transaction, all of HYIC's bonds are under the legal structure established in the 2017 refunding transaction mentioned above. Although the economic impact of COVID-19 had an initial negative impact on certain of the credit ratings on HYIC bonds, ratings are now at pre-pandemic levels. Moody's rates the HYIC bonds Aa2 with a stable outlook. S&P rates HYIC bonds AA- with a positive outlook. Concurrently with its upgrade of the rating on City GO bonds, Fitch now rates HYIC bonds AA- with a stable outlook.

The No. 7 Subway extension was constructed by the MTA and began service in September 2015. The secondary entrance to this station located at W. 35th Street and Hudson Boulevard East opened in September 2018. Phase I of the Hudson Park and Boulevard opened to the public in August 2015 and is managed by the Hudson Yards Hell's Kitchen Alliance Business Improvement District. A second phase for the park ("Phase II") will expand the park north to 39th Street. Phase II is being financed through a term loan agreement which permits HYIC to draw up to \$380 million for project costs. HYIC has drawn approximately \$10 million on the term loan to fund costs of Phase II.

CAPITAL BUDGET

The Executive Capital Budget and Four-Year Plan, 2024-2027

The 2024 Executive Capital Budget includes new appropriations of \$15.6 billion, of which \$14.5 billion are to be funded from City sources. These appropriations, together with available balances from prior years, authorize total commitments of \$24.3 billion for 2024, of which \$23.1 billion will be City-funded. City funds include proceeds from the New York City Municipal Water Finance Authority and the New York City Transitional Finance Authority as well as City general obligation bonds.

Four-Year Plan Highlights

The 2024-2027 Capital Plan totals \$79.2 billion for the construction and rehabilitation of the City's infrastructure. This will provide funding targeted to maintaining the drinking water system, building and improving schools, improving transportation, building new borough based jail facilities, and providing affordable housing.

The City will invest \$3.8 billion to upgrade the operational integrity and resiliency of its wastewater resource recovery facilities, as well as \$1.6 billion to address water quality problems from combined sewer overflow (CSO) discharges into the City's waterways, partly through a combination of grey and green infrastructure. In addition, the City will invest \$2.1 billion for the rehabilitation and construction of water supply tunnels and associated infrastructure, including the Brooklyn/Queens section of City Tunnel No. 3, a

tunnel between Kensico Reservoir and the Catskill/Delaware Ultraviolet Disinfection Facility, and Hillview Reservoir. The Capital Plan will provide \$10.8 billion for new school construction and expansion, as well as the modernization, rehabilitation, and improvements to existing school buildings. The City will invest \$2.7 billion to reconstruct streets, including various Safe Routes to Schools projects, as well as safety improvements on Delancey Street in Manhattan and 4th Avenue in Brooklyn. The City will also invest \$1.1 billion to repave 1,100 vehicle lane miles and 50 bike lane miles of roadway per year. The Capital Plan will also provide \$8.2 billion for the design and construction of new borough based jail facilities. The City will provide \$6.6 billion for the preservation and new construction of affordable housing for households with low to moderate incomes and those with special needs. Additionally, the City will provide \$1.4 billion to support NYCHA's Permanent Affordability Commitment Together (PACT) transactions.

**FY 2023-2027 Commitment Plan
(\$ in Millions)**

	2023		2024		2025		2026		2027	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Environmental Protection										
Equipment	\$70	\$70	\$88	\$88	\$137	\$137	\$32	\$32	\$36	\$36
Sewers.....	499	533	455	455	366	367	925	931	393	393
Water Mains, Sources & Treatment	279	295	411	416	560	588	1,019	1,085	705	778
Water Pollution Control	1,385	1,388	901	1,046	906	940	1,568	1,623	1,746	1,772
Water Supply.....	57	57	766	766	928	928	116	116	455	455
Subtotal	\$2,291	\$2,343	\$2,620	\$2,770	\$2,897	\$2,960	\$3,661	\$3,787	\$3,334	\$3,435
Transportation										
Mass Transit	\$1,237	\$1,273	\$1,700	\$1,700	\$40	\$40	\$40	\$40	\$40	\$40
Bridges	397	612	92	218	748	785	909	1,013	1,177	1,499
Highways.....	517	545	707	807	1,244	1,295	1,431	1,516	2,106	2,151
Subtotal	\$2,152	\$2,430	\$2,499	\$2,725	\$2,032	\$2,120	\$2,380	\$2,569	\$3,323	\$3,690
Education										
Education.....	\$4,810	\$4,832	\$4,626	\$4,726	\$3,506	\$3,537	\$1,238	\$1,238	\$1,346	\$1,346
Higher Education	69	69	103	107	155	155	131	131	238	238
Subtotal	\$4,879	\$4,901	\$4,729	\$4,833	\$3,660	\$3,691	\$1,369	\$1,369	\$1,584	\$1,584
Housing & Economic Development										
Economic Development.....	\$719	\$784	\$600	\$827	\$769	\$773	\$559	\$565	\$726	\$727
Housing	1,498	1,560	2,466	2,506	1,933	1,973	2,080	2,120	1,666	1,706
Subtotal	\$2,217	\$2,344	\$3,066	\$3,333	\$2,702	\$2,747	\$2,639	\$2,686	\$2,391	\$2,432
Administration of Justice										
Corrections.....	\$952	\$952	\$3,162	\$3,195	\$2,335	\$2,335	\$2,110	\$2,110	\$1,021	\$1,021
Courts.....	83	83	141	143	231	233	173	173	191	191
Police.....	141	156	488	504	106	115	156	156	94	94
Subtotal	\$1,176	\$1,191	\$3,790	\$3,842	\$2,672	\$2,683	\$2,439	\$2,440	\$1,306	\$1,306
City Operations and Facilities										
Cultural Institutions	\$117	\$119	\$132	\$156	\$244	\$244	\$292	\$293	\$292	\$295
Fire	276	305	356	386	191	215	204	204	404	404
Health & Hospitals	969	1,073	676	687	586	699	320	511	248	505
Parks.....	627	719	580	758	620	709	1,135	1,175	816	816
Public Buildings.....	196	199	266	266	326	326	309	309	444	444
Sanitation	407	412	463	472	890	892	326	326	447	447
Resiliency, Technology & Equipment	1,238	1,468	1,729	1,756	1,363	1,418	1,021	1,025	902	933
Other.....	1,151	1,222	2,171	2,317	1,080	1,165	880	952	1,060	1,100
Subtotal	\$4,981	\$5,516	\$6,372	\$6,797	\$5,299	\$5,668	\$4,487	\$4,795	\$4,614	\$4,946
Total Commitments	\$17,694	\$18,724	\$23,076	\$24,299	\$19,262	\$19,869	\$16,975	\$17,646	\$16,552	\$17,393
Reserve for Unattained Commitments.....										
	(\$4,621)	(\$4,621)	(\$4,156)	(\$4,156)	(\$1,036)	(\$1,036)	\$438	\$438	\$301	\$301
Commitment Plan	\$13,073	\$14,103	\$18,920	\$20,143	\$18,226	\$18,833	\$17,413	\$18,084	\$16,853	\$17,694
Total Expenditures.....	\$10,246	\$11,488	\$11,517	\$12,498	\$13,470	\$14,425	\$14,478	\$15,432	\$15,664	\$16,544

Note: Individual items may not add up due to rounding.

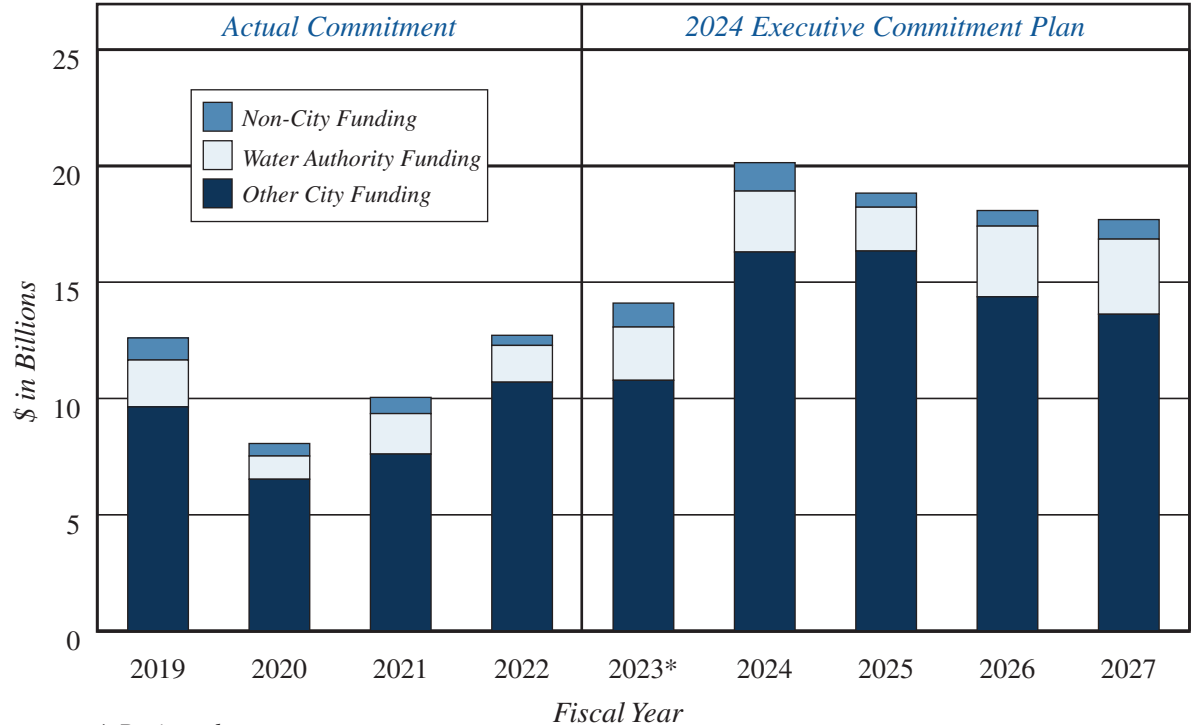
Non-City Funding Sources

Non-City capital funding sources include \$1.2 billion in the 2024 plan and \$3.3 billion over the 2024-2027 four-year plan period. The majority of non-City funding supports Transportation, Hospitals, Environmental Protection, Parks, and Economic Development.

Transportation programs are projected to receive non-City funding of \$1.0 billion over the 2024-2027 period, with \$845.8 million from the Federal government, \$121.6 million from the State, and private funds of \$55.2 million. Hospitals programs are projected to receive \$570.0 million in Federal funding

over the 2024-2027 period. Environmental Protection programs anticipate receiving \$439.4 million over the 2024-2027 period, with \$267.5 million from the Federal government, \$167.0 million from the State, and \$4.9 million from private funds. Parks programs are projected to receive \$308.3 million over the 2024-2027 period, with \$230.1 million from the Federal government, \$46.3 million from private funds, and \$31.9 million from the State. Economic Development programs anticipate receiving \$238.3 million over the 2024-2027 period, with \$232.1 from the Federal government and \$6.2 from State funds.

FY 2019 - 2027 CAPITAL COMMITMENTS BY FUNDING SOURCE



* Projected

Source: NYC OMB

The Capital Program since 2019

The table below illustrates the changes in the size of the City's capital program over the 2019-2022 period.

FY 2019-2022 COMMITMENTS
(\$ in Millions)

	2019		2020		2021		2022	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
<i>Environmental Protection</i>								
Equipment	\$113	\$113	\$13	\$13	\$35	\$35	\$30	\$30
Sewers.....	463	471	303	323	216	233	533	543
Water Mains, Sources and Treatment.....	534	538	175	176	328	329	197	197
Water Pollution Control.....	843	847	474	484	706	706	758	777
Water Supply.....	62	62	33	33	455	455	62	62
<i>Subtotal</i>	\$2,015	\$2,032	\$999	\$1,029	\$1,740	\$1,758	\$1,580	\$1,610
<i>Transportation</i>								
Mass Transit.....	\$432	\$433	\$117	\$117	\$575	\$576	\$760	\$772
Bridges.....	382	447	61	108	63	70	197	220
Highways.....	527	613	404	452	368	452	506	541
<i>Subtotal</i>	\$1,342	\$1,493	\$582	\$677	\$1,006	\$1,098	\$1,463	\$1,534
<i>Education</i>								
Education.....	\$3,620	\$3,993	\$2,703	\$2,802	\$2,641	\$2,702	\$4,139	\$3,989
Higher Education.....	77	77	42	42	4	4	44	44
<i>Subtotal</i>	\$3,697	\$4,071	\$2,745	\$2,845	\$2,645	\$2,705	\$4,183	\$4,032
<i>Housing & Economic Development</i>								
Economic Development	\$378	\$397	\$272	\$276	\$360	\$391	\$470	\$489
Housing.....	1,484	1,509	680	700	995	1,034	886	916
<i>Subtotal</i>	\$1,863	\$1,906	\$952	\$976	\$1,354	\$1,424	\$1,356	\$1,405
<i>Administration of Justice</i>								
Correction.....	\$30	\$58	\$40	\$42	\$61	\$62	\$499	\$499
Courts	28	29	4	4	3	3	240	241
Police	187	194	128	128	192	192	158	162
<i>Subtotal</i>	\$246	\$282	\$172	\$174	\$256	\$257	\$897	\$903
<i>City Operations & Facilities</i>								
Cultural Institutions.....	\$215	\$217	\$128	\$126	\$51	\$126	\$56	\$56
Fire.....	97	103	107	115	106	115	116	119
Health & Hospitals	328	526	373	582	294	429	629	792
Parks	479	537	305	333	447	483	461	538
Public Buildings	140	140	197	197	234	234	48	48
Sanitation.....	287	286	266	267	243	243	169	171
Resiliency, Technology & Equipment	284	284	297	313	648	824	778	916
Other.....	663	730	403	430	326	349	546	595
<i>Subtotal</i>	\$2,492	\$2,822	\$2,075	\$2,362	\$2,349	\$2,803	\$2,804	\$3,235
<i>Total Commitments</i>	\$11,654	\$12,605	\$7,525	\$8,064	\$9,350	\$10,047	\$12,282	\$12,718
<i>Total Expenditures</i>	\$9,278	\$10,848	\$9,331	\$9,774	\$8,579	\$9,431	\$9,440	\$10,530

Note: Individual items may not add up due to rounding.

Comprehensive Planning Process

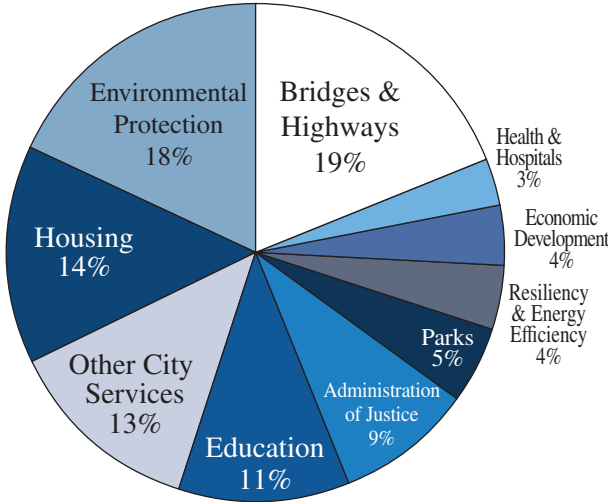
Developing a long-term capital investment strategy to improve, expand and sustain the City's physical plant requires comprehensive planning. The Ten-Year Capital Strategy, updated by OMB and the Department of City Planning every two years through consultation with City agencies, establishes overall programmatic goals. The Four-Year Plan, revised annually, is consistent with the basic priorities established in the Ten-Year Capital Strategy. As annual budgets are prepared, goals are adjusted to reflect newly-identified needs and changes in mandated programs within the context of the City's Ten-Year Capital Strategy and Four-Year Plan.

Ten-Year Capital Strategy 2024-2033
(\$ in Thousands)

	City Funds	Non-City Funds	Total Funds
<i>Environmental Protection</i>			
• Sewers.....	\$9,304,349	\$7,100	\$9,311,449
• Water Mains, Sources and Treatment.....	6,435,686	207,878	6,643,564
• Water Pollution Control.....	8,693,152	423,583	9,116,735
• Water Supply	3,198,372	0	3,198,372
• DEP Equipment	735,933	90	736,023
Subtotal Environmental Protection	\$28,367,492	\$638,651	\$29,006,143
<i>Education</i>			
• Education	\$17,728,182	\$130,831	\$17,859,013
• CUNY	1,506,185	4,268	1,510,453
Subtotal Education	\$19,234,367	\$135,099	\$19,369,466
<i>Transportation</i>			
• Mass Transit.....	\$2,060,000	\$0	\$2,060,000
• Highways & Transit Operations.....	14,317,033	468,847	14,785,880
• Bridges.....	16,134,432	633,164	16,767,596
Subtotal Transportation	\$32,511,465	\$1,102,011	\$33,613,476
<i>Housing & Economic Development</i>			
• Housing.....	\$19,071,726	\$400,000	\$19,471,726
• Housing Authority	4,392,421	0	4,392,421
• Economic Development.....	5,973,356	265,326	6,238,682
Subtotal Housing & Economic Development.....	\$29,437,503	\$665,326	\$30,102,829
<i>Administration of Justice</i>			
• Correction	\$10,625,309	\$33,341	\$10,658,650
• Police	1,529,157	25,426	1,554,583
• Courts.....	2,879,688	20,997	2,900,685
Subtotal Administration of Justice	\$15,034,154	\$79,764	\$15,113,918
<i>Health & Social Services</i>			
• Health	\$658,467	\$8,119	\$666,586
• Hospitals	3,434,399	661,211	4,095,610
• Homeless Services.....	809,219	0	809,219
• Human Resources.....	445,160	139,094	584,254
• Children's Services.....	544,459	67,029	611,488
• Aging.....	83,044	0	83,044
Subtotal Health & Social Services.....	\$5,974,748	\$875,453	\$6,850,201
<i>Other City Services</i>			
• Sanitation	\$3,818,662	\$11,196	\$3,829,858
• Public Buildings.....	2,772,160	0	2,772,160
• Fire.....	2,075,619	54,505	2,130,124
• Parks & Recreation.....	8,441,102	423,572	8,864,674
• Cultural Institutions & Libraries	2,925,752	42,003	2,967,755
• Resiliency, Technology & Equipment	10,042,979	114,860	10,157,839
Subtotal Other City Services.....	\$30,076,274	\$646,136	\$30,722,410
Total.....	\$160,636,003	\$4,142,440	\$164,778,443

TEN-YEAR CAPITAL STRATEGY FOR 2024 - 2033

(\$ in Millions - All Funds)



Program	FY 2024 to FY 2033
Bridges and Highways	\$31,553
Environmental Protection	29,006
Housing	23,864
Education	17,859
Administration of Justice	15,114
Parks	8,865
Resiliency & Energy Efficiency	6,547
Economic Development	6,239
Health & Hospitals	4,762
Other City Services	20,969
Total	\$164,778

Source: NYC OMB

2024 Ten-Year Capital Strategy Highlights

Technology

- Information and Communication Systems: Broadband Initiative, including the expansion of wireless access for City residents (\$157.0 million); IT security hardware and software upgrades required to safeguard the City’s information technology assets (\$66.3 million); and the MyCity project, which is a single portal for City services and benefits (\$25.6 million).

Environmental Protection and Sanitation

- Sewers: replacement of failing components (\$4.2 billion); Southeast Queens sewer work (\$1.8 billion); emergency replacement of malfunctioning or collapsed sewers (\$999.3 million); and site acquisition and construction for the Staten Island Bluebelt program (\$779.6 million). The total Sewers program for 2024-2033 is \$9.3 billion.
- Water Mains, Sources and Treatment: water main construction and ancillary work (\$3.4 billion), including various state-of-good-repair

projects, Citywide (\$2.6 billion), water main rehabilitation in partnership with DOT street reconstruction and Vision Zero projects (\$282.5 million), and emergency reconstruction of failing infrastructure (\$126.3 million); and improvements and rehabilitation to infrastructure associated with water supply systems (\$3.2 billion), including the rehabilitation of the Ashokan Reservoir, Olive Bridge Dam, and Dividing Weir Bridge (\$1.2 billion), and projects related to the Filtration Avoidance Determination (\$157.1 million). The total Water Mains, Sources and Treatment program for 2024-2033 is \$6.6 billion.

- Wastewater Treatment: essential projects at wastewater resource recovery facilities and related infrastructure to sustain uninterrupted wastewater treatment operation (\$6.4 billion); measures to address water quality problems attributed to combined sewer overflow (CSO) discharges into the City’s surrounding waterways during wet weather conditions (\$1.6 billion); and construct, install, and maintain various green infrastructure projects for stormwater capture, such as bioswales, tree pits,

- constructed wetlands, and green roofs (\$958.8 million). The total Wastewater Treatment program for 2024-2033 is \$9.1 billion.
- **Water Supply:** construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Facility (\$1.8 billion); modification of chambers at Hillview Reservoir (\$752.1 million); and construction of the remaining shafts of the Brooklyn/Queens leg of City Tunnel No. 3 (\$389.6 million). The total Water Supply program for 2024-2033 is \$3.2 billion.
 - **Equipment:** relocation of private utilities in coordination with sewer and water main work (\$157.5 million); reconstruction of agency facilities (\$149.6 million); management information systems (\$145.6 million); and water conservation programs (\$77.7 million), including the installation of water meters (\$43.4 million). The total Equipment program for 2024-2033 is \$736.0 million.
 - **Sanitation:** replacement of vehicles (\$2.2 billion); component rehabilitation and construction of other garages and facilities (\$672.1 million); construction of a new garage for Bronx Community Districts 9, 10, and 11 (\$475.2 million); construction of a new garage for Queens Community District 1 (\$283.1 million); construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$113.0 million); and purchases of information technology and telecommunications equipment (\$56.8 million).
 - **Traffic:** signal installation (\$803.0 million); installation of streetlights, signals and lane markings associated with the Highway and Bridge Programs (\$214.3 million); and upgrade and replacement of lampposts, luminaires, and associated infrastructure (\$22.9 million). The total Traffic Program for 2024-2033 is \$1.1 billion.
 - **Ferries:** ferry terminal and maintenance facility improvements (\$396.5 million); and ferry boats (\$164.1 million). The total Ferries Program for 2024-2033 is \$560.6 million.
 - **Transit:** contributions to the MTA's capital program, including subway and bus fleet enhancements, infrastructure improvements, in-house track rehabilitations, and reconstruction of bus and subway lines for New York City. The Transit program for 2024-2033 is \$2.1 billion.

Education, Health and Social Services

Transportation

- **Bridges:** rehabilitation of bridges, including Brooklyn-Queens Expressway (BQE) bridges (\$1.5 billion) and the Trans-Manhattan Expressway (\$441.4 million); bridge protective coating projects (\$641.5 million); and continued reconstruction and rehabilitation for the East River bridges, including the Williamsburg Bridge (\$311.5 million). The total Bridge Program for 2024-2033 is \$16.8 billion.
- **Highways:** street reconstruction (\$5.4 billion); installation and rehabilitation of pedestrian ramps (\$3.4 billion); street and arterial resurfacing of approximately 11,000 vehicle lane miles and 500 bike lane miles (\$3.2 billion); and replacement of sidewalks (\$448.3 million). The total Highways Program for 2024-2033 is \$13.0 billion.
- **Education:** rehabilitate, replace, and upgrade building components (\$8.0 billion); cover emergency projects, research and development, and prior-plan completion costs (\$3.4 billion); construct new schools (\$3.3 billion); capital improvements that enhance educational programs (\$1.9 billion); expand facilities through leases, building additions, gymnasiums, athletic fields, and playgrounds (\$1.0 billion); address the need for security systems, emergency lighting, and code compliance (\$236.9 million); and expand pre-kindergarten capacity, and remove transportable classroom units with the Smart Schools Bond Act (\$62.0 million). The total Education program for 2024-2033 is \$17.9 billion.
- **Higher Education:** miscellaneous reconstruction (\$934.8 million); new construction (\$503.7 million); data processing and other equipment (\$69.1 million); and energy conservation (\$2.8 million). The total Higher Education program for 2024-2033 is \$1.5 billion.
- **Health & Mental Hygiene:** various public health facility renovations and rehabilitation (\$336.9 million); equipment and vehicle purchases (\$87.9 million); a new Public Health Laboratory (\$80.0 million); technology and laboratory equipment upgrades for the Office of the Chief Medical Examiner (\$74.8 million); technology infrastructure improvements (\$63.0 million); and animal care centers and other animal welfare investments (\$2.4 million).

- NYC Health + Hospitals (H+H): routine reconstruction (\$3.3 billion); ambulance purchases (\$462.1 million); Correctional Health Services Outposted Therapeutic Housing Units (\$395.6 million); system-wide equipment purchases (\$200.9 million); and information systems upgrades (\$147.3 million).
- Aging: rehabilitation of senior centers, with focus on structural and accessibility issues (\$54.6 million); and computer and network upgrades and equipment purchases (\$8.2 million).
- Administration for Children's Services: renovations and upgrades of Juvenile Detention Facilities (\$343.6 million); telecommunications and data infrastructure upgrades and improvements (\$129.3 million); and renovations and upgrades of facilities (\$89.1 million).
- Homeless Services: renovations and upgrades of adult shelters (\$485.1 million); renovations and upgrades of family shelters (\$266.7 million); and computer network upgrades and equipment purchases (\$57.4 million).
- Human Resources: construction and initial outfitting for citywide facilities (\$317.9 million); data infrastructure upgrades and improvements (\$211.3 million); telecommunications (\$47.5 million); and automotive equipment (\$7.5 million).
- heating, and elevator outages (\$2.9 billion); replace and rehabilitate roofs at NYCHA buildings, Citywide (\$405.0 million); and in-unit rehabs at Gowanus and Wyckoff Houses to bring the developments to a state of good repair (\$200.0 million).
- Economic Development: development, management and rehabilitation of City-owned waterfront sites, Citywide (\$1.1 billion); various development and infrastructure improvements at the Brooklyn Navy Yard (\$694.6 million); development of the Manhattan Greenway, a continuous 32.5-mile route around Manhattan intended to transform the waterfront into a green attraction for recreational and commuting use (\$570.0 million); Neighborhood Development Fund to address critical infrastructure work for re-zonings proposed in neighborhood plans developed by the Department of City Planning (\$446.6 million); funding for Life Sciences initiatives (\$433.0 million); various infrastructure improvements on the Hunts Point peninsula, including upgrades at the Hunts Point Market, the Bronx (\$332.3 million); rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support public open space and future redevelopment at Governors Island (\$254.4 million); investments to develop the Offshore Wind industry (\$176.3 million); subgrade improvements at Willets Point, Queens (\$154.6 million); and infrastructure work for the NYC Ferry System (\$152.6 million).

Housing and Development

- Housing: provision of low-interest loans to finance the preservation or creation of affordable housing in privately-owned buildings through new construction (\$7.3 billion), preservation (\$5.6 billion), supportive housing (\$4.0 billion), and disposition programs (\$693.0 million); provision of low-interest loans to support NYCHA's Permanent Affordability Commitment Together (PACT) transactions, through which NYCHA will also leverage other private and public financing sources to address its significant outstanding capital needs (\$1.4 billion); and funding for technology, infrastructure, demolition and other ancillary investments to fulfill the goals of Housing Our Neighbors (\$487.0 million).
- Housing Authority: provision of capital funding to help NYCHA meet its obligations under the 2019 Executed Agreement with HUD and the City around public health concerns, including lead, mold, waste, heating, and elevator outages (\$2.9 billion); replace and rehabilitate roofs at NYCHA buildings, Citywide (\$405.0 million); and in-unit rehabs at Gowanus and Wyckoff Houses to bring the developments to a state of good repair (\$200.0 million).
- Administration of Justice and Public Safety
 - Correction: new jail facilities (\$8.4 billion); improvements to building systems, infrastructure and support space (\$1.9 billion); and lifecycle replacement of equipment (\$324.5 million).
 - Courts: infrastructure and operational improvements (\$2.1 billion); fire/life safety work (\$300.5 million); exterior renovations (\$238.4 million); elevator upgrades (\$108.9 million); electrical upgrades (\$99.4 million); and HVAC improvements (\$36.8 million).
 - Police: construction, rehabilitation, and relocation of facilities, Citywide (\$732.5 million); lifecycle replacement of vehicles (\$344.1 million); replacement and upgrade of critical network infrastructure equipment and data management systems (\$222.7 million); replacement and upgrade of portable radios, radio equipment, infrastructure, and systems (\$210.2 million); and replacement and upgrade of general equipment, Citywide (\$45.2 million).

- Fire: replacement of building components within existing FDNY facilities (\$720.4 million); replacement of mandated and support vehicles, and necessary fire-fighting tools and equipment (\$673.0 million); rehabilitate FDNY training facilities (\$334.4 million); design and construction of new FDNY facilities (\$133.9 million); upgrades to IT equipment components that are approaching the end of useful life (\$85.0 million); replacement of conduit and wiring in the inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$56.7 million); radio and telecommunication equipment upgrades (\$55.7 million); replacement and upgrade of electronic data processing equipment components (\$41.8 million); cabling and components to support the Department's fire alarm box network (\$15.7 million); and upgrade of the 911 communications system infrastructure (\$13.5 million).

Recreation and Cultural

- Parks: rehabilitation of Parks-owned pedestrian bridges, including the Riverside Park Amtrak Overbuild in Manhattan (\$1.2 billion); reconstruction of recreation centers, Citywide (\$747.5 million); implementation of Parks Equity Initiatives, including the Anchor Parks, Community Park Initiative, Parks Without Borders, and Walk to a Park Programs (\$549.8 million); planting of new street trees and park trees, the reforestation and restoration of natural areas, and the reconstruction of sidewalks damaged by trees, Citywide (\$408.5 million); reconstruction of citywide waterfront infrastructure including the Orchard Beach Pavilion in the Bronx (\$305.1 million); improvements to Parks green infrastructure, including the construction of new greenways (\$255.3 million); various reconstruction projects within Flushing Meadows Corona Park in Queens (\$165.8 million); and reconstruction of the Red Hook Ballfields and Recreation Area in Brooklyn (\$52.0 million).
- Public Libraries: Queens Public Library improvements, including construction of a new Rego Park Library (\$41.4 million), renovation and ADA compliance upgrades at Astoria Library (\$16.2 million), expansion and resiliency of the Arverne Library (\$16.0 million), exterior rehabilitation and ADA compliance upgrades at Queens Village Library (\$14.0 million), gut renovation of the Briarwood Library (\$11.3 million), roof and masonry reconstruction of the Ridgewood Library (\$4.5

million); Brooklyn Public Library improvements, including complete overhaul of the Eastern Parkway Branch Library (\$29.0 million), complete overhaul of the Brownsville Branch Library (\$25.8 million), comprehensive renovation of Borough Park Library (\$19.6 million), renovation and construction of the 2nd floor at Midwood Library (\$7.7 million), and infrastructure upgrades at Stone Avenue Library (\$7.5 million); and New York Public Library improvements, including construction of the new Westchester Square Library in the Bronx (\$24.0 million), interior and exterior renovation of the Hamilton Fish Library in Manhattan (\$11.3 million), branch expansion at the Woodlawn Library in the Bronx (\$9.6 million), partial renovation of the Castle Hill Library in the Bronx (\$9.3 million), and a new HVAC system at the New Dorp Library in Staten Island (\$3.6 million).

- Department of Cultural Affairs: comprehensive renovation of the Public Theater's Delacorte Theater in Central Park (\$41.3 million); renovation of the South Wing Atrium for the Bronx Museum of the Arts (\$23.9 million); construction of a Visitor/Education Center at the Queens County Farm Museum (\$23.0 million); renovation of the Sea Cliffs Exhibit at the New York Aquarium in Brooklyn (\$19.4 million); switchgear and electrical service upgrades for the Bronx Zoo (\$13.0 million); restoration of Clove Road for the Staten Island Zoo (\$5.7 million); and renovation of the building envelope for the Brooklyn Museum (\$2.5 million).

Department of Citywide Administrative Services

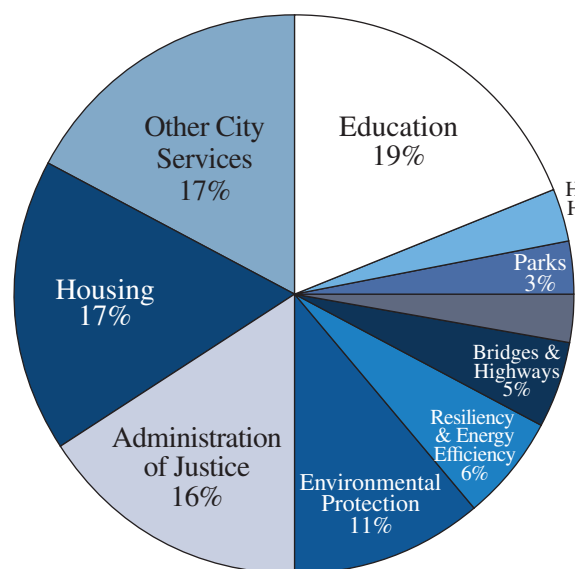
- Public Buildings: reconstruction and rehabilitation of public buildings and City-owned facilities (\$1.2 billion), including projects at the David N. Dinkins Manhattan Municipal Building (\$149.4 million), 253 Broadway (\$66.0 million), 280 Broadway (\$53.8 million), and 100 Gold Street (\$43.6 million), in Manhattan, 1932 Arthur Avenue (\$51.4 million) and 2556 Bainbridge Avenue (\$34.7 million) in the Bronx, Queens Borough Hall (\$11.7 million), and 10 Richmond Terrace in Staten Island (\$6.6 million); legal mandates (\$592.5 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$416.4 million), façade upgrades to ensure Local Law 11 compliance (\$67.9 million), fuel tank replacement and remediation (\$67.7 million), and upgrades to bathrooms and other facilities to ensure ADA compliance (\$27.1 million); renovation of other City-owned facilities

(\$294.6 million), including the reconstruction of 70 Mulberry Street (\$158.4 million); miscellaneous construction at other facilities (\$278.8 million), including installation of charging infrastructure for electric vehicle (\$140.0 million); renovation of leased space (\$233.3 million); equipment and interagency services (\$114.6 million), including development of a Real Estate Management System (\$2.5 million); acquisition of real property (\$30.8 million); rehabilitation of waterfront properties (\$5.6 million) and non-waterfront properties (\$5.5 million); Board of Elections modernization (\$10.4 million); rehabilitation of court buildings (\$1.4 million); and communications equipment (\$0.3 million).

- Energy Efficiency, Sustainability and Resiliency: energy efficiency measures and building retrofits (\$4.3 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$237.4 million), solar panels at citywide facilities (\$10.8 million); citywide resiliency and waterfront rehabilitation (\$2.2 billion), including the East Side Coastal Resiliency project (\$900.3 million), rehabilitation of the substructure of Harlem River Park between 132nd and 135th streets (\$205.4 million), the Brooklyn Bridge – Montgomery Coastal Resiliency project (\$123.9 million), and rehabilitation of Pier 36 (\$111.0 million).

2024 AUTHORIZED CAPITAL COMMITMENTS, BY PROGRAM

(\$ in Millions - All Funds)



<i>Program</i>	<i>2024 Plan</i>
Education	\$4,726
Housing	4,014
Administration of Justice	3,842
Environmental Protection	2,770
Resiliency & Energy Efficiency	1,351
Bridges and Highways	1,292
Economic Development	827
Parks	758
Health & Hospitals	687
Other City Services	4,032
Total	\$24,299

Source: NYC OMB

2024 Agency Highlights

Technology

- Information and Communication Systems: 911/Emergency Communications Transformation Program (ECTP) facilities, software, and equipment to update and integrate the City's computer aided dispatch capabilities (\$161.9 million); Office of Technology and Innovation's core IT infrastructure upgrades (\$96.5 million); and technology upgrades needed to meet discovery requirements under the Criminal Justice Reform Initiative (\$26.1 million).

Environmental Protection and Sanitation

- Sewers: Southeast Queens Infrastructure build out (\$220.9 million); emergency replacement of failing sewer segments (\$94.4 million); resiliency measures, Citywide (\$45.0 million); and replacement of failing components (\$23.6 million). The total Sewers program for 2024 is \$454.6 million.
- Water Mains, Sources and Treatment: improvements and rehabilitation to infrastructure associated with water supply systems (\$225.4 million), including projects related to the Filtration Avoidance Determination (\$32.9 million); water main construction and ancillary work (\$190.4 million), including various state-of-good-repair projects, Citywide (\$110.7 million), and water main rehabilitation in partnership with DOT street reconstruction and Vision Zero projects (\$11.3 million). The total Water Mains, Sources, and Treatment program for 2024 is \$415.8 million.
- Wastewater Treatment: essential projects at wastewater resource recovery facilities and related infrastructure to sustain uninterrupted wastewater treatment operation (\$786.7 million); measures to address water quality problems attributed to combined sewer overflow discharges into the City's surrounding waterways during wet weather conditions (\$147.9 million); and to construct, install, and maintain various green infrastructure projects for stormwater capture, such as bioswales, tree pits, constructed wetlands, and green roofs (\$101.0 million). The total Wastewater Treatment program for 2024 is \$1.0 billion.
- Water Supply: modification of the chambers at the Hillview Reservoir (\$508.4 million); and construction of a tunnel connecting the Kensico

Reservoir to the Catskill/Delaware Ultraviolet Light Facility (\$246.5 million). The total Water Supply program for 2024 is \$765.7 million.

- Equipment: network and security upgrades (\$14.7 million); facility state of good repair (\$12.2 million); air monitoring and environmental compliance contracts (\$12.2 million); water conservation programs (\$9.0 million); and fleet purchases (\$6.5 million). The total Equipment program for 2024 is \$88.0 million.
- Sanitation: replacement of vehicles and equipment (\$260.6 million); component rehabilitation and construction of garages, Citywide (\$172.7 million); construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$23.8 million); and information technology and telecommunications projects (\$14.5 million).

Transportation

- Bridges: rehabilitation of bridges, including West Tremont Avenue over Metro North Railroad in the Bronx (\$89.7 million); and design for the Manhattan Greenway adjacent to the United Nations (\$31.0 million). The total Bridge Program for 2024 is \$217.8 million.
- Highways: street reconstruction (\$369.3 million), including improvements on Delancey Street (\$41.2 million) and Manhattan Safe Routes to School (\$40.8 million); primary and arterial street resurfacing of approximately 1,100 vehicle lane miles and 50 miles of bike lanes (\$233.7 million); and reconstruction of sidewalks and pedestrian ramps (\$199.0 million). The total Highways Program for 2024 is \$807.2 million.
- Traffic: signal installation (\$73.8 million), including the installation of Accessible Pedestrian Signals (\$53.1 million); upgrade and replacement of lampposts, luminaires, and associated infrastructure (\$2.6 million); and reconstruction of parking meters and facilities (\$2.5 million). The total Traffic Program for 2024 is \$92.5 million.
- Ferries: ferry terminal and maintenance facility improvements (\$115.1 million); and ferry boats (\$12.7 million). The total ferries program for 2024 is \$127.8 million.

- Transit: contribution to the MTA's capital program, including subway and bus fleet enhancements, infrastructure improvements, in-house track rehabilitations, and reconstruction of bus and subway lines for New York City. The Transit program for 2024 is \$1.7 billion.
- Administration for Children's Services: telecommunications and data infrastructure upgrades and improvements (\$24.5 million); renovations and upgrades of Juvenile Detention Facilities (\$7.9 million); and renovations and upgrades of facilities (\$1.5 million).

Education, Health and Social Services

- Education: construct new schools (\$1.5 billion); cover emergency projects, research and development, and prior plan completion costs (\$1.0 billion); rehabilitate, replace, and upgrade building components (\$836.2 million); capital improvements that enhance educational programs (\$681.1 million); expand facilities through leases, building additions, gymnasiums, athletic fields, and playgrounds (\$583.8 million); address the need for security systems, emergency lighting, and code compliance (\$100.4 million); and expand pre-kindergarten capacity, and remove transportable classroom units with the Smart Schools Bond Act (\$31.0 million). The total Education program for 2024 is \$4.7 billion.
- Higher Education: miscellaneous reconstruction (\$81.1 million); data processing and other equipment (\$14.6 million); and new construction (\$11.2 million). The total Higher Education program for 2024 is \$106.9 million.
- Health & Mental Hygiene: a new Public Health Laboratory (\$80.0 million); facility rehabilitation and renovations (\$70.2 million); equipment purchases (\$43.8); technology and laboratory equipment upgrades for the Office of the Chief Medical Examiner (\$6.2 million); technology infrastructure improvements (\$4.8 million); and animal care centers and other animal welfare investments (\$2.2 million).
- NYC Health + Hospitals (H+H): Correctional Health Services Outposted Therapeutic Housing Units (\$124.7 million); EMS ambulance purchases (\$93.5 million); revenue cycle management system upgrades (\$14.8 million); and electronic medical records system upgrades (\$8.7 million).
- Aging: rehabilitation of senior centers, with focus on structural and accessibility issues (\$2.3 million); and computer and network upgrades and equipment purchases (\$0.6 million).
- Homeless Services: renovations and upgrades of adult shelters (\$40.2 million); renovations and upgrades of family shelters (\$9.1 million); and computer network upgrades and equipment purchases (\$5.3 million).
- Human Resources: construction and initial outfitting for citywide facilities (\$132.6 million); data infrastructure upgrades and improvements (\$55.1 million); telecommunications (\$25.1 million); and automotive equipment (\$1.2 million).

Housing and Development

- Housing: provision of low-interest loans to finance the preservation or creation of approximately 18,000 units in privately-owned buildings through new construction (\$915.0 million), preservation (\$722.0 million), special needs housing (\$253.0 million), and disposition programs (\$82.0 million); provision of low-interest loans to support NYCHA's Permanent Affordability Commitment Together (PACT) transactions, through which NYCHA will also leverage other private and public financing sources to address its significant outstanding capital needs (\$440.0 million); and funding for technology, infrastructure, demolition and other ancillary investments (\$94.0 million).
- Housing Authority: provision of capital funding to help NYCHA meet its obligations under the 2019 Executed Agreement with HUD and the City around public health concerns, including lead, mold, waste, heating, and elevator outages (\$883.0 million); in-unit rehabs at the Gowanus and Wyckoff Houses to bring the developments to a state of good repair (\$200.0 million); and replace and rehabilitate roofs at NYCHA buildings, Citywide (\$93.0 million).
- Economic Development: various development and infrastructure improvements at the Brooklyn Navy Yard (\$169.6 million) and at Governors Island (\$41.2 million); construction of the Tompkinsville Esplanade and Dockbuilders Pier in Staten Island (\$85.9 million); Neighborhood Development Fund

to address critical infrastructure work for re-zonings proposed in neighborhood plans developed by the Department of City Planning (\$81.1 million); construction of the Manhattan Greenway, a continuous 32.5-mile route around Manhattan (\$59.5 million); development of the Broadway Junction Gateway Plaza in East New York, Brooklyn (\$50.5 million); infrastructure improvements at the Hunts Point Cooperative Market (\$32.7 million); construction of the NYC Ferry Homeport 2 at Brooklyn Cruise Terminal (\$32.0 million); and development of lab space and equipment to support the Life Sciences industry (\$28.7 million).

Administration of Justice and Public Safety

- Correction: new jail facilities (\$3.1 billion); improvements to building systems, infrastructure and support space (\$84.6 million); and lifecycle replacement of equipment (\$53.9 million).
- Courts: infrastructure and operational improvements of court facilities (\$62.1 million); exterior renovations (\$49.1 million); fire/life safety work (\$29.9 million); HVAC improvements (\$1.3 million); elevators (\$0.2 million); and electrical upgrades (\$0.1 million).
- Police: construction, rehabilitation, and relocation of facilities, Citywide (\$358.2 million); replacement and upgrade of portable radios, radio equipment, infrastructure and systems (\$57.3 million); lifecycle replacement of vehicles (\$53.4 million); replacement and upgrade of critical network infrastructure equipment and data management systems (\$24.0 million); and replacement and upgrade of general equipment, Citywide (\$11.2 million).
- Fire: construction and rehabilitation of firehouses, EMS stations, and support facilities (\$132.6 million); replacement of mandated and support vehicles, and necessary fire-fighting tools and equipment (\$118.5 million); design and construction of new FDNY facilities (\$62.8 million); replacement and upgrade of electronic data processing equipment components (\$33.7 million); replacement of conduit and wiring in the inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$30.8 million); and radio, alarm and telecommunication equipment upgrades (\$7.7 million).

Recreation and Cultural

- Parks: planting of new street trees and park trees, reforestation and restoration of natural areas, and reconstruction of sidewalks damaged by trees, Citywide (\$82.0 million); reconstruction of recreation centers (\$64.2 million), including Hansborough Recreation Center (\$27.0 million) and Tony Dapolito Recreation Center in Manhattan (\$20.0 million); rehabilitation of Parks-owned pedestrian bridges (\$62.9 million), including the Riverside Park Amtrak Overbuild in Manhattan (\$41.5 million) and reconstruction of pedestrian bridges over the Belt Parkway in Brooklyn (\$6.2 million); reconstruction of citywide waterfront infrastructure (\$51.9 million), including the Orchard Beach Pavilion in the Bronx (\$13.7 million) and complete reconstruction of the 79th Street Boat Basin in Manhattan (\$13.2 million); improvements to Parks green infrastructure, including the construction of new greenways (\$49.6 million); construction of Box Street and Newtown Barge Parks in Brooklyn (\$19.4 million); reconstruction of Rainey Park in Queens (\$7.5 million); and improvements to Wolfes Pond Park in Staten Island (\$6.0 million).
- Public Libraries: Brooklyn Public Library improvements, including complete overhaul of the Brownsville Branch Library (\$25.8 million), renovation of the HVAC system at Bushwick Library (\$2.6 million), and rehabilitation of the façade at the Gravesend Branch Library (\$2.3 million); New York Public Library improvements, including exterior rehabilitation at the Hamilton Grange Branch Library in Manhattan (\$4.7 million) and boiler replacement at Morrisania Library in the Bronx (\$2.3 million); and Queens Public Library improvements, including systemwide network upgrades (\$3.7 million) and fit-out of a new Court Square Branch Library (\$2.8 million).
- Cultural Affairs: renovation of the South Wing Atrium at the Bronx Museum of the Arts (\$23.9 million); construction of a new facility at ABC No Rio (\$15.5 million); construction of the West End Project at The Museum of Modern Art (\$5.6 million); reconstruction of the roof and façade at the St. George Theatre (\$4.7 million); and renovation of the building envelope for the Brooklyn Museum (\$2.5 million).

Department of Citywide Administrative Services

- **Public Buildings:** rehabilitation of City-owned space (\$79.4 million), including projects at 253 Broadway (\$6.3 million) and 280 Broadway (\$4.4 million) in Manhattan; miscellaneous construction in other facilities (\$71.1 million), including installation of charging infrastructure for electric vehicles (\$20.0 million); legal mandates (\$49.9 million), including fuel tank replacement and remediation (\$26.6 million), and fire/life safety upgrades to ensure Local Law 5 compliance (\$17.4 million); equipment and interagency services (\$29.7 million); acquisition of real property (\$28.1 million); renovation of leased space (\$7.2 million), including office and warehouse space for the Brooklyn District Attorney (\$4.0 million); and renovation of other City-owned facilities (\$0.6 million).
- **Energy Efficiency, Sustainability and Resiliency:** energy efficiency measures and building retrofits (\$535.8 million), including the Accelerated Conservation and Efficiency (ACE) Program (\$68.4 million), and solar panels at citywide facilities (\$4.3 million); citywide resiliency, facility and operational protective measures (\$815.3 million), including the East Side Coastal Resiliency measures (\$467.4 million), and the structural rehabilitation of Pier 36 (\$47.2 million).

Borough Presidents' Allocations

The Charter requires an amount equal to five percent of the proposed new capital appropriations for the ensuing four years to be allocated to the Borough Presidents. This allocation is to be distributed to each borough based upon a formula that equally weighs population and land area. The tables below indicate the amounts added by the Borough Presidents for each programmatic area.

FY 2024-2027 Borough Presidents' Allocations*
(City Funded Appropriations \$ in Thousands)

	2024	2025	2026	2027
Bronx Program				
Aging	\$123	—	—	—
Cultural Affairs	2,550	—	—	—
Economic Development	268	—	—	—
Education	19,454	—	—	—
Health	1,360	—	—	—
Higher Education	3,000	—	—	—
Homeless Services	504	—	—	—
Hospitals	5,000	—	—	—
Housing	2,700	—	—	—
New York Public Library	288	—	—	—
Parks	1,000	—	—	—
Public Buildings	721	—	—	—
GRAND TOTAL: BRONX.....	\$36,968	\$0	\$0	\$0
Brooklyn Program				
Cultural Affairs	\$2,947	—	—	—
Economic Development	300	—	—	—
Education	12,437	—	—	—
Fire	750	—	—	—
Health	575	—	—	—
Higher Education	3,000	—	—	—
Highways.....	1,000	—	—	—
Hospitals	2,600	—	—	—
Housing	11,334	—	—	—
Human Resources	713	—	—	—
Parks	14,058	—	—	—
Public Buildings	888	—	—	—
GRAND TOTAL: BROOKLYN	\$50,602	\$0	\$0	\$0

* Appropriations include reallocation of prior amounts recommended by the borough presidents.

**Note: Individual items may not add to totals due to rounding

FY 2024-2027 Borough Presidents' Allocations*
(City Funded Appropriations \$ in Thousands)

	2024	2025	2026	2027
Manhattan Program				
Aging	\$300	—	—	—
Cultural Affairs	4,016	—	—	—
Economic Development	1,250	—	—	—
Education	6,511	—	—	—
Health	250	—	—	—
Higher Education	1,035	—	—	—
Highways.....	425	—	—	—
Hospitals	150	—	—	—
Housing	4,988	—	—	—
Housing Authority.....	200	—	—	—
Human Resources	599	—	—	—
New York Public Library	200	—	—	—
Parks	2,915	—	—	—
Public Buildings	1,907	—	—	—
Traffic	175	—	—	—
GRAND TOTAL: MANHATTAN.....	\$24,921	\$0	\$0	\$0
Queens Program				
Cultural Affairs	\$4,560	—	—	—
Education	18,173	—	—	—
Health	1,000	—	—	—
Higher Education	3,150	—	—	—
Highways.....	1,500	—	—	—
Hospitals	8,200	—	—	—
Housing	2,750	—	—	—
Parks	17,421	28,710	—	—
Public Buildings	1,000	—	—	—
Queens Public Library	7,462	—	—	—
GRAND TOTAL: QUEENS	\$65,216	\$28,710	\$0	\$0
Staten Island Program				
Education	\$7,046	—	—	—
Parks	7,900	—	—	—
GRAND TOTAL: STATEN ISLAND.....	\$14,946	\$0	\$0	\$0

* Appropriations include reallocation of prior amounts recommended by the borough presidents.

**Note: Individual items may not add to totals due to rounding

Management Initiatives

Management initiatives continue to be developed and implemented to enhance the administration and advancement of the capital program. These include:

- continued improvements to capital program management.
- updating the charter-mandated capital asset condition assessment.
- application of value engineering to reduce capital and operating costs.

Capital Program Management

The Department of Design and Construction was created in October 1995 by Local Law 77, which authorized it to assume responsibility for construction projects performed by the Departments of Transportation, Environmental Protection and General Services. The Department delivers the City's construction projects in an expeditious, cost-effective manner, while maintaining the highest degree of architectural, engineering and construction quality. The Department performs design and construction functions related to streets and highways; sewers; water mains; correctional and court facilities; cultural buildings; libraries; and other public buildings, facilities and structures.

The consolidation of design and construction into a single agency allows for the elimination of duplicative program units within agencies; the standardization of construction procedures and practices; the implementation of reforms of current practices relating to procurement for construction projects; and the expansion of the use of construction-related technology, including Computer-Aided Drafting and Design (CADD); and a project management information system. The Department also enables the city to coordinate a wide variety of construction projects with utilities, community representatives, and private industry, thus minimizing the disruption to individual neighborhoods caused by water-main projects, sewer construction, and road work, as well as reducing the costs associated with such projects. The Department of Design and Construction serves more than 22 client agencies.

Capital Project Scope Development and Cost Estimation

Some capital projects contain significant risks and uncertainties that can lead to cost escalation. Construction or site complexity, unclear or evolving programmatic requirements, regulatory or legal issues, and conflicting stakeholder objectives are some of the factors which can result in projects exceeding their budgets. In an effort to control cost overruns, capital projects undergo a more intensive scope development and cost estimation prior to being included in the capital plan.

Capital Asset Inventory and Maintenance Program

The Charter requires an annual assessment of the City's major assets including buildings, piers, bulkheads, marinas, bridges, streets and highways, and the preparation of maintenance schedules for these assets. This assessment report (AIMS), based on field surveys by technical professionals, details state of good repair needs and is used by agencies for capital planning purposes. A separate volume, published as a reconciliation, reports on the amounts recommended in the annual condition surveys with amounts funded in budget. To incorporate current technology and standards into the Maintenance Program, the City conducts ongoing reviews of the methodologies used in surveying and estimating the cost of maintaining its fixed assets in a state of good repair.

Value Engineering

Value Engineering (VE) is a systematic analytical methodology directed toward analyzing the functions of projects for the purpose of achieving the best value at the lowest life cycle project cost. From its inception in 1982 OMB's VE program has utilized innovations in value management methodology to evaluate an ever-expanding group of projects, widening the scope and depth of project reviews to include Value Analysis (VA) reviews of the City's operational processes and functions to assist agencies in streamlining their procedures to effect increased efficiency and improvements.

Value Engineering is a collaborative effort between all concerned city agencies with budgetary and operational jurisdiction over a project, and outside consultants with expertise on critical project components. The City has utilized VE effectively to

review complex and costly capital projects to ensure they meet functional requirements and are cost effective and timely. These Value Management reviews enable agency decision makers to reach informed conclusions about a project's scope, cost and schedule. In addition to defining potential cost reductions, the VE process frequently generates project improvements and anticipates project risks early in the design process, and solves functional problems by raising relevant issues which adversely compromise the project's development, cost and schedule. OMB's Value Management Program continues to be successful, both as an operational and capital management tool. The benefits of VE and the overall returns on the reviewed projects have proven to be effective in terms of both significant capital and life cycle cost reductions while protecting each project's required functionality and mission. VA enables improvements to operational processes and more efficient service delivery. Studies scheduled for upcoming VE reviews include environmental projects, dams, roadways, bridges, treatment plants, and operational reviews.

Analysis of Agency Budgets

The following table reflects the allocation of fringe benefits, pensions, and debt service costs against the City to each agency to derive the total cost of agency operations.

Full Agency Costs for FY 2024
(\$ in Millions)

Agency	Personal Service Costs				Other Than Personal Service Costs				Gross Total All Funds (Includes Intra-City)	Net Total All Funds (Excludes Intra-City)	City Funds Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Debt Service	OTPS Subtotal			
Uniformed Forces											
Police.....	\$4,775	\$2,949	\$2,670	\$10,394	\$475	\$—	\$208	\$683	\$11,077	\$10,837	\$10,750
Fire.....	1,999	1,042	1,617	4,658	266	—	194	460	5,118	5,117	4,605
Correction	958	905	496	2,359	183	—	127	310	2,669	2,669	2,646
Sanitation	1,038	590	299	1,927	774	—	288	1,062	2,989	2,980	2,579
Subtotal.....	\$8,770	\$5,486	\$5,082	\$19,338	\$1,698	\$—	\$817	\$2,515	\$21,853	\$21,603	\$20,580
Health And Welfare											
Admin. For											
Children’s Services.....	\$550	\$230	\$95	\$875	\$2,174	\$—	\$—	\$2,174	\$3,049	\$3,046	\$1,052
Social Services	896	430	159	1,485	1,800	8,301	94	10,195	11,680	11,673	9,253
Homeless Services	169	68	26	263	3,924	—	—	3,924	4,187	4,180	2,799
Health and Mental Hygiene	587	221	92	900	1,524	—	53	1,577	2,477	2,465	1,353
Health + Hospitals	—	52	—	52	1,815	—	351	2,166	2,218	2,136	1,387
Subtotal.....	\$2,202	\$1,001	\$372	\$3,575	\$11,237	\$8,301	\$498	\$20,036	\$23,611	\$23,500	\$15,844
Education											
Education	\$13,705	\$4,794	\$3,244	\$21,743	\$12,300	\$1,000	\$2,467	\$15,767	\$37,510	\$37,497	\$19,807
City University.....	692	231	108	1,031	374	—	76	450	1,481	1,444	1,152
Subtotal.....	\$14,397	\$5,025	\$3,352	\$22,774	\$12,674	\$1,000	\$2,543	\$16,217	\$38,991	\$38,941	\$20,959
Other Agencies.....	3,521	1,438	594	5,553	8,299	—	3,508	11,807	17,360	15,980	13,391
Elected Officials	768	250	122	1,140	192	—	—	192	1,332	1,323	1,241
Miscellaneous	3,003	100	112	3,215	—	4,909 ⁽¹⁾	332	5,241	8,456	8,260	7,871
Debt Service (Unallocated).....	—	—	—	—	—	—	117	117	117	117	70
Total - All Funds ⁽²⁾	\$32,661	\$13,300	\$9,634	\$55,595	\$34,100	\$14,210	\$7,815	\$56,125	\$111,720	\$109,724	
Total - City Funds ⁽²⁾	\$22,137	\$11,045	\$9,490	\$42,672	\$17,652	\$11,969	\$7,663	\$37,284			\$79,956
Less: Prepayments	\$—	\$—	\$—	\$—	\$—	\$—	\$3,035	\$3,035	\$3,035	\$3,035	\$3,035
Total After Prepayments	\$32,661	\$13,300	\$9,634	\$55,595	\$34,100	\$14,210	\$4,780	\$53,090	\$108,685	\$106,689	\$76,921

(1) Includes Labor Reserve, General Reserve, Capital Stabilization Reserve, Judgments and Claims, MTA Subsidies and Other Contractual Services.
 (2) Excludes the impact of prepayments.

DEPARTMENT OF EDUCATION

The New York City Department of Education provides primary and secondary education for about one million school-age children. Through a network of elementary, junior high, intermediate, and high schools as well as full-day pre-kindergarten programs and special education schools, the Department provides basic instructional services, offering students special education, instruction for English language learners and career and technical training. Support services include free and subsidized transportation, free meals, and the operation and maintenance of approximately 1,800 schools.

Financial Review

The Department of Education's 2024 operating budget is \$30.6 billion, a decrease of \$1.0 billion from the 2023 forecast of \$31.5 billion. In addition, education-related pension, debt service, and other fringe costs of \$6.9 billion are budgeted in separate agencies. These additional costs include an increase of \$424 million. City funds including pensions, debt service and other fringe support \$19.8 billion of the Department of Education's expense budget in 2024, a decrease of \$257 million, or 1.3 percent. State funds

support \$13.7 billion, an increase of \$122 million. The balance of the education budget is supported by \$3.8 billion in Federal aid, a decrease of \$297 million from the 2023 forecast, \$13 million in intra-city funds and \$163 million in other categorical funds. Including those funds budgeted centrally, total funds budgeted on behalf of the Department of Education decrease from \$38.0 billion in the 2023 forecast to \$37.5 billion in the 2024 Executive Budget.

Total Department of Education Expenses 2017-2024 (\$ in Millions)

	2017	2018	2019	2020	2021	2022	Forecast 2023	Executive Budget 2024	Change 2023 to 2024	Change 2017 to 2024
Department Of Education Operating Budget										
City	\$11,117	\$12,190	\$13,592	\$14,065	\$14,709	\$13,674	\$14,514	\$13,862	(\$652)	\$2,745
Other Categorical	\$310	\$327	\$320	\$294	\$278	\$278	\$219	\$163	(\$55)	(\$146)
State	\$10,260	\$10,710	\$11,217	\$11,514	\$10,667	\$12,041	\$12,610	\$12,703	\$93	\$2,443
Federal	\$1,775	\$1,856	\$1,888	\$2,141	\$2,828	\$5,484	\$4,117	\$3,820	(\$297)	\$2,045
Intra-City	\$45	\$61	\$51	\$51	\$63	\$80	\$61	\$13	(\$48)	(\$32)
Total Operating Expenditures	\$23,508	\$25,144	\$27,067	\$28,067	\$28,545	\$31,558	\$31,521	\$30,563	(\$959)	\$7,055
Other City Funds Supporting Education										
Pensions	\$3,919	\$3,927	\$3,693	\$3,575	\$3,070	\$3,278	\$3,155	\$3,244	\$89	(\$675)
State Aid for Pensions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Aid for Pensions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fringe	\$159	\$163	\$160	\$172	\$196	\$220	\$222	\$237	\$15	\$78
G.O. Bond Debt Service	\$1,055	\$1,065	\$1,117	\$1,112	\$1,043	\$993	\$1,237	\$1,439	\$203	\$384
State Aid for Debt Service	(\$3)	(\$3)	(\$3)	(\$3)	(\$3)	(\$3)	(\$3)	(\$3)	\$0	\$0
TFA Debt Service	\$1,148	\$1,276	\$1,532	\$1,620	\$1,666	\$1,620	\$1,911	\$2,028	\$118	\$880
State Aid for TFA Debt Service	(\$576)	(\$687)	(\$744)	(\$797)	(\$801)	(\$838)	(\$971)	(\$1,000)	(\$29)	(\$425)
Total Additional City Funds	\$5,702	\$5,741	\$5,755	\$5,679	\$5,171	\$5,270	\$5,550	\$5,945	\$395	\$243
TOTAL CITY FUNDS FOR EDUCATION	\$16,819	\$17,931	\$19,347	\$19,744	\$19,881	\$18,944	\$20,064	\$19,807	(\$257)	\$2,988
TOTAL STATE FUNDS FOR EDUCATION	\$10,839	\$11,400	\$11,964	\$12,314	\$11,470	\$12,882	\$13,584	\$13,706	\$122	\$2,867

The amounts shown for 2017 through 2022 represent actual expenditures including pensions and debt service funds budgeted in other agencies. Numbers may not add due to rounding.

Expense Budget Highlights

The 2024 Executive Budget reflects the Administration's focus on creating a resilient, healthy, and equitable future for our children by investing in key initiatives to support education around climate change, to improve the food students consume in our schools as well as to improve their understanding of how food impacts their health, and to ensure our most vulnerable children in shelters have the support they need to thrive. Additionally, the budget continues to invest Federal coronavirus relief funding to support key services and priorities.

Climate Education

As part of PlaNYC, the Department will:

- Integrate climate education and action into classrooms across all subjects and grade levels through new educator training. A new teacher leadership team comprising up to 50 teacher-leaders across different schools will provide up to 1,000 educators with professional development through climate education trainings, workshops, and programs.
- Establish a school certification program for climate education, supporting up to 25 schools per year in achieving climate credentials.

Culinary Training and Food Education in Schools

The Department will:

- Provide in-depth culinary training by professional chefs to school food service workers in every school citywide. Each kitchen will have a chef assist over a 2-week period to train staff on culinary skills and new plant-based recipes.
- Provide grants to schools to prioritize food education in their school.
- Create new food education curriculum and update existing health curriculum.

Shelter-Based Community Coordinators

The Department will continue to provide 100 shelter-based coordinators to work with students and families in shelters to ensure they have access to essential services and supports so that students can continue their education.

Stimulus Funding

The Department continues to spend Elementary and Secondary School Emergency Relief (ESSER) funds to support key priorities, including but not limited to:

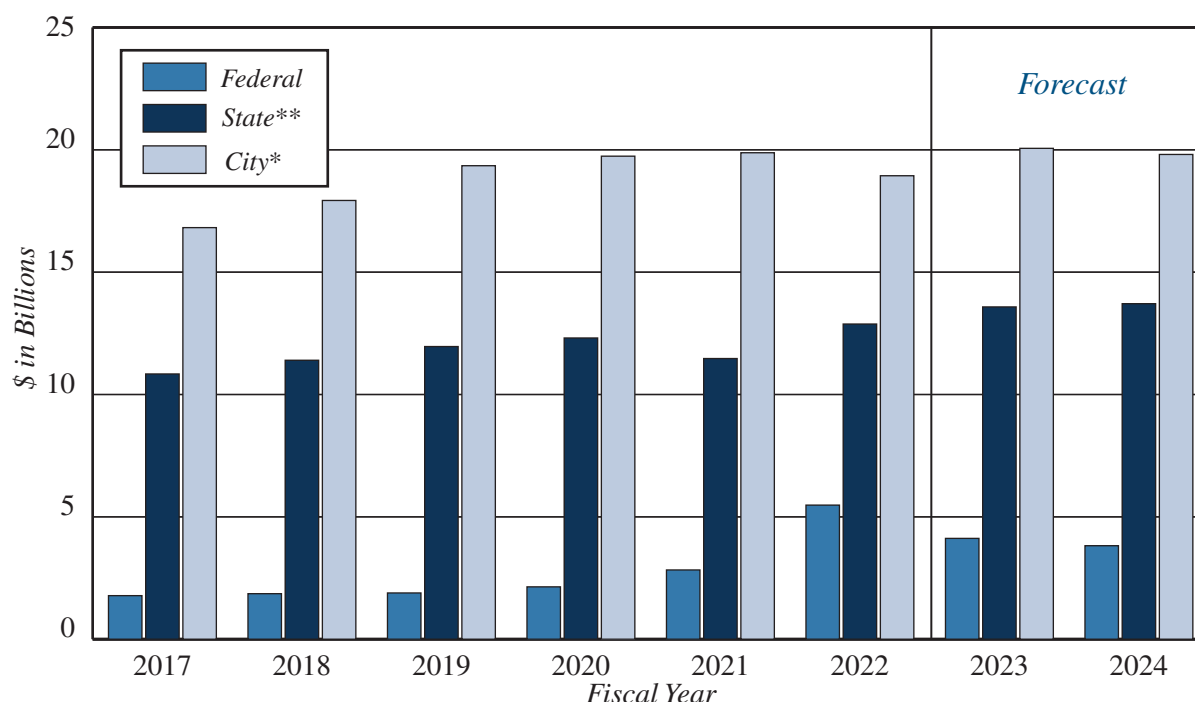
- **Pathways Expansion:** To improve economic mobility and security for all students, the Department will continue expanding career pathway programs in high growth sectors and increasing the number of high school students receiving early college credit.
- **Literacy and Dyslexia:** To better support students with print-based disabilities, the Department continues to expand dyslexia programs Citywide and has recently launched the first district school in City history dedicated to supporting students who have struggled to read or with diagnosed dyslexia.
- **Project Pivot:** The Department continues to prioritize student safety by contracting with community-based organizations that specialize in violence interruption techniques (e.g., de-escalation, mediation, conflict resolution) to make students feel safe and supported in their schools.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$13,658,498	\$13,823,670	\$13,848,398	\$13,705,448	(\$118,222)	(\$142,950)
Fringe Benefits	4,192,275	4,111,365	4,859,212	4,557,504	446,139	(301,708)
OTPS	13,707,237	13,586,190	12,029,091	12,299,607	(1,286,583)	270,516
Total	\$31,558,010	\$31,521,225	\$30,736,701	\$30,562,559	(\$958,666)	(\$174,142)
Funding						
City	\$13,674,103	\$14,513,751	\$14,032,032	\$13,862,127	(\$651,624)	(\$169,905)
Other Categorical Grants	278,266	218,559	163,397	163,397	(55,162)	—
IFA	—	—	—	—	—	—
State	12,041,346	12,610,224	12,703,295	12,703,295	93,071	—
Federal CD	68,618	32,080	10,408	3,350	(28,730)	(7,058)
Federal Other	5,415,250	4,085,206	3,817,131	3,817,131	(268,075)	—
Intra-City Other	80,427	61,405	10,438	13,259	(48,146)	2,821
Total	\$31,558,010	\$31,521,225	\$30,736,701	\$30,562,559	(\$958,666)	(\$174,142)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$219,735	\$221,993	\$234,477	\$236,662	\$14,669	\$2,185
Pensions	3,277,640	3,154,951	3,166,987	3,244,104	89,153	\$77,117
Other Than Personal Service (OTPS)						
Debt Service (incl. BARBs)	2,612,652	3,147,281	3,328,803	3,467,332	320,051	138,529
Total Additional Costs	\$6,110,027	\$6,524,225	\$6,730,267	\$6,948,098	\$423,873	\$217,831
Funding						
City	5,269,802	5,550,425	5,727,513	5,945,345	394,920	217,832
Non-City	840,225	973,800	1,002,754	1,002,753	28,953	(1)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$13,658,498	\$13,823,670	\$13,848,398	\$13,705,448	(\$118,222)	(\$142,950)
Fringe Benefits	4,412,010	4,333,358	5,093,689	4,794,166	460,808	(299,523)
Pensions	3,277,640	3,154,951	3,166,987	3,244,104	89,153	77,117
Total PS	\$21,348,148	\$21,311,979	\$22,109,074	\$21,743,718	\$431,739	(\$365,356)
OTPS	\$13,707,237	\$13,586,190	\$12,029,091	\$12,299,607	(\$1,286,583)	\$270,516
Debt Service (incl. BARBs)	2,612,652	3,147,281	3,328,803	3,467,332	320,051	138,529
Total OTPS	\$16,319,889	\$16,733,471	\$15,357,894	\$15,766,939	(\$966,532)	\$409,045
Total Agency Costs	\$37,668,037	\$38,045,450	\$37,466,968	\$37,510,657	(\$534,793)	\$43,689
Less Intra-City	\$80,427	\$61,405	\$10,438	\$13,259	(\$48,146)	\$2,821
Net Agency Cost	\$37,587,610	\$37,984,045	\$37,456,530	\$37,497,398	(\$486,647)	\$40,868
Funding						
City	18,943,905	20,064,176	19,759,545	19,807,472	(256,704)	47,927
Non-City	18,643,705	17,919,869	17,696,985	17,689,926	(229,943)	(7,059)
Personnel (includes FTEs at fiscal year-end)						
City	107,738	113,488	113,485	113,500	12	15
Non-City	34,010	40,237	39,420	39,413	(824)	(7)
Total	141,748	153,725	152,905	152,913	(812)	8

FUNDING SOURCES 2017 - 2024



* City funds include TFA and GO debt service, pensions and other fringe.
 ** State funds include debt service and pensions.

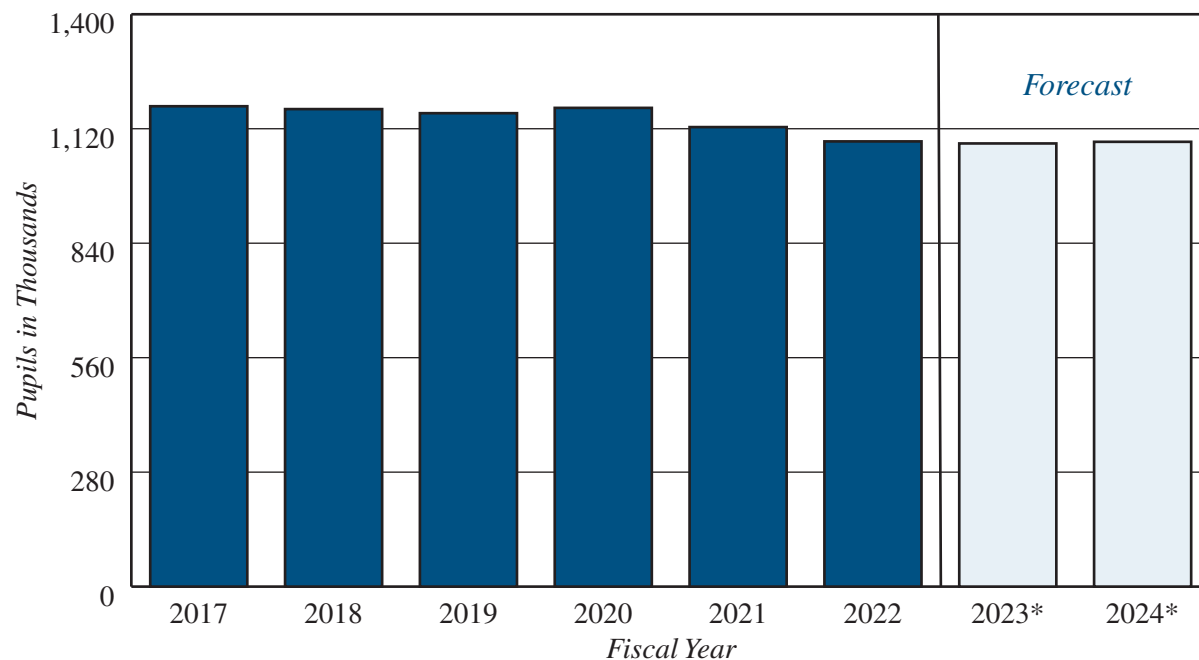
Source: NYC OMB

**New York City Public School Enrollment
 School Year 2020-2024**

	2020 Actual	2021 Actual	2022 Actual	2023 Projections	2024 Projections
DOE Facilities Enrollment					
General Education*	750,374	712,495	662,835	649,380	648,014
Special Education**	157,733	154,783	155,124	154,353	152,244
Full Day Pre-K***	31,435	26,553	27,032	27,665	29,048
Full Day 3-K****	5,997	4,432	8,862	10,643	11,175
Subtotal	945,539	898,263	853,853	842,041	840,481
Non-DOE Facilities Enrollment					
Charter Schools	125,798	135,316	134,564	136,449	138,585
Contract Schools	6,363	5,793	5,845	5,401	5,403
Full Day Pre-K at NYCEECs***	35,429	30,992	28,366	29,891	31,385
Half Day Pre-K at NYCEECs***	2,024	1,796	1,096	789	828
Full Day 3-K at NYCEECs****	12,440	10,880	25,297	32,008	33,608
EarlyLearn*****	6,882	3,877	4,118	6,092	6,396
Special Ed Pre-K	36,374	36,626	36,327	31,303	31,300
Subtotal	225,310	225,280	235,613	241,933	247,505
TOTAL	1,170,849	1,123,543	1,089,466	1,083,974	1,087,986

* General Education enrollment includes students served in ICT settings as well as those in traditional classrooms.
 ** Special Education enrollment includes Community School District and High School Special Education students in self-contained classrooms, Citywide, Home and Hospital Instruction, and Special Education students served in ICT settings.
 *** Students who turn four years old during the calendar year of admission.
 **** Students who turn three years old during the calendar year of admission.
 ***** EarlyLearn enrollment includes children aged 0-2. 3- and 4-year olds in EarlyLearn settings are counted in Pre-K and 3-K lines.

NYC PUBLIC SCHOOL ENROLLMENT 2017 - 2024



*Includes Charter Schools, Special Education Pre-K, Universal Pre-K, 3-K, Special Education Contract Schools, and Integrated Co-Teaching. Excludes Long Term Absences.
 * Projected as of 2024 Executive Budget*

Source: NYC OMB

The Student Population

Total enrollment supported by the Department’s budget, including pre-kindergarten, charter school and special education contract school students, is projected to increase by 4,012 from 1,083,974 in 2023 to 1,087,986 in 2024. Of this total, the City projects that general education public school enrollment for kindergarten through grade 12 will be 761,350. Of these students, 648,014 are expected to attend schools operated by the Department of Education and 113,336 are expected to attend charter schools.

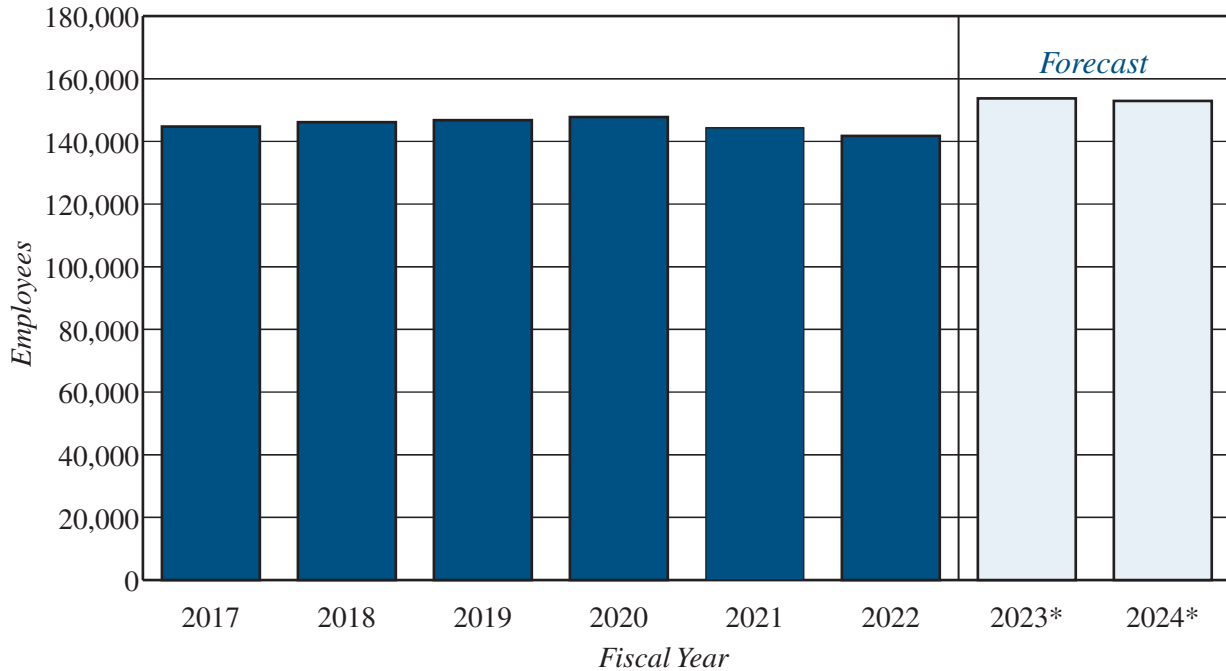
In 2024, the City projects that 182,896 school-age students will be enrolled in special education programs (a 19 percent share of total K-12 enrollment). This projected enrollment level is 1,134 students lower than the

2023 special education population of 184,030. Of these students, 83 percent are expected to attend Department of Education facilities, 14 percent are expected to attend charter schools, and 3 percent are expected to attend specialized private facilities (“contract schools”) paid for through the Department’s budget.

The City projects that 106,044 three- and four-year-olds will be served in Pre-K for All and 3-K for All programs. Of these, 38 percent will attend DOE facilities and 62 percent will attend New York City Early Education Centers (NYCEECs).

Staffing Levels

**FULL TIME AND FULL TIME EQUIVALENT
DEPARTMENT OF EDUCATION EMPLOYEES 2017 - 2024**

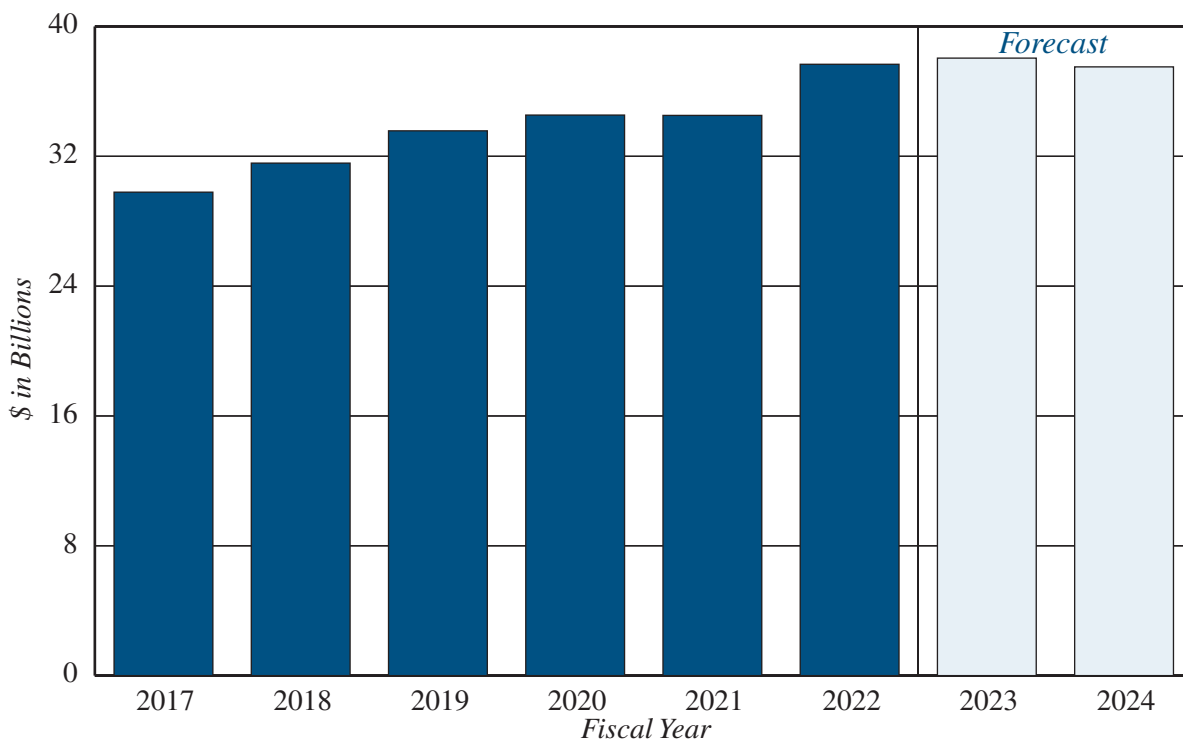


* Projected as of 2024 Executive Budget

Source: NYC OMB

In 2024, the City’s financial plan supports a staffing level of 152,913. Of this count, 139,192 are full-time and 13,721 are Full Time Equivalents (FTEs). Pedagogical employees (which include teachers, superintendents, principals, assistant principals, guidance counselors, school secretaries, educational paraprofessionals, and other school support staff) make up 126,075 of the full-time employees and 857 of the FTEs. Civilian employees represent 13,117 of the full-time employees and 12,864 of the FTEs.

TOTAL DEPARTMENT OF EDUCATION EXPENDITURES 2017 - 2024*



* Total DOE expenditures include pensions, other fringe, TFA and GO debt service.

Source: NYC OMB

Capital Review

The City’s Four-Year Education Capital Plan for 2024-2027 anticipates spending \$10.8 billion on creating new seats, school improvements, and enhancement projects and includes the last year of the Department of Education’s and the School Construction Authority’s 2020-2024 Five-Year Capital Plan. The School Construction Authority (SCA) is responsible for managing, planning, and budgeting, as well as building new schools and supporting capital investments to existing school buildings on behalf of the Department of Education.

The table below shows capital commitments by program area over the 2024-2027 period.

**Capital Commitments
(\$ in 000’s)**

	2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
System Expansion: New Schools	\$1,465,789	\$1,465,789	\$1,624,622	\$1,624,622	\$7,000	\$7,000	\$140,000	\$140,000
System Expansion:Other	\$583,786	\$583,786	\$418,203	\$418,203	\$0	\$0	\$0	\$0
Rehabilitation of School Components.....	\$836,185	\$836,185	\$650,045	\$650,045	\$842,835	\$842,835	\$832,209	\$832,209
Educational Enhancements	\$681,125	\$681,125	\$283,029	\$283,029	\$122,150	\$122,150	\$120,610	\$120,610
Emergency, Unspecified and Miscellaneous	\$958,608	\$1,027,428	\$487,162	\$487,162	\$253,648	\$253,648	\$241,220	\$241,220
Safety and Security.....	\$100,437	\$100,437	\$42,458	\$42,458	\$12,215	\$12,215	\$12,061	\$12,061
Smart Schools Bond Act.....	\$0	\$31,005	\$0	\$31,006	\$0	\$0	\$0	\$0
Total	\$4,625,930	\$4,725,755	\$3,505,519	\$3,536,525	\$1,237,848	\$1,237,848	\$1,346,100	\$1,346,100

The Department of Education's and the School Construction Authority's 2020-2024 Five-Year Capital Plan as of February 2023 totals \$19.4 billion and will provide:

- Capacity – \$8.0 billion. This includes \$5.5 billion for new capacity, \$605.0 million for class-size reduction, \$267.0 million for capacity to support the removal of Transportable Classroom Units (TCUs), \$806.0 million for facility replacement program, and \$756.0 million for early education initiatives such as 3-K & Pre-K for All and Early Learn. The new capacity program will provide 42,986 new seats and 3,024 new District 75 seats Citywide in an estimated 88 buildings, as well as additional seats across other capacity programs.
- Capital Improvement Program – \$3.7 billion. This allows for exterior and interior building upgrades and other necessary capital repairs to school buildings.
- School Enhancement Projects – \$2.9 billion. This support upgrades such as enhancing safety and security systems, expands accessibility, and upgrades to science labs, libraries, auditorium, bathrooms, physical education space, and technology. This category also includes \$750.0 million for accessibility, \$150.7 million to support air conditioning initiative, and \$248.3 million for safety and security projects.
- Mandated Programs – \$3.5 billion. This provides funding in order to meet requirements of local law, City agency mandates, and other required elements such as remediation, boiler conversions, building code compliance, insurance, and emergencies.

The Education Capital Plan will include the following changes as of the Executive Budget:

- Brookdale Campus Reimagined – \$75.0 million. Approximately 160,000 square feet of the Brookdale project is reserved for a facility to provide space for a high school that focuses on public health and health professions. The total estimated cost of this project is \$200.0 million; of this amount, \$125.0 million is already in the budget.
- Tropical Storm Ida – \$150.8 million. Funding for 19 additional permanent work projects needed to repair damages from Tropical Storm Ida. The type of work consists of flood elimination, interior space upgrades, heating plant upgrades and electrical upgrades.
- Cafeteria Enhancement – \$50.0 million. Funding to support cafeteria upgrades at Department of Education schools, covering the cost of the renovation of the cafeteria service line and may include new display equipment, serving stations, cafeteria furniture, decorations, and artwork. Funding will enhance 80-90 cafeterias.
- Building elevation at Q388 – \$4.0 million. Funding for a building elevation project at new school building near the waterfront in Bay Terrace, Queens and located in a high-risk flood zone. The building will be elevated an additional four feet above the code requirement in order to meet the higher standard of designing to the 2100 flood map as recommended by the Mayor's Office of Climate and Environmental Justice's Climate Resiliency Design Guidelines.

ADMINISTRATION OF JUSTICE

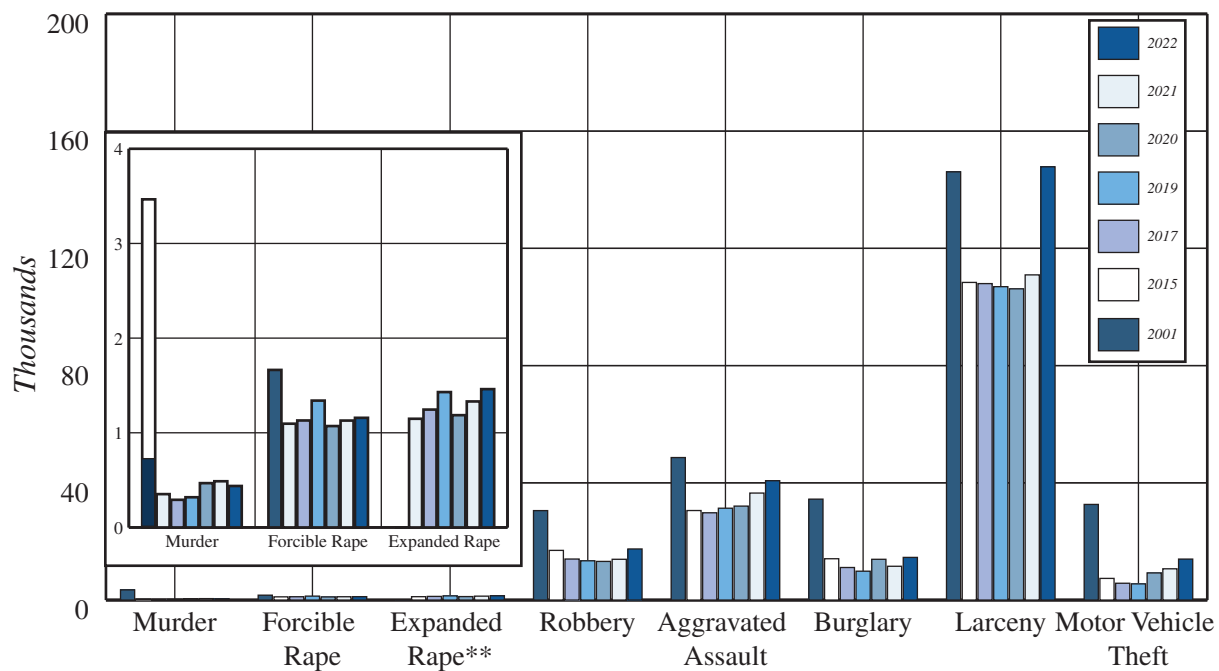
Overview

In calendar year 2022, the New York City Police Department (NYPD) remained operational at all levels while facing unprecedented crime surges. The Department responded to 911 and 311 calls for service, addressed criminal activity, investigated crime, countered threats of terrorism, managed traffic control, and ensured public safety Citywide. The Department continues to affirm its commitment to public safety by using a multifaceted approach of precision and neighborhood policing to lower the incidence of crime, promote trust and respect, and solve problems collaboratively with neighborhood residents.

The New York City FBI Index crime data for calendar year 2022 shows that overall major felony crime increased 27.4 percent (237,572 vs. 186,505) compared to calendar year 2021. Rape increased by 2.6 percent (1,158 vs. 1,129), robbery by 25.3 percent (17,433 vs. 13,909), assault by 11.5 percent (40,720 vs. 36,507), burglary by 26.3 percent (14,553 vs. 11,527), grand larceny by 33.2 percent (147,832 vs. 110,950) and grand larceny auto by 31.1 percent (13,977 vs. 10,664). Murder decreased 10.2 percent (438 vs. 488).

NEW YORK CITY FBI INDEX CRIMES

Calendar Years 2001* - 2022



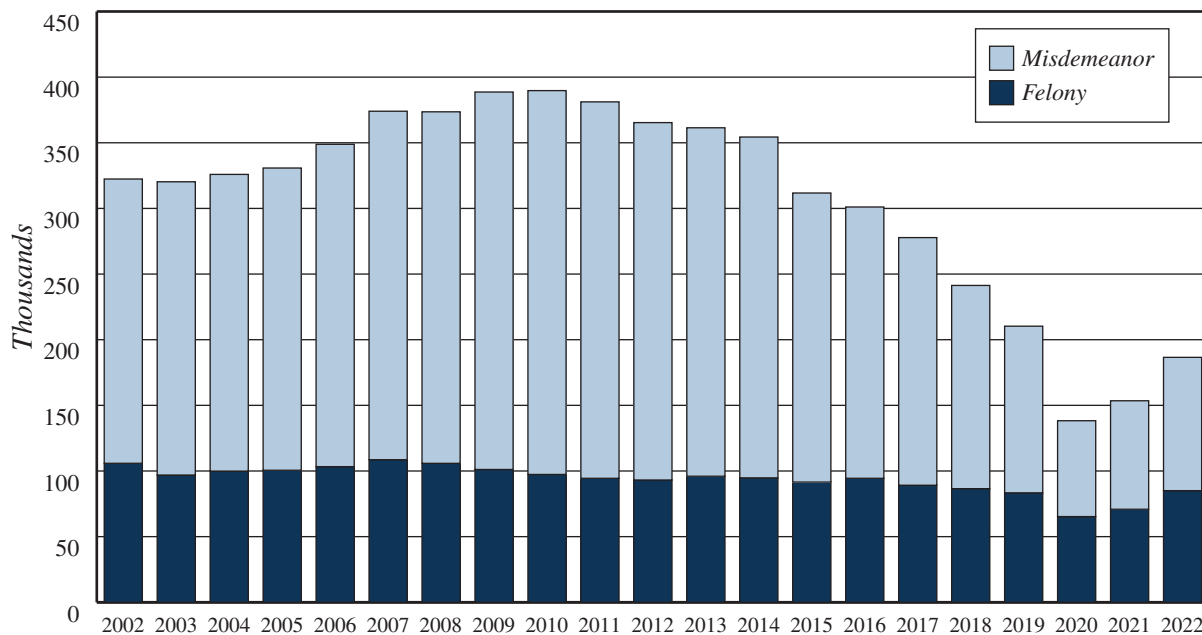
* In 2001, for Murder and Aggravated Assault, the unshaded portion represents World Trade Center victims.
 ** Expanded Rape category added in 2013.

Source: NYPD

Arrests totaled 187,335 in calendar year 2022, increasing by 33,453 from calendar year 2021. The overall arrest level increased by 21.7 percent from calendar year 2021; felony arrests increased by 20.0 percent, misdemeanor arrests 22.9 percent, and violation arrests increased by 100.5 percent. The distribution of arrests resulted in 45.4 percent felonies, 54.2 percent misdemeanors, and 0.4 percent violations.

NEW YORK CITY FELONY & MISDEMEANOR ARRESTS

Calendar Years 2002 - 2022



Source: NYPD

POLICE DEPARTMENT

In calendar year 2022, the Department continued to strengthen its crime reduction efforts by using the dual approach of precision and neighborhood policing, improving community-relations, and ensuring partnerships are built on trust and shared responsibility. The Department has acknowledged the public’s outcry to reduce violence in neighborhoods that have seen a disproportionate number of shootings and directed resources and attention to the relatively small percentage of the population responsible for committing the majority of the violence.

In the first quarter of 2023, the Department bolstered community and youth engagement, and enforcement units to address violent crimes and quality of life complaints. These efforts, coupled with enhanced training and oversight ensure fair and equitable policing.

serves the public interest. Department staff at all levels are expected to act with integrity and professionalism at all times, and to create a culture of service to persons experiencing incarceration. Everyone benefits when people in custody are given the tools they need to have less contact with the justice system in the future. While the Department does not determine who comes into custody or how long an individual stays in a jail facility, we work hard to ensure that individuals in custody are provided with resources that support a safer environment in the jails, and a path to successful reentry once released to the community. The Department has been on the vanguard of reform in a number of areas, including the elimination of solitary confinement and restrictive housing reform, and housing incarcerated persons according to their gender identity.

DEPARTMENT OF CORRECTION

The Department of Correction is committed to operating a jail system that is safe and humane for everyone who lives and works in our facilities and

OTHER CRIMINAL JUSTICE PROGRAMS

The Mayor’s Office of Criminal Justice (MOCJ) works with partners across the justice system including mayoral agencies, courts, prosecutors, defendants, non-profits, foundations, and all New Yorkers to design, deploy, and evaluate citywide strategies. These

strategies aim to increase safety, reduce unnecessary arrests and incarceration, and improve the system's fairness. Examples of MOCJ's work include:

- **The Office of Neighborhood Safety:** Home to three distinct local safety initiatives—the Mayor's Action Plan for Neighborhood Safety (MAP), the Office to Prevent Gun Violence (OPGV), and Atlas—brought together under one office, the Office of Neighborhood Safety (ONS) was launched in December 2019. Each is focused on building long-term safety within communities, while addressing immediate needs of individuals they serve. Beginning in summer 2023, the Office of Neighborhood Safety and its initiatives will be housed within the Department of Youth and Community Development.
- **MAP:** Launched in 15 New York City Housing Authority developments that accounted for 20 percent of all violent crime in the City's public housing, MAP enlists residents, City agencies and community-based partners to address the factors underlying safety. Through NeighborhoodStat, the operational centerpiece of MAP, the collective expertise of residents, government, and community partners is harnessed to drive meaningful dialogue, problem solving and, ultimately, change at both the neighborhood and administrative levels. In 2023, MAP has expanded to two additional NYCHA developments, Gowanus Houses and Wyckoff Gardens, as part of the Gowanus Rezoning.
- **OPGV:** Operating since 2010, the Crisis Management System (CMS) program is active in 31 sites citywide. Violence interrupters and wraparound services play a key part in helping to break the cycle of gun violence in communities across the City.
- **Atlas:** Partnering with United Way of New York City, Atlas launched citywide in 2022. By providing voluntary access to therapy, job training, mental health services, and other programming Atlas looks to break the cycle of recidivism and potential violence escalation that can sometimes follow justice-involvement. The Atlas model also serves as an incubator of community-based services, investing in local organizations to create a thriving, resource-rich network of sustainable and successful social entrepreneurship.
- **Reentry Services:** At the onset of the pandemic, MOCJ's reentry services team quickly created a system from scratch to safely provide a place to stay for individuals being released from custody who did not have a safe place to return. A network of hotels was quickly set up and staffed with service providers trained specifically to help formerly incarcerated individuals through the reentry process. As the City works with its partners to develop more sustainable housing solutions for those returning from jail or prison, MOCJ is replacing the hotels with a long-term Transitional Housing Program, which will provide up to 1,370 beds and supportive services for individuals recently released from custody and who would otherwise be experiencing homelessness. These efforts provide a successful model for how reentry services can better serve our returning neighbors, giving them the resources to achieve more successful long-term outcomes. Additionally, MOCJ reentry partners have begun providing in-custody and in-community services to people returned from New York State custody, serving as a crucial bridge to successful reentry in the City.
- **Office of Pretrial Justice Initiatives:** Launched in late 2019, the Office of Pretrial Justice Initiatives (OPJI) is primarily responsible for the continued expansion of the City's nationally recognized Supervised Release program. As a result of changes to the State's bail laws that went into effect in 2020, the program began to serve a larger pool of eligible clients that year. The rollout of the expansion was interrupted by court closures during the pandemic severely limiting access to Supervised Release for new individuals. However, with the court system's return to more normal operations in 2022, Supervised Release continues to provide necessary services while maintaining safety for individuals required by the court to participate in the program.
- **The Office of Special Enforcement:** A multi-agency task force charged with addressing illegal short-term rentals, the Office of Special Enforcement (OSE) continued to protect the City's housing stock from individuals and companies that violate the law and put New Yorkers at risk. In early 2023, OSE implemented the City's first regulatory framework for short-term rentals.
- **Borough-Based Jail Facilities:** Dismantle and site prep work is fully underway at each of the four Borough-Based Jails locations. The award for the new Brooklyn facility is upcoming in summer 2023, with additional steps forward on the facility Design Build contracts for the Bronx, Queens, and Manhattan by the end of 2023. The City continues

- to be deeply engaged with the communities around design, with feedback from justice advocates, neighborhood advisers, our architect-led peer review, and others being collected to better reflect the host of priorities around the new facilities.
- Office for the Prevention of Hate Crimes: The Office for the Prevention of Hate Crimes (OPHC) launched in the summer of 2019. Embedded in the Mayor's Office of Criminal Justice, OPHC takes a holistic approach to preventing hate crimes, developing and coordinating community-driven prevention strategies to address biases fueling such crimes, and fostering healing for victims and their communities. The office coordinates City efforts to prevent and respond to hate crimes through an interagency committee, which includes the NYPD, City Commission on Human Rights, Mayor's Community Affairs Unit, Department of Education, Mayor's Office to End Domestic and Gender-Based Violence, Mayor's Office of Immigrant Affairs, Office of Community Mental Health, and Department of Youth and Community Development.
 - Office of Crime Victim Supports: Office of Crime Victim Supports (OCVS) administers and coordinates victim service programs throughout the City, helping meet critical emotional, physical, financial, and legal needs for individuals and families impacted by crime. OCVS coordinates programs that encompass social and legal services for crime victims. This includes large-scale citywide programs like the Domestic Violence and Crime Victim Hotlines and the Crime Victim Assistance Program, as well as those targeted to specific populations like the abusive partner intervention programming (APIP) and the Domestic and Other Violence Emergencies (DOVE) initiative.
 - Indigent Legal Services: The NYS Office of Indigent Legal Services (ILS) is funding localities, including New York City, to implement indigent defense program enhancements at institutional providers and assigned counsel plans (ACP). MOCJ's ACP received funding to build out more program support services to the contracted attorneys.
 - System Coordination: As the administration's primary representative to the courts, district attorneys, defenders, and state criminal justice agencies, MOCJ communicated feedback and ideas from these stakeholders to the mayor and governor's offices regarding court procedures, vaccine priority, and health protocols, providing a crucial communication bridge which helped to facilitate the effective functioning of the criminal justice system. MOCJ continues to work with partners across the justice system and uses the broad resources and expertise of City government to navigate the challenge of returning the system to its full capacity after the historic disruption of the pandemic.

POLICE DEPARTMENT

The mission of the New York City Police Department is to enhance the quality of life in New York City by working in partnership with the community to enforce the law, preserve peace, protect the people, reduce fear, and maintain order.

Financial Review

The New York City Police Department's 2024 Executive Budget provides for an operating budget of \$5.3 billion, a decrease of \$516.2 million from the \$5.8 billion forecast for 2023. This decrease is primarily attributed to annual state, federal, and private grant funding not yet recognized for 2024 and Program to Eliminate the Gap (PEG) savings reflected in the FY24 Executive Plan. Capital commitments of \$504.1 million are also provided in 2024.

Revenue Forecast

The Police Department collects revenue from fees charged for pistol licenses, rifle permits, fingerprint fees, tow fees, and unclaimed cash and property that is abandoned or confiscated as a consequence of the commission of a crime. The City also receives E-911

surcharges imposed on all New York City cellular telephones, landline telephones and voice over internet protocol service (VoIP). In addition, the Department is recouping traffic control costs from non-charitable athletic parades. In 2024, the revenue estimate for the Police Department is \$99.4 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2024, the Department will have a uniformed budgeted headcount of approximately 35,001.
- The Department expects to receive up to \$30.9 million for the protection of foreign missions under the Federal Fiscal Year 2023 Appropriation Act.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	2022 Actual	2023 Forecast	(\$ in 000's)		Increase/(Decrease)	
			2024 Preliminary Budget	2024 Executive Budget	2023 Forecast	2024 Preliminary Budget
Expenditures						
Salary and Wages	\$5,186,294	\$5,038,702	\$4,906,439	\$4,774,697	(\$264,005)	(\$131,742)
Fringe Benefits	69,153	66,152	61,536	61,363	(4,789)	(173)
OTPS	625,859	722,132	473,720	474,750	(247,382)	1,030
Total	\$5,881,306	\$5,826,986	\$5,441,695	\$5,310,810	(\$516,176)	(\$130,885)
Funding						
City	\$4,807,032	\$5,283,377	\$5,169,046	\$5,058,328	(\$225,049)	(\$110,718)
Other Categorical Grants	32,484	15,142	—	—	(15,142)	—
IFA	—	—	—	—	—	—
State	14,934	94,136	732	732	(93,404)	—
Federal CD	—	—	—	—	—	—
Federal Other	764,510	178,549	11,765	11,765	(166,784)	—
Intra-City Other	262,346	255,782	260,152	239,985	(15,797)	(20,167)
Total	\$5,881,306	\$5,826,986	\$5,441,695	\$5,310,810	(\$516,176)	(\$130,885)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$2,561,741	\$2,693,308	\$2,849,151	\$2,887,636	\$194,328	\$38,485
Pensions	2,727,622	2,640,743	2,647,787	2,669,945	29,202	22,158
Other Than Personal Service (OTPS)						
Debt Service	226,390	206,909	217,255	207,761	852	(9,494)
Total Additional Costs	\$5,515,753	\$5,540,960	\$5,714,193	\$5,765,342	\$224,382	\$51,149
Funding						
City	5,446,528	5,465,732	5,648,386	5,691,464	225,732	43,078
Non-City	69,225	75,228	65,807	73,878	(1,350)	8,071
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$5,186,294	\$5,038,702	\$4,906,439	\$4,774,697	(\$264,005)	(\$131,742)
Fringe Benefits	2,630,894	2,759,460	2,910,687	2,948,999	189,539	38,312
Pensions	2,727,622	2,640,743	2,647,787	2,669,945	29,202	22,158
Total PS	\$10,544,810	\$10,438,905	\$10,464,913	\$10,393,641	(\$45,264)	(\$71,272)
OTPS	\$625,859	\$722,132	\$473,720	\$474,750	(\$247,382)	\$1,030
Debt Service	226,390	206,909	217,255	207,761	852	(9,494)
Total OTPS	\$852,249	\$929,041	\$690,975	\$682,511	(\$246,530)	(\$8,464)
Total Agency Costs	\$11,397,059	\$11,367,946	\$11,155,888	\$11,076,152	(\$291,794)	(\$79,736)
Less Intra-City	\$262,346	\$255,782	\$260,152	\$239,985	(\$15,797)	(\$20,167)
Net Agency Cost	\$11,134,713	\$11,112,164	\$10,895,736	\$10,836,167	(\$275,997)	(\$59,569)
Funding						
City	10,253,560	10,749,109	10,817,432	10,749,792	683	(67,640)
Non-City	881,153	363,055	78,304	86,375	(276,680)	8,071
Personnel (includes FTEs at fiscal year-end)						
City	49,869	51,503	51,452	51,146	(357)	(306)
Non-City	91	187	20	20	(167)	—
Total	49,960	51,690	51,472	51,166	(524)	(306)

Programmatic Review and Service Impact

In calendar year 2022, the New York City Police Department (NYPD) supported the City’s most vulnerable communities and addressed the public safety concerns of everyday New Yorkers by expanding its focus on policing individuals responsible for gun violence and the majority of violent crime. Under the leadership of Police Commissioner Keechant L. Sewell, the Department reprioritized resources and implemented immediate gun violence interventions and long-term prevention strategies, while advocating for stricter bail reform and community-based solutions. As a result of these efforts, calendar year 2022 ended with three hundred and ten less shooting victims than calendar year 2021, and a 17.2 percent decrease of shooting incidents.

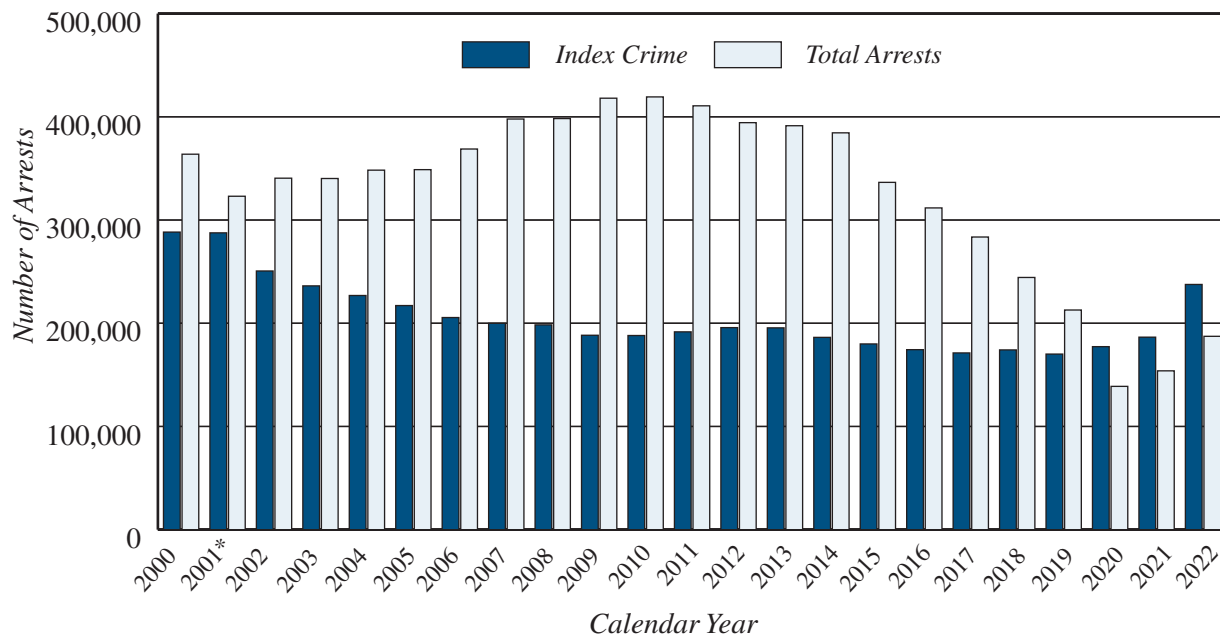
In tandem, the NYPD strives to foster a safe and fair City by incorporating neighborhood policing into all facets of Department operations and solve the problems that create crime and disorder through an independent relationship between the people and its police. The Department continues to affirm its commitment to public safety by using a multifaceted approach of precision and neighborhood policing to

lower the incidence of crime, promote trust and respect, and solve problems collaboratively with neighborhood residents.

The NYPD’s index crime data for calendar year 2022 shows that overall major felony crime increased 23.2 percent (126,588 vs. 102,741) compared to calendar year 2021. Rape increased by 8.5 percent (1,617 vs. 1,491), robbery by 25.9 percent (17,411 vs. 13,831), assault by 14.1 percent (26,061 vs. 22,835), burglary by 22.9 percent (15,745 vs. 12,811), grand larceny by 26.2 percent (51,566 vs. 40,870) and grand larceny auto by 32.0 percent (13,750 vs. 10,415). Murder decreased 10.2 percent (438 vs. 488).

Arrests totaled 187,335 in calendar year 2022, increasing by 33,453 from calendar year 2021. The overall arrest level increased by 21.7 percent from calendar year 2021; felony arrests increased by 20.0 percent, misdemeanor arrests 22.9 percent, and violation arrests increased by 100.5 percent. The distribution of arrests resulted in 45.4 percent felonies, 54.2 percent misdemeanors, and 0.4 percent violations.

ARRESTS VERSUS CRIME



* In 2001, Index Crime data excludes World Trade Center victims.

Source: NYPD

The neighborhood policing philosophy is grounded in the principle that policing takes place not just in communities but also with communities. A component of this is for the community to feel safe with a visible police presence during their daily routines as a resident, visitor, or commuter. The Department has buttressed this strategy with enhanced deployments in precincts with high violent crime trends, and throughout the transit system. This dual approach leverages the strategic deployment of officers to both deter criminal activity and address quality of life concerns in communities citywide. Additionally, through continued collaboration with the MTA, various City agencies, and advocacy organizations, the Department offers homeless and mental health services to those in need.

Furthermore, the Department implements specialized units to focus on addressing particular issues, such as specific crime patterns or quality of life concerns. This includes proactive engagement with offenders who commit violations that lead up to an act of violence—whether on the streets, in the transit system, or in the City’s public housing developments. This enforcement aims to be responsive to community complaints and concerns by addressing the violent crime patterns officers are confronting.

In calendar year 2022, the Department established precinct neighborhood safety teams (NSTs). These teams are responsible for addressing violent street crimes, specifically focusing on perpetrators who carry and use illegal firearms. Additional citywide Community Response Teams are being piloted for deployment in areas with high volumes of 311 complaints or quality of life conditions such as illegal motorbikes, and the re-emergence of street peddlers in densely populated business districts. Officers assigned to these specialized teams are attired in distinct uniforms, equipped with body-worn cameras, receive enhanced training and are under strict oversight.

These teams work in tandem with neighborhood coordination officers (NCOs) who serve as liaisons between the police and community, youth coordination officers (YCOs) who implement Department-wide youth initiatives and field intelligence officers (FIOs) who focus on identifying the locations and individual drivers of violent crime in each command.

In the first quarter of 2023, the Department increased the staffing allotted for precinct youth coordination officers (YCOs) in an effort to increase positive police engagement with youth, allow more

targeted coverage during school dismissals, and provide more personnel dedicated to combating youth crime.

Additionally, the NYPD recognizes the importance of coordinated collaboration with all levels of government in ensuring the overall public safety of New Yorkers. To this end, the Department leads the Gun Violence Strategies Partnership (GVSP), an unprecedented collaborative effort that involves multiple local, state, and federal law enforcement agencies, prosecutors, and probation and parole officers, among others. The GVSP enables the review of violent felony arrests and sharing of resources to keep the drivers of gun violence off the streets of New York. The NYPD will continue to strengthen its partnerships at the local, state, and federal level to increase public safety.

The Department continues to leverage all available tools to ensure the safety of the City, including innovative technology to enhance officer and public safety while improving internal operations. The NYPD has invested in various technological upgrades, such as the expansion of body-worn camera use and the introduction of vehicle dashboard cameras. These technological upgrades facilitate transparency and accountability for both the Department and public and can provide important evidence in criminal and civil proceedings, as well as the investigation of civilian complaints. Moreover, the analysis of body-worn camera usage has demonstrated that cameras may help de-escalate potentially volatile encounters, mitigate future risk, and identify training and oversight needs.

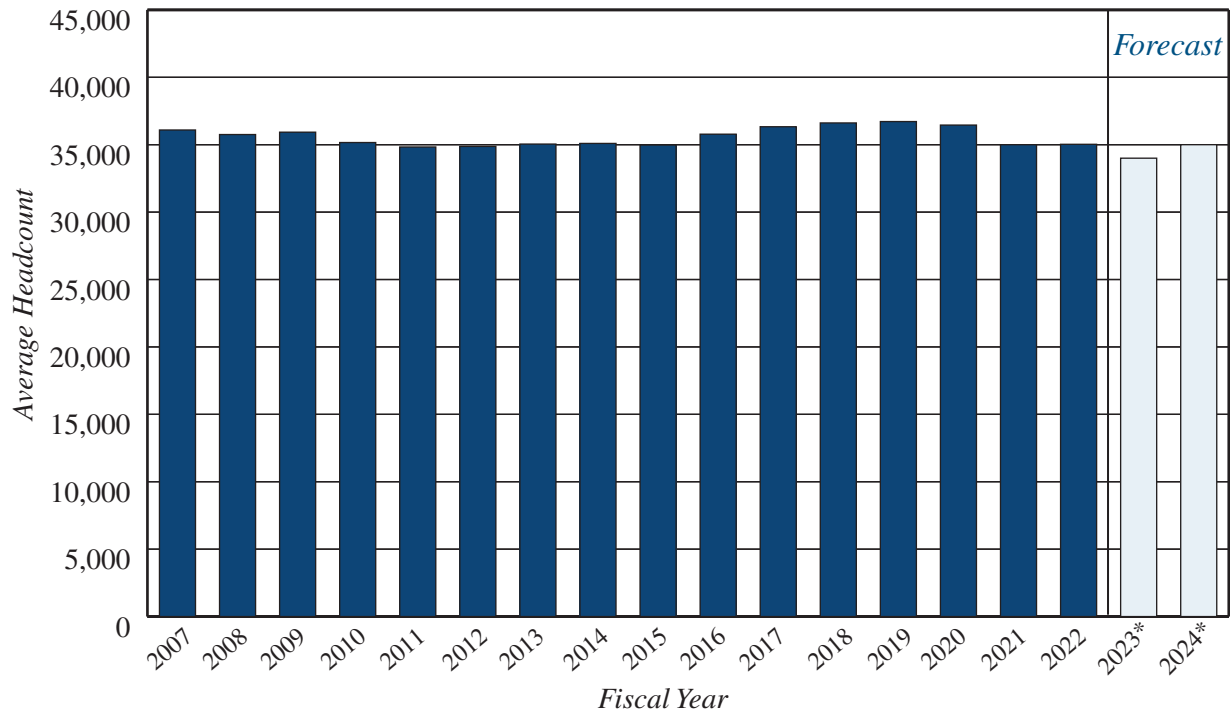
The NYPD plays a vital role in public safety by enforcing traffic laws and educating the public regarding traffic safety. The Department is collaborating with the City’s Department of Transportation in an effort to reduce traffic fatalities and maintain the safety of pedestrians, motorists, and bicyclists alike. In calendar year 2022, the NYPD issued 114,436 summonses for speeding, 52,582 summonses for using a handheld electronic device while operating a motor vehicle, and 38,537 summonses for failing to yield the right of way to a pedestrian or bicyclist.

Uniformed Headcount

The Department continues its efforts in recruiting and hiring a diverse pool of police officers. Of the 610 recruits hired for the January 2023 class, 77.5 percent identified as minorities. One hundred fifty-four recruits were born in foreign countries and 287 speak a foreign language. The October 2022 recruit class consisted of

630 recruits, 76.2 percent of whom identified as minorities. One hundred ninety were born in foreign countries and 309 speak a foreign language. The July 2022 recruit class consisted of 597 recruits, 78.7 percent of whom identified as minorities. One hundred seventy-three were born in foreign countries, and 287 speak a foreign language.

TOTAL CITY, TRANSIT AND HOUSING POLICE FORCE HEADCOUNT



* 2023 data is from NYPD and 2024 data is budgeted headcount.

Source: NYC OMB & NYPD

Capital Review

The Ten-Year Capital Strategy totals \$1.6 billion for the construction, rehabilitation, relocation, and security of facilities citywide; replacement and upgrade of computer and communication equipment; and the replacement of transportation equipment which includes \$869.4 million in the 2024-2027 Four-Year Plan.

The table below shows capital plan commitments by program area over the 2022-2027 period.

Capital Commitments (\$ in 000's)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Police Facilities	\$19,239	\$22,918	\$95,225	\$109,520	\$381,915	\$398,035	\$64,561	\$73,667	\$83,998	\$83,998	\$35,055	\$35,055
Computer Equipment	33,206	33,206	8,171	8,171	23,981	23,981	18,239	18,239	22,349	22,349	29,239	29,239
Communications	53,638	53,638	24,264	24,264	57,319	57,319	3,728	3,728	14,087	14,087	7,750	7,750
Equipment	11,393	11,393	2,809	2,809	11,153	11,153	2,920	2,920	3,354	3,354	1,233	1,233
Vehicles	41,023	41,023	10,803	11,091	13,400	13,600	16,455	16,455	32,672	32,672	20,555	20,555
Total.....	\$158,499	\$162,178	\$141,272	\$155,855	\$487,768	\$504,088	\$105,903	\$115,009	\$156,460	\$156,460	\$93,832	\$93,832

Ten Year Capital Strategy (FY2024-FY2033)

- Reconstruction and rehabilitation of various City-owned facilities (\$732.5 million), including projects at the Rodman's Neck Firearms Training Facility (\$225 million), American with Disabilities Act (ADA) compliance renovations at various NYPD precincts (\$57.1 million), and lifecycle replacement of precinct generators citywide (\$26.4 million).
- Lifecycle replacement of various communication and computer equipment (\$432.9 million), including portable patrol radios (\$113.4 million), replacement of the radio system (\$64 million), and upgrades to LAN/WAN equipment (\$50.1 million) and the Data Warehouse (\$24 million).
- Lifecycle replacement of transportation equipment (\$344.1 million), including the replacement of radio emergency patrol trucks (\$37.8 million), the replacement of emergency service unit trucks (\$36.4 million), and the replacement of medium tow trucks (\$14.6 million).
- Replacement and rehabilitation of various miscellaneous equipment (\$45.2 million), including enhanced video security (\$11.2 million) and the replacement of diesel marine engines (\$8.9 million).

- Replacement and upgrade of various Department technologies and equipment (\$108.7 million).

Vehicles (total commitment, \$123.1 million)

- Lifecycle replacement of twin engine helicopters (\$39.8 million).
- Lifecycle replacement of medium duty tow trucks (\$8 million).
- Lifecycle replacement of all other vehicles (\$75.3 million).

Miscellaneous Equipment (total commitment, \$18.7 million)

- Purchase and upgrade of miscellaneous equipment such as facility security camera upgrades and diesel marine engines (\$18.7 million).

The 2024-2027 Plan provides \$869.4 million includes:*Police Facilities (total commitment, \$550.9 million)*

- Construction of the Rodman's Neck Firearms Training Facility (\$225 million).
- American with Disabilities Act (ADA) compliance renovations at various NYPD precincts, Citywide (\$48.1 million).
- Construction of a new 116th Precinct in Southeast Queens (\$10.6 million).
- Facility maintenance and reconstruction Department-wide (\$267.2 million).

Communications and Computer Equipment (total commitment, \$176.7 million)

- Replacement of portable radios (\$57 million).
- Cyber Security upgrades (\$11 million).

DEPARTMENT OF CORRECTION

The Department of Correction provides a safe and secure environment to detainees 18 years of age and older who are awaiting trial or sentencing, and misdemeanants or felons sentenced to one year or less. It also detains State prisoners with court appearances in New York City; newly sentenced felons awaiting transportation to State correctional facilities; and alleged parole violators awaiting revocation hearings. Over the course of their incarceration, the Department provides these individuals with programming opportunities and discharge planning services.

Financial Review

The Department of Correction's 2024 Executive Budget provides for operating expenses of \$1.2 billion, a decrease of \$196 million from the amount forecast in 2023. This decrease is primarily attributed to funding added for one year in the 2023 forecast. Capital commitments of \$3.2 billion are also planned in 2024.

Revenue Forecast

The Department of Correction collects revenue, which goes into the general fund, from jail commissary operations and vending machines. In 2024, the Department expects to collect approximately \$11.8 million from all revenue sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The Department received baseline funding of \$3.4 million for tablets, software, and maintenance for programming services for persons in custody.
- The Department received one time funding of \$9.8 million for cell door upgrades at two facilities on Rikers Island.
- The Department received baseline funding of \$2.4 million for phone call costs associated with programming for persons in custody.
- The Department received one time funding of \$2.6 million for fire safety upgrades in six facilities including automatic sprinklers and smoke control.

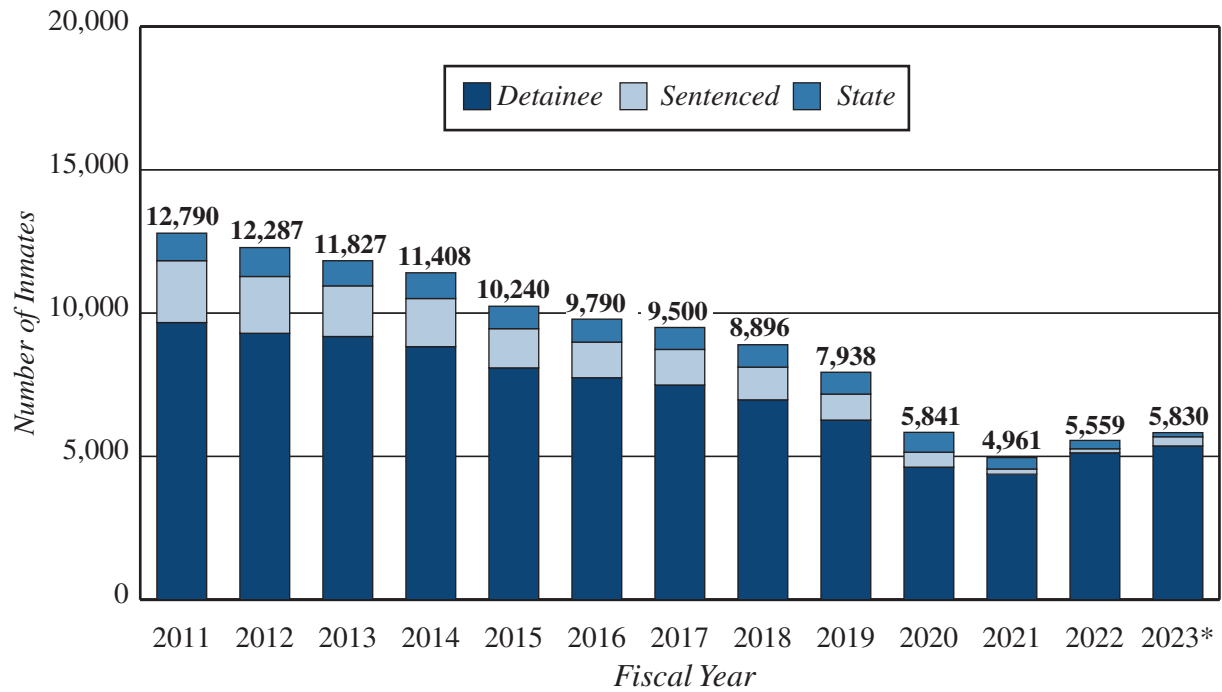
Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$1,145,327	\$1,106,932	\$984,148	\$958,183	(\$148,749)	(\$25,965)
Fringe Benefits	28,843	24,721	24,721	24,721	—	(0)
OTPS	217,658	230,371	187,272	182,792	(47,579)	(4,480)
Total	\$1,391,828	\$1,362,024	\$1,196,141	\$1,165,696	(\$196,328)	(\$30,445)
Funding						
City	\$1,384,465	\$1,351,033	\$1,186,453	\$1,156,008	(\$195,025)	(\$30,445)
Other Categorical Grants	1,291	920	—	—	(920)	—
IFA	711	—	—	—	—	—
State	3,376	1,149	1,109	1,109	(40)	—
Federal CD	—	—	—	—	—	—
Federal Other	1,469	8,454	8,452	8,452	(2)	—
Intra-City Other	516	468	127	127	(341)	—
Total	\$1,391,828	\$1,362,024	\$1,196,141	\$1,165,696	(\$196,328)	(\$30,445)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$844,232	\$819,313	\$886,622	\$880,616	\$61,303	(\$6,006)
Pensions	517,159	492,137	533,090	495,614	3,477	(37,476)
Other Than Personal Service (OTPS)						
Debt Service	114,809	122,633	128,765	126,985	4,352	(1,780)
Total Additional Costs	\$1,476,200	\$1,434,083	\$1,548,477	\$1,503,215	\$69,132	(\$45,262)
Funding						
City	1,460,710	1,421,117	1,535,604	1,490,486	69,369	(45,118)
Non-City	15,490	12,966	12,873	12,729	(237)	(144)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$1,145,327	\$1,106,932	\$984,148	\$958,183	(\$148,749)	(\$25,965)
Fringe Benefits	873,075	844,034	911,343	905,337	61,303	(6,006)
Pensions	517,159	492,137	533,090	495,614	3,477	(37,476)
Total PS	\$2,535,561	\$2,443,103	\$2,428,581	\$2,359,134	(\$83,969)	(\$69,447)
OTPS	\$217,658	\$230,371	\$187,272	\$182,792	(\$47,579)	(\$4,480)
Debt Service	114,809	122,633	128,765	126,985	4,352	(1,780)
Total OTPS	\$332,467	\$353,004	\$316,037	\$309,777	(\$43,227)	(\$6,260)
Total Agency Costs	\$2,868,028	\$2,796,107	\$2,744,618	\$2,668,911	(\$127,196)	(\$75,707)
Less Intra-City	\$516	\$468	\$127	\$127	(\$341)	\$—
Net Agency Cost	\$2,867,512	\$2,795,639	\$2,744,491	\$2,668,784	(\$126,855)	(\$75,707)
Funding						
City	2,845,175	2,772,150	2,722,057	2,646,494	(125,656)	(75,563)
Non-City	22,337	23,489	22,434	22,290	(1,199)	(144)
Personnel (includes FTEs at fiscal year-end)						
City	8,621	8,859	8,852	8,857	(2)	5
Non-City	6	4	4	4	—	—
Total	8,627	8,863	8,856	8,861	(2)	5

Programmatic Review

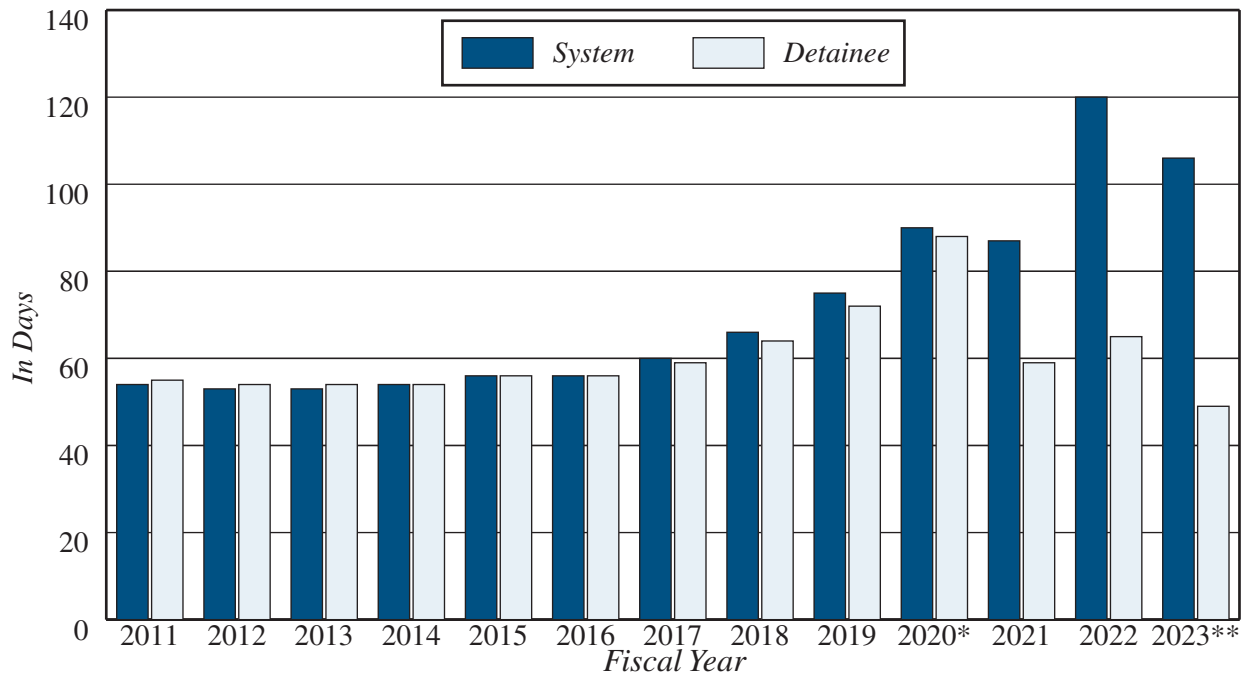
AVERAGE DAILY INMATE POPULATION



*YTD through March 31, 2023

Source: NYC Department of Correction

AVERAGE LENGTH OF STAY (By Fiscal Year)



* Beginning with April 2020's data, the Department changed the way it computed the System and Detainee LOS figures.

** YTD through March 31, 2023

Source: NYC Department of Correction

The average daily population through the first nine months of 2023 was 5,830, which is 4.9 percent higher than the same period in 2022. System admissions are up 24 percent and overall system length of stay for the first nine months decreased from 120 to 106 days.

Capital Review

The Ten-Year Capital Strategy totals \$10.7 billion for the design and construction of new jail facilities, for support space, including a new training academy, for building systems and infrastructure, and for the lifecycle replacement of equipment.

The table below shows capital plan commitments by program area over the 2024-2027 period.

Capital Commitments
(\$ in 000's)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New Jail Facilities.....	\$378,812	\$378,812	\$785,478	\$785,478	\$3,056,398	\$3,056,398	\$2,272,348	\$2,272,348	\$1,881,426	\$1,881,426	\$1,001,076	\$1,001,076
Capacity Replacement.....	-19	-19	46	46	0	0	0	0	0	0	0	0
Support Space.....	0	0	27	27	28,771	29,018	45,000	45,000	151,229	151,229	0	0
Building Systems and Infrastructure.....	117,867	118,555	101,666	101,666	22,477	55,571	0	0	25,032	25,032	0	0
Equipment.....	1,991	1,991	64,563	64,563	53,945	53,945	17,663	17,663	52,575	52,575	20,336	20,336
Total.....	<u>\$498,651</u>	<u>\$499,339</u>	<u>\$951,780</u>	<u>\$951,780</u>	<u>\$3,161,591</u>	<u>\$3,194,932</u>	<u>\$2,335,011</u>	<u>\$2,335,011</u>	<u>\$2,110,262</u>	<u>\$2,110,262</u>	<u>\$1,021,412</u>	<u>\$1,021,412</u>

Highlights of the 2024-2027 Four Year Capital Commitment Plan

New Jail Facilities (total commitment, \$8.2 billion)

The Department’s plan includes \$8.2 billion for the design and construction of new jail facilities.

- Various information technology, and security upgrades (\$120.7 million).
- Vehicle replacement (\$22.7 million).

Building Systems, Infrastructure and Support Space (total commitment, \$305.9 million)

The Department will undertake \$305.9 million in improvements to building systems, infrastructure and support space during the Four-Year Plan. Projects include:

- Design and construction of a new training academy (\$225.0 million).

Information Technology, Equipment, and Vehicles (total commitment, \$144.5 million)

The Four-Year Plan provides \$144.5 million for vehicles, computers, security equipment and communication systems. Priorities include:

Highlights of the 2024-2033 Ten Year Capital Commitment Plan

New Jail Facilities (total commitment, \$8.4 billion)

The Department’s Ten-Year Plan includes \$8.4 billion for the design and construction of new jail facilities.

Building Systems, Infrastructure and Support Space (total commitment, \$1.9 billion)

The Department will undertake \$1.9 billion in improvements to building systems, infrastructure, and support space during the Ten-Year Plan. Projects include:

- Design and construction of a new training academy (\$225.0 million).

*Information Technology, Equipment, and Vehicles
(total commitment, \$324.5 million)*

The Ten-Year Plan provides \$324.5 million for vehicles, computers, security equipment and communication systems. Priorities include:

- Various information technology, and security upgrades (\$197.4 million).
- Vehicle replacement (\$64.8 million).

DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES DEPARTMENT OF SOCIAL SERVICES/ HUMAN RESOURCES ADMINISTRATION

The Department of Social Services / Human Resources Administration (“DSS” or “HRA”) provides a range of services and programs to fight poverty, inequality and homelessness and to increase the economic well-being of families and individuals throughout New York City.

DSS is an integrated management structure that encompasses the Human Resources Administration (HRA) and the Department of Homeless Services (DHS) reporting to a single Commissioner for Social Services. Administrative support services have been streamlined through a shared services model, including finance, human resources, contracting and information technology under the Department of Social Services (DSS), while HRA provides a spectrum of client facing benefits and service programs to assist approximately three million New Yorkers every year.

The Human Resources Administration administers Federal and New York State benefit programs including Cash Assistance (CA), Emergency Assistance, Supplemental Nutrition Assistance (SNAP), and Medical Assistance, and the Low-Income Home Energy Assistance Program (LiHEAP) to support New Yorkers in need. The Agency also provides child support services and assists individuals returning to or entering the workforce by providing a variety of employment-related services, including access to education and job training, childcare and assistance with job search and placement. In addition, HRA provides services and support to prevent and alleviate homelessness, including one-time emergency rent arrears grants, ongoing rental assistance and supportive housing models, as well as community-based homelessness prevention services and legal services to prevent displacement and eviction, and to address immigration-related issues. Programs for survivors of domestic violence, people with HIV or AIDS, the frail and elderly, and individuals with disabilities provide a safety net for those permanently or temporarily unable to work. HRA also administers Fair Fares, a program that provides discounted public transit benefits for low-income New Yorkers and IDNYC, a municipal identification card that covers over 1.5 million New Yorkers. Additionally, HRA provides financial assistance to meet funeral expenses for deceased low-income NYC residents.

Financial Review

The Department’s 2023 Executive Budget provides for operating expenses of \$11 billion, of which \$8.7 billion are City funds. A capital budget in 2024 of \$214 million is also provided, of which \$162.7 million are City funds.

Expense Budget Highlights

Program Enhancements

- An additional \$160 million in 2023 will support the Department’s rental assistance programs, developed and expanded in coordination with DHS, which have helped over 210,000 New Yorkers move out of shelter or avoid homelessness since 2015. Increased funding of \$3 million in 2023 and \$14 million in 2024 and out will expand HRA’s master lease program model offering housing paired with on-site supports for households exiting DHS shelter.
- An additional \$279.9 million in total funds and \$166.1 million in City funds are added in 2023 for

increased costs of Cash Assistance due to caseload increases in the wake of the continuing COVID economic dislocation.

- An additional \$5.3 million in 2024 and \$10.2 million in 2025 will continue to support the Benefits Access Initiative, a partnership between DSS and community-based organizations to assist New Yorkers with access to the range of benefits offered by HRA and other agencies.
- An additional \$2.3 million in 2023 and \$28.7 million in 2024 will continue to support DSS programs for asylum seekers, including legal services, interpretation and an intake center.

Program Efficiencies

- Administrative efficiencies including a reduction in spending for communications and media will provide savings of \$1 million annually.
- The phase in of work requirements, paused during the COVID-19 health emergency will begin in Fiscal

Year 2024. Lower utilization in the beginning of the year will produce savings of \$8.6 million in 2024 in HRA job training programs and related client transportation.

- HRA will consolidate contracts to provide assessment, tracking and case management of clients engaged in substance use programs outside

of the Agency, producing City savings of \$9 million in 2024 and beyond.

- Re-estimate of Agency utilization of the Job Opportunity Program subsidized employment program in the Department of Parks and Recreation (DPR) will produce savings of \$9 million in 2023 and \$8 million in 2024 and beyond.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$836,002	\$949,027	\$864,909	\$895,776	(\$53,251)	\$30,867
Fringe Benefits	466	913	913	913	—	(0)
Medical Assistance	6,406,817	6,297,374	6,384,653	6,650,931	353,557	266,278
Public Assistance	1,569,839	1,970,247	1,650,222	1,650,222	(320,025)	—
Other OTPS	2,151,869	2,467,240	1,776,541	1,799,781	(667,459)	23,240
Total	\$10,964,993	\$11,684,801	\$10,677,238	\$10,997,623	(\$687,178)	\$320,385
Funding						
City	\$8,736,913	\$8,900,744	\$8,395,928	\$8,729,400	(\$171,344)	\$333,472
Other Categorical Grants ..	565	—	—	185	185	185
IFA	—	—	—	—	—	—
State	577,111	882,526	758,829	757,235	(125,291)	(1,594)
Federal CD	35,783	—	—	—	—	—
Federal Other	1,605,701	1,892,368	1,513,513	1,503,966	(388,402)	(9,547)
Intra-City Other	8,920	9,163	8,968	6,837	(2,326)	(2,131)
Total	\$10,964,993	\$11,684,801	\$10,677,238	\$10,997,623	(\$687,178)	\$320,385
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$388,227	\$400,184	\$436,301	\$429,058	\$28,874	(\$7,243)
Pensions	168,680	153,436	161,154	158,672	5,236	(2,482)
Other Than Personal Service (OTPS)						
Debt Service	78,222	82,431	86,553	93,786	11,355	7,233
Total Additional Costs ...	\$635,129	\$636,051	\$684,008	\$681,516	\$45,465	(\$2,492)
Funding						
City	460,017	472,565	524,937	522,982	50,417	(1,955)
Non-City	175,112	163,486	159,071	158,534	(4,952)	(537)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$836,002	\$949,027	\$864,909	\$895,776	(\$53,251)	\$30,867
Fringe Benefits	388,693	401,097	437,214	429,971	28,874	(7,243)
Pensions	168,680	153,436	161,154	158,672	5,236	(2,482)
Total PS	\$1,393,375	\$1,503,560	\$1,463,277	\$1,484,419	(\$19,141)	\$21,142
Medical Assistance	\$6,406,817	\$6,297,374	\$6,384,653	\$6,650,931	\$353,557	\$266,278
Public Assistance	1,569,839	1,970,247	1,650,222	1,650,222	(320,025)	—
Other OTPS	2,151,869	2,467,240	1,776,541	1,799,781	(667,459)	23,240
Debt Service	78,222	82,431	86,553	93,786	11,355	7,233
Total OTPS	\$10,206,747	\$10,817,292	\$9,897,969	\$10,194,720	(\$622,572)	\$296,751
Total Agency Costs	\$11,600,122	\$12,320,852	\$11,361,246	\$11,679,139	(\$641,713)	\$317,893
Less Intra-City	\$8,920	\$9,163	\$8,968	\$6,837	(2,326)	(2,131)
Net Agency Cost	\$11,591,202	\$12,311,689	\$11,352,278	\$11,672,302	(\$639,387)	\$320,024
Funding						
City	9,196,930	9,373,309	8,920,865	9,252,382	(120,927)	331,517
Non-City	2,394,272	2,938,380	2,431,413	2,419,920	(518,460)	(11,493)
Personnel (includes FTEs at fiscal year-end)						
City	8,469	9,871	9,525	9,530	(341)	5
Non-City	2,454	2,622	2,609	2,609	(13)	—
Total	10,923	12,493	12,134	12,139	(354)	5

Programmatic Review and Service Impact

Family Independence Administration (FIA)

The Family Independence Administration (FIA) administers Cash Assistance (CA), the Supplemental Nutrition Assistance Program (SNAP) and the Low Income Home Energy Assistance Program (LIHEAP). FIA assists individuals to obtain employment, provides access to education and training and provides support services including childcare and carfare for working families; and one-time grants for emergencies, including rent and utility arrears, security deposits, broker fees, storage fees, furniture allowances and moving expenses.

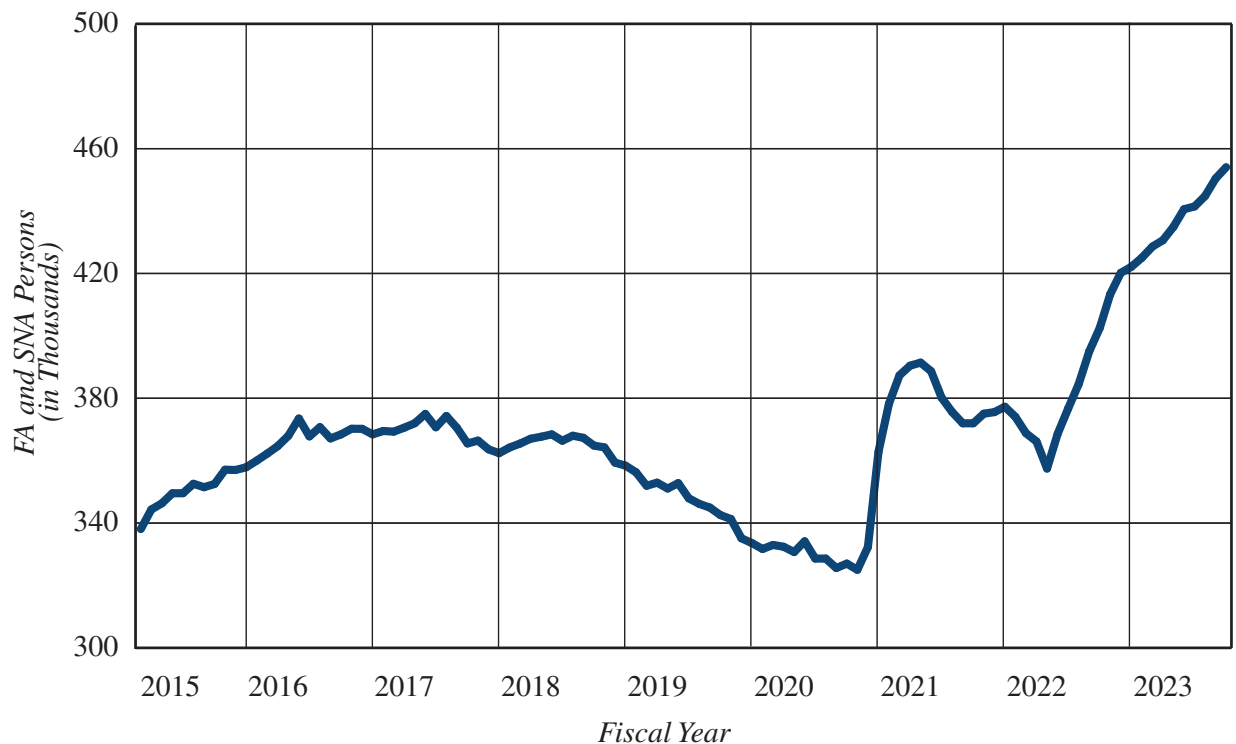
Cash Assistance (CA)

The Department projects expenditures of \$1.65 billion on Cash Assistance (CA) benefits in 2024, of which \$891 million will be City funds.

In 2023 the CA caseload continued to increase over the course of the year as a result of the continued economic dislocation caused by COVID-19. In February 2023, 449,057 individuals were in receipt of recurring CA benefits and 5,005 received one-time assistance, primarily emergency funds to prevent eviction and homelessness. Approximately half of these recipients are children.

The annual unduplicated 12-month caseload receiving recurring CA was approximately 545,000 in calendar year 2022. Prior to the pandemic, the unduplicated number of persons receiving recurring assistance in a 12-month period had been stable at approximately 500,000, demonstrating that more new clients entered the caseload during 2022 than prior to the pandemic. The annual 12-month unduplicated number receiving non-recurring benefits to prevent evictions and utility shutoffs in calendar 2022 was approximately 65,000.

CASH ASSISTANCE CASELOAD 2015 - 2023



Source: HRA Monthly Fact Sheets

The Family Assistance (FA) program, which is funded with federal Temporary Assistance for Needy Families (TANF) funds and a fifteen percent contribution by the City, assisted 130,707 adults and children in February 2023. Projected FA expenditures in 2024 are \$506 million, of which \$86 million are City funds.

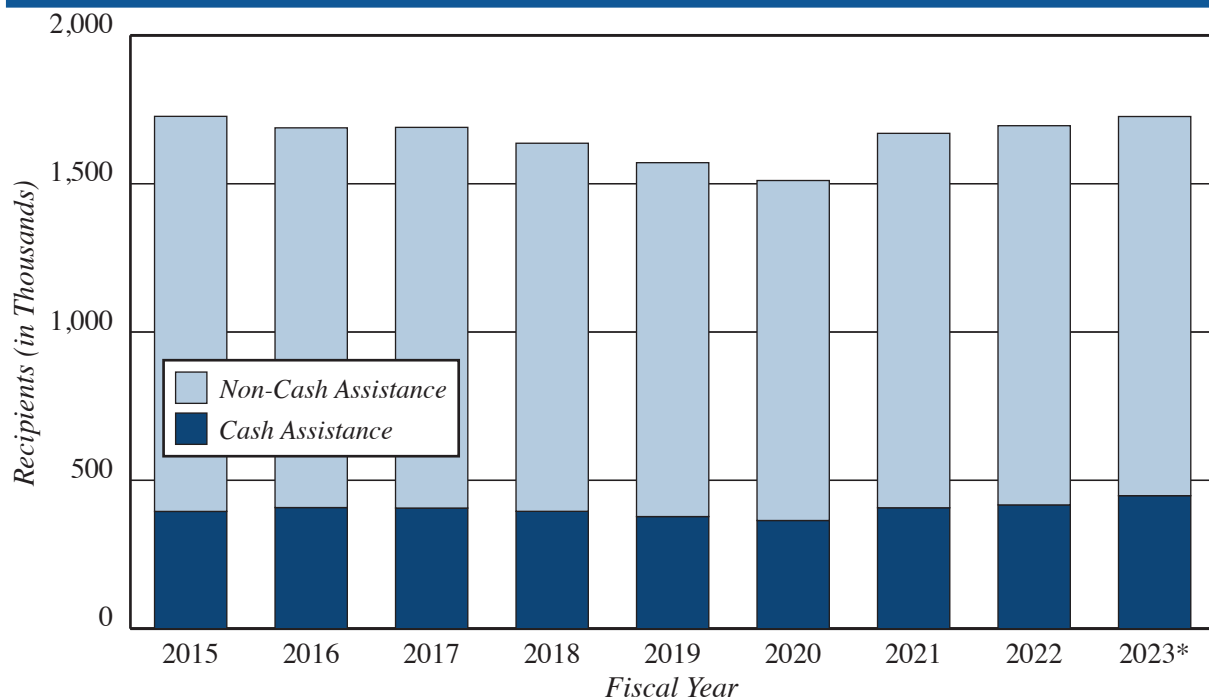
The Safety Net Assistance (SNA) program, which is supported with City (71 percent) and State (29 percent) funds, serves families who have reached the five-year time limit for federal Temporary Assistance for Needy Families (TANF) funded benefits or who do not otherwise meet federal eligibility rules; single adults; and childless couples. In February 2023, 323,355 individuals received SNA, of whom 105,245 were adults and children who had reached the TANF

time limit. In 2023, the Department projects spending \$1.14 billion on Safety Net Assistance, of which \$805 million are City funds.

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, is a federally funded benefit intended to supplement food costs for low-income families and individuals. The Department administers the SNAP program on behalf of New York State. The City is responsible for 50 percent of the administrative cost of the program, with the federal government paying the other half. In calendar year 2022, approximately \$5.8 billion in SNAP funding provided benefits to an average of 1.7 million individuals per month, including more than 537,000 children.

AVERAGE NUMBER OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) RECIPIENTS 2015 - 2023



* Year to date through February 2023

Source: HRA Monthly Fact Sheets & OTDA Monthly Caseload Statistics – SNAP Table

Client Benefits Re-Engineering

To ensure that all eligible New Yorkers can access Cash Assistance and SNAP, the Department's on-line portal, ACCESSHRA (AHRA) and an on-demand call system allow individuals to apply and recertify for CA and SNAP in a more efficient and accessible way without requiring them to go into an office. As of March 2023, 88% of SNAP and CA applications were submitted online, a trend that had accelerated during the COVID pandemic. HRA's on-line services allow the agency to offer these critical benefits efficiently and expeditiously to New Yorkers.

The Department has redesigned its business processes and has implemented advanced technology solutions through its Client Benefits Re-engineering initiative, allowing HRA to manage staff workload more efficiently while improving the client experience. During the COVID pandemic HRA conducted CA eligibility interviews over the phone and used the AHRA portal and the HRA mobile document upload app to allow clients to avoid in-person office visits. In 2023 HRA continued to enhance AHRA, adding on-line LiHEAP applications and child support transactions to the portal. In 2023 DSS rolled out One-Number, an enhanced telephonic system that consolidates multiple helplines, adds a variety of interactive self-service options and routes inquiries to the appropriate departments.

Employment Services

HRA offers a wide array of employment programs and services to help families and individuals improve their economic prospects. Services include basic education, training, job search, placement, and retention services, and targeted services for those with barriers to employment. The Department's employment contracts include CareerCompass, which focuses on assessing and matching clients aged 25 and over with employment, sector-based training, adult literacy or other programming to lead to long-term employment; CareerAdvance, which focuses on providing expert sector-based training and employment in target industries; and YouthPathways, which provides assessment, training, education and job placement services to clients ages 18–24, with a particular focus on the needs and potential of young people.

During 2023, employment services continued to be offered on a voluntary and/or virtual basis to HRA clients, under a New York State waiver of employment services requirements during the COVID pandemic.

In Fiscal Year 2024 HRA will begin to phase in the requirements for mandatory engagement as New York State ended waivers related to the public health emergency.

Homelessness Prevention, Legal Services and Rehousing Services

The Homeless Prevention Administration (HPA) administers and coordinates homelessness prevention, housing placement and rental assistance initiatives for HRA and DHS. HPA works to prevent the entry of families and individuals into shelter through the provision of diversion services, including short-term financial supports, across the City. In addition, HPA conducts targeted outreach to families and individuals identified by the Housing Court as potentially needing legal assistance.

HPA manages the Homebase homelessness prevention services contracts, which offer community-based aftercare and other services in addition to homeless prevention services. Enhanced prevention efforts and a new "prevention first" model are intended to help families and individuals avoid the trauma of homelessness.

HPA also manages HRA's rental assistance programs, designed to prevent shelter entry and to re-house homeless families and individuals residing in DHS shelters and HRA domestic violence facilities. HRA's rental assistance programs include the City Family Homeless Eviction Prevention Supplement Program (CityFHEPS) and the State and City funded FHEPS A and FHEPS B programs. In addition, HRA operates specialized Master Lease contracts and provides access to - and funding for - supportive housing. Through these programs, HRA helps families with children and adults without children, including working people, survivors of domestic violence and seniors, avoid entry into or move out of shelter. From July 2014 through December 2023, more than 210,000 people in over 85,000 households averted entry into or have exited shelter through one of these programs or through Section 8, American Rescue Plan Emergency Housing Vouchers and NYCHA public housing. HPA also assists HRA domestic violence shelter providers and DHS and its network of shelter providers to facilitate moves from shelter to permanent housing, including making client eligibility determinations, matching clients with appropriate housing and interfacing with landlords and management companies that provide apartments to households eligible for rental assistance.

With the implementation of the City's right-to-counsel law by the Department's Office of Civil Justice (OCJ), all tenants facing eviction in New York City Housing Court are provided with free legal counsel. Legal services have proven effective at reducing unlawful evictions and preventing displacement. Overall, HRA's legal services anti-eviction and prevention programs have resulted in more than 625,000 New Yorkers receiving free legal supports. Since the beginning of the unprecedented expansion of tenant legal assistance in 2014, evictions by City Marshals had dropped by more than 40 percent Citywide pre-pandemic, enabling thousands of New Yorkers to stay in their homes. In 2024, OCJ will continue to work with its provider network to assist tenants as COVID-related State and federal eviction moratoriums come to an end.

This prevention first strategy streamlines and focuses already successful initiatives recognizing the many benefits of keeping New Yorkers stably housed and in their communities. These proven models represent a comprehensive set of tools aimed at achieving better outcomes for those who are most at risk of eviction and homelessness in New York City.

Office of Child Support Services (OCSS)

The Office of Child Support Services (OCSS) puts children first by helping both parents provide for the economic and social well-being of their children. OCSS provides a range of services including locating noncustodial parents, establishing paternity, establishing and modifying child support and medical orders, and collecting and distributing child support payments. Custodial parents receiving Cash Assistance are required to comply with OCSS pursuant to federal and New York State statutes. All other custodial parents may apply for OCSS services on a voluntary basis. In Fiscal Year 2022, there were approximately 215,839 cases with active support orders. Child support collections in Fiscal Year 2022 totaled \$705,331,000.

Medical Assistance Program (MAP)

The Medicaid public health insurance program provides access to a wide range of services including primary care, hospital inpatient, emergency room, physician, pharmacy, clinic, nursing home, personal care, dental, rehabilitation, transportation, vision care, laboratory services and x-rays. Nearly 1.5 million New York City residents received Medicaid through HRA as of February 2023, with the Medical Assistance Program (MAP) responsible for more than 724,000 Medicaid-Only (non-CA) enrollees. Another approximately 2.9 million New Yorkers were enrolled in Medicaid

through the New York State Health Exchange. With the development of the Exchange under the Affordable Care Act (ACA), most non-CA and non-SSI Medicaid eligible New Yorkers apply through the Exchange, resulting in a decline in the HRA-administered Medicaid caseload of 50 percent since December 2013. HRA also provides Certified Application Counselor (CAC) services in HRA locations to assist individuals with applications for Medicaid facilitated through the Health Exchange.

Home Care Services Program (HCSP)

The Department's Home Care Services Program (HCSP) assists individuals who are frail, elderly and/or have disabilities to remain safely in their homes with non-institutional alternatives to nursing home care. In 2022, HCSP delivered personal care services to an average of 6,481 personal care cases and provided Medicaid financial eligibility review to approximately 235,000 participants in the State's Managed Long Term Care Program (MLTC), a program that also transitioned to NYS as part of the ACA changes.

HCSP reviews and authorizes service plans for participants in the Long-Term Home Health Care Program (LTHHCP), as well as for children in the Care-at-Home Waiver Program. HCSP personal care services are also provided to participants in special federal waiver programs, including Traumatic Brain Injury, Home and Community-Based Services, and the Nursing Home Transition and Diversion waivers; and to Office of Mental Retardation and Developmental Delays (OMRDD) participants.

Customized Assistance Services (CAS)

Customized Assistance Services (CAS) provides clinically oriented services in the areas of health, mental health, substance use treatment and rehabilitation for clients served by the Department's programs. CAS programs provide comprehensive and individualized services to help individuals with medical or mental health conditions achieve their maximum degree of self-reliance.

The Wellness, Comprehensive Assessment, Rehabilitation and Employment (WeCARE) program works with Cash Assistance recipients who have medical or mental health conditions that pose barriers to employment, providing integrated services that include assessment, diagnosis, comprehensive service and wellness planning, linkages to treatment, case management, disability benefits assistance, and vocational rehabilitation, training and education, and

job placement through performance-based contracts. WeCARE activities have been voluntary and conducted virtually to protect client and staff safety during the COVID pandemic and will be phased in during 2024 with the end of the public health emergency.

CAS provides assessments, referrals and monitoring of treatment provided to CA clients by outside substance use providers and oversees clients enrolled in residential and non-residential treatment. CAS also administers the eligibility review process of applications for supportive housing units across the City. CAS oversees the Visiting Psychiatric Service Program (VPS), providing home-based psychiatric assessments and crisis intervention services to clients served by HRA and other agencies; the Office of Reasonable Accommodations (ORA), which reviews and makes determinations on Reasonable Accommodation Requests (RAR) submitted by clients with disabilities; and the Disability Service Program, which files federal disability benefit applications, pursues administrative appeals on denied claims, and performs eligibility determinations for Medicaid Aged, Blind and Disabled clients.

HIV/AIDS Services Administration (HASA)

The HIV/AIDS Services Administration (HASA) provides comprehensive services to individuals and families with HIV and AIDS. HASA clients receive case management, assessments and referrals, housing, and homemaking services. In 2017, medical eligibility for the HASA program expanded to permit all financially eligible New York City residents with HIV to voluntarily seek and obtain HASA services. As of March 2023, HASA served 32,964 individuals in 32,553 households. Over 19,000 HASA households receive ongoing rental assistance to facilitate and maintain housing stability, typically in private market apartments. HASA also provides emergency housing placements in supportive transitional facilities and single room occupancy (SRO) units for clients experiencing homelessness. Non-emergency supportive housing is provided in congregate facilities and scattered site apartments. These programs are operated by community-based organizations that provide case management and support services. In March 2023, HASA supported over 2,400 units in its emergency housing portfolio and over 4,800 units in its non-emergency supportive housing program.

Adult Protective Services (APS)

The Department's Adult Protective Services (APS) program assists adults with mental and/or physical

disabilities who are unable to care for or protect themselves from abuse, neglect, or exploitation, and who have no one willing and able to responsibly assist them. Services include referrals for psychiatric and medical examinations, assistance in obtaining and recertifying for benefits and entitlements, eviction prevention and financial management. APS also petitions the State Supreme Court for community guardians to manage financial and domestic issues for clients who lack capacity to manage their own affairs.

In Fiscal Year 2022, APS received 19,400 referrals and assessed an average of 3,025 individuals each month. APS maintained an average monthly protective services caseload of 5,400 and an average monthly Community Guardian caseload of 2,200.

Office of Domestic Violence (ODV)

The Office of Domestic Violence Services (ODV) provides emergency shelter and social services to survivors of domestic violence. ODV administers State-licensed emergency domestic violence shelters, as well as transitional Tier II shelters. Emergency shelters have a total capacity of 2,375 beds for survivors of domestic violence and their children. ODV's Tier II shelters include 539 family units for clients who require additional services before transitioning back to the community.

Approximately 1,200 families are served by the domestic violence shelters every day. Shelters provide safe environments and a range of additional domestic violence support services including counseling, advocacy, and referrals. In addition, nine community-based non-residential programs provide information, counseling, advocacy, legal services, and referrals to other supportive services to help domestic violence survivors navigate the challenges of living in their own communities. These programs maintain an average monthly caseload of approximately 1,500. The Teen Relationship Abuse Prevention Program (RAPP) provides classes and counseling to teenagers in public schools across the City to help address and prevent relationship violence.

Low Income Home Energy Assistance Program (LiHEAP) and Other Utility Assistance Programs

The Low-Income Home Energy Assistance Program (LiHEAP) is a federally funded program that assists low-income homeowners and renters to pay energy costs and heating equipment repair bills. LiHEAP serves over 850,000 households annually

during the heating season, which runs from October to March of each year. Most benefits are provided to CA, SNAP, and SSI recipients who receive automatic payments. LiHEAP provides emergency benefits for assistance with gas and other heat-related utility bills and shut-offs, helps obtain service extensions, and pays for emergency oil deliveries, furnace repairs and replacements, and cooling equipment and installation to other income-eligible households through an application process.

Additional programs include Heat-Line, which offers LiHEAP applications and other public benefits to the homebound population; the Utility Assistance Program, which offers similar benefits to those identified as eligible through the utility companies, and the Department of Environmental Conservation’s Safety Net program which assists low-income homeowners with their water bills.

Emergency Food and Nutrition Assistance Program

The Community Food Connection (CFC) program (formerly the Emergency Food Assistance Program) provides food, funding, and technical assistance to approximately 600 food pantries and soup kitchens throughout New York City. CFC also provides SNAP

materials, education, trainings, pre-screenings and application assistance to the general public, other government agencies and community-based organizations throughout the five boroughs of New York City.

Fair Fares

The Fair Fares program, implemented in Fiscal Year 2019 provides half-fare transit benefits to New York City residents at or below 100% of the federal poverty level who are not eligible for other transit subsidies or benefits. In Fiscal Year 2023, Fair Fares enrollment surpassed pre-pandemic levels and stood at over 280,000 as of April 2023.

Crisis and Disaster Unit

The Crisis and Disaster Unit responds to City-wide disasters and emergencies. The unit is responsible for the Disaster Task Force consisting of 4,700 Department-trained volunteers who respond under the unit’s direction to provide services during emergencies and disasters. The unit helps to coordinate the Agency’s response to emergencies and works with the Office of Emergency Management (OEM) to implement the citywide human services response to emergencies.

Capital Review

Ten-Year Capital Strategy 2024-2033 totals \$584.3 million, which includes \$459.6 million in the 2024-2027 Four-Year Plan. The table below reflects actual capital commitments for FY22 and planned capital commitments over the FY 2023-2027 period by program area.

Capital Commitments
(\$ in 000’s)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Buildings.....	1,525	2,061	51,270	51,766	114,269	132,574	59,952	82,028	25,807	38,438	15,816	22,317
Data Processing.....	\$9,415	\$12,945	\$25,350	\$35,346	\$33,224	\$55,152	\$19,815	\$32,240	\$19,968	\$34,670	\$22,478	\$29,530
Telecommunications	740	1,380	4,747	8,546	14,213	25,118	421	776	—	573	2,516	3,295
Automotive.....	146	146	—	—	955	1,184	380	580	321	573	298	555
Total	\$11,826	\$16,532	\$81,367	\$95,658	\$162,661	\$214,028	\$80,568	\$115,624	\$46,096	\$74,254	\$41,108	\$55,697

Human Resources Administration

Highlights of the Ten-Year Capital Strategy

The 2024-2033 Ten-Year Capital Strategy allocates \$258.8 million for technology to streamline Department operations, including key investments related to ACCESSHRA and Cash Assistance scheduling and case management. Additionally, HRA is making capital investments of \$317.9 million for facilities maintenance, equipment and improvements, and \$7.5 million is provided for vehicles. Highlights include:

- An investment of \$30 million for consolidation of agency data centers. The multi-phase initiative will streamline and upgrade agency data center infrastructure.
- Enterprise document automation to image, index and electronically store and share client eligibility documentation and deliver communications notices (\$19 million).
- Continued development of a system to provide a portal for landlords serving DSS clients and to manage rent payments for thousands of households receiving CA and rental subsidies (\$4 million).

DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES DEPARTMENT OF HOMELESS SERVICES

The Department of Homeless Services (DHS) works to prevent homelessness whenever possible, provides safe and service-rich temporary emergency shelter when needed, assists individuals and families transition to permanent housing, and provides outreach, drop-in and transitional housing and permanent housing placement for individuals experiencing unsheltered homelessness.

DHS continues to address homelessness through a borough-based approach to shelter siting and emphasis on a trauma-informed service model. DHS, along with HRA, focuses on homelessness prevention; improving shelter conditions, services and security; addressing street homelessness; and rehousing. There are ongoing efforts at DHS to continue closing substandard locations and replace them with new purpose built and effective, borough-based shelters.

In the last quarter of Fiscal Year 2022, an unprecedented influx of asylum-seeking migrants from Central and South America began arriving in New York City from the southern United States border. Asylum seekers continued to arrive throughout the year, and many come to New York City with no resources or contacts and are forced to seek emergency shelter. In April 2022, the DHS shelter census was approximately 45,000 persons, but as of April 2023, that number surged to over 74,000 persons, and asylum-seeking migrants have been the overwhelming driver of the census spike. Over the 12-month period, 84% of the growth in total individuals in the DHS census was due to asylum-seekers; without this wave of immigration, the census would have been approximately 49,000 as of the last quarter of Fiscal Year 2023.

In February 2022, the City released the Subway Safety Plan, addressing public safety concerns and supporting people experiencing homelessness and serious mental illness, with a focus on New York City's unsheltered homeless and the subways. The plan provides enhanced investments in outreach teams, and new safe haven, drop-in center and stabilization bed development; clinical services; as well as cross-agency collaboration, including City and New York State agencies and the Metropolitan Transportation Authority. As part of the plan, DHS invested in additional low-barrier Safe Haven and Stabilization beds for unsheltered individuals. As of April 2023, approximately 3,000 beds were on-line with another 885 planned to open through Fiscal Year 2024. These new beds allowed DHS and its contracted outreach teams to make over 650 placements in March 2023 alone.

In 2024, the Department will continue to work with HRA and other City partners to help households experiencing homelessness transition into permanent housing. Since Fiscal Year 2015 through December of Fiscal Year 2023, over 210,000 people in more than 85,000 households have exited DHS and HRA shelter or avoided entering shelter through rental assistance programs funded by the City and with federally funded HOME TBRA, the State Family Housing Eviction Prevention Supplement (FHEPS), Section 8 (including Emergency Housing Vouchers (EHV) funded through the American Rescue Plan) and NYCHA placements.

Financial Review

The Department's 2024 Executive Budget provides for operating expenses of \$4.09 billion, of which \$2.71 billion are City funds. A capital budget of \$56.64 million is also provided in 2024.

sites brought on as part of the borough-based initiative.

- An increase of \$22 million in 2023 will support housing and street outreach services for unsheltered homeless clients.
- An increase of \$910,000 is provided in 2024 and beyond for an innovative telehealth program to connect children and families in shelter to mental health support.

Expense Budget Highlights

Program Enhancements

- An additional \$1.79 billion in total funds and \$1.22 billion in City funds will be added in 2024 to support the on-going costs of shelter, services and staffing related to the influx of asylum-seekers who have entered DHS shelter since April 2022.
- An increase of \$200 million in 2023 will support a re-estimate of shelter costs to account for new shelter

Program Efficiencies

- Contract service providers will be provided flexibility to shift funding within their budgets to hire, incentivize and retain quality staff producing efficiency savings of \$36.2 million in total funds and \$29.1 million in City funds in 2024 and beyond.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$153,204	\$170,890	\$154,230	\$168,684	(\$2,206)	\$14,454
Fringe Benefits	1,202	832	832	832	—	0
OTPS	2,578,362	3,328,269	2,179,838	3,924,195	595,926	1,744,357
Total	\$2,732,768	\$3,499,991	\$2,334,900	\$4,093,711	\$593,720	\$1,758,811
Funding						
City	\$1,851,562	\$2,186,990	\$1,507,453	\$2,711,116	\$524,126	\$1,203,663
Other Categorical Grants	201	6,600	—	3,000	(3,600)	3,000
IFA	—	—	—	—	—	—
State	144,379	627,264	174,579	733,524	106,260	558,945
Federal CD	4,392	4,811	4,337	553	(4,258)	(3,784)
Federal Other	725,855	666,836	641,102	638,422	(28,414)	(2,680)
Intra-City Other	6,379	7,490	7,429	7,096	(394)	(333)
Total	\$2,732,768	\$3,499,991	\$2,334,900	\$4,093,711	\$593,720	\$1,758,811
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$62,900	\$63,463	\$67,381	\$67,035	\$3,572	(\$346)
Pensions	29,031	26,381	26,656	26,198	(183)	(458)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$91,931	\$89,844	\$94,037	\$93,233	\$3,389	(\$804)
Funding						
City	87,327	84,481	88,634	87,873	3,392	(761)
Non-City	4,604	5,363	5,403	5,360	(3)	(43)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$153,204	\$170,890	\$154,230	\$168,684	(\$2,206)	\$14,454
Fringe Benefits	64,102	64,295	68,213	67,867	3,572	(346)
Pensions	29,031	26,381	26,656	26,198	(183)	(458)
Total PS	\$246,337	\$261,566	\$249,099	\$262,749	\$1,183	\$13,650
OTPS	\$2,578,362	\$3,328,269	\$2,179,838	\$3,924,195	\$595,926	\$1,744,357
Debt Service	—	—	—	—	—	—
Total OTPS	\$2,578,362	\$3,328,269	\$2,179,838	\$3,924,195	\$595,926	\$1,744,357
Total Agency Costs	\$2,824,699	\$3,589,835	\$2,428,937	\$4,186,944	\$597,109	\$1,758,007
Less Intra-City	\$6,379	\$7,490	\$7,429	\$7,096	(\$394)	(\$333)
Net Agency Cost	\$2,818,320	\$3,582,345	\$2,421,508	\$4,179,848	\$597,503	\$1,758,340
Funding						
City	1,938,889	2,271,471	1,596,087	2,798,989	527,518	1,202,902
Non-City	879,431	1,310,874	825,421	1,380,859	69,985	555,438
Personnel (includes FTEs at fiscal year-end)						
City	1,775	1,942	1,899	1,907	(35)	8
Non-City	74	60	21	18	(42)	(3)
Total	1,849	2,002	1,920	1,925	(77)	5

Programmatic Review and Service Impact

Adult Services

The Department provides a variety of directly operated and contracted services for adults experiencing homelessness, including general and specialized transitional shelter, housing assistance and placement into subsidized and supportive housing. DHS, along with not-for-profit providers, operates assessment programs, general shelters, and specialized shelters for single adults. Specialized shelters include those addressing mental health, substance use and employment needs. The DHS Division of Adult Services also provides shelter to adult couples and families without minor children in contracted and directly operated shelters.

In 2024, the Department will continue to operate programs for adult clients, while establishing new sites and program services to accommodate asylum seekers. DHS and its contracted providers offer and make referrals to a spectrum of services that may include educational and job training programs as well as clinical and mental health services. The Agency also partners with HRA to connect adults in shelter to employment opportunities, including public and private market subsidized employment programs, to help them transition to permanent housing.

DHS single adults and adult families exit or avoid shelter through one of the many available rental assistance or subsidized housing programs; in addition, they have access to supportive housing and master-lease housing models, which provide permanent housing combined with on-site and community-based services for clients with varying levels of special needs. In Fiscal Year 2022, DHS placed 1,520 single adults and families into supportive housing programs, including into NYC “15/15” units.

Family Services

The Department serves families with children experiencing homelessness through a network of shelters that provide social services, access to childcare and other supports, and rehousing services, designed to maximize family stability and to help them move to permanency in the community.

Eligible families are also required to apply for Cash Assistance (CA) through HRA and, as part of this process, receive access to a full range of employment and education programs to help prepare for and obtain employment. CA eligibility also provides access to many rental assistance programs that allow families to move into permanent housing. Through its network of providers, DHS also helps families access SNAP benefits, child support, tax credits and work supports, including day care and Universal Pre-Kindergarten programs.

In 2024, DHS, partnering with other City agencies including the Department of Education, the Administration for Children’s Services (ACS) and the Department of Health and Mental Hygiene (DOHMH), will continue and expand its focus on child well-being. The Department monitors school attendance, promotes infant safe sleeping, and collaborates with ACS to coordinate services to families with child welfare involvement and with DOHMH on programs for maternal and infant health.

Street Solutions

The Department is committed to providing robust programming and increasing permanency options for individuals on the street, subways and other public spaces. DHS provides an array of services to meet this goal, including street outreach programs, medical services, safe havens, drop-in centers and stabilization beds.

DHS provides 24/7 outreach efforts on New York City streets, subways and terminal destinations. DHS’s low-threshold safe havens and stabilization beds are a part of a specialized system that uniquely addresses the needs of clients experiencing street homelessness and helps them transition from the streets to a more permanent setting. As of March 2023, DHS had operating capacity of over 3,000 stabilization and safe haven beds, more than twice the capacity that was available just five years ago. An additional 885 beds are projected to come on-line through 2024. In 2022, just 6% of individuals experiencing homelessness in New York City were unsheltered – one of the lowest rates among large jurisdictions, as shown in data from the annual Point-in-Time Count mandated by the U.S. Department of Housing and Urban Development. DHS continues to develop new strategies and enhance its targeted resources to reduce the number of unsheltered people in New York City.

Capital Review

The 2024–2033 Ten -Year Capital Strategy totals \$809.2 million, including \$330.5 million in the 2024-2027 Four-Year Plan. The table below reflects actual capital commitments for FY 2022 and planned capital commitments over the FY 2023-2027 period by program area.

Capital Commitments
(\$ in 000’s)

	2022		2023		2024		2025		2026		2027	
	Actual		Plan		Plan		Plan		Plan		Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Homeless Family Facilities ...	\$3,363	\$3,363	\$9,450	\$9,450	\$9,081	\$9,081	\$12,000	\$12,000	\$12,344	\$12,344	\$23,956	\$23,956
Single Adult Facilities.....	8,049	\$8,049	18,487	\$20,218	40,220	\$40,220	59,754	\$59,754	57,973	\$57,973	98,360	\$98,360
Information Technology and Equipment.....	152	\$152	5,556	\$5,556	5,340	\$5,340	4,712	\$4,712	4,887	\$4,887	1,845	\$1,845
Total	<u>\$11,564</u>	<u>\$11,564</u>	<u>\$33,493</u>	<u>\$35,224</u>	<u>\$54,641</u>	<u>\$54,641</u>	<u>\$76,466</u>	<u>\$76,466</u>	<u>\$75,204</u>	<u>\$75,204</u>	<u>\$124,161</u>	<u>\$124,161</u>

Highlights of the Ten -Year Capital Strategy

The 2024-2033 Ten-Year Capital Strategy allocates \$266.7 million for homeless family facilities, \$485.1 million for single adult facilities, and \$57.4 million for technology projects and equipment purchases. Highlights include:

- Upgrades to critical system improvements including fire safety and electrical systems of \$122.8 million.
- Continued funding for exterior and interior building upgrades at Bellevue Men’s Shelter of \$109.4 million.
- Ongoing roof and façade replacement and reconstruction of \$77.5 million.
- Funding of \$57.4 million for technology projects including development of integrated applications for shelter compliance, case management, Street Solutions programs, and data reporting. These enhancements respond to critical program, policy, and legal goals.

ADMINISTRATION FOR CHILDREN'S SERVICES

The Administration for Children's Services (ACS) provides a broad range of programs that protects and promotes the safety and well-being of New York City's children and families by providing child welfare, juvenile justice, and child care services. ACS is working to strengthen our role in achieving equity, justice, and safety for NYC families—specifically, focusing on keeping children safe while reducing unnecessary ACS involvement, supporting community investments in families, and providing quality care to children and youth that sets them up for a lifetime of success. While it is ultimately families that keep children safe and well, ACS plays an integral role in helping to ensure that children are safe and that their families have the resources and supports they need to care for their children.

Financial Review

The Department's 2024 Executive Budget provides for operating expenses of \$2.72 billion, \$856 million of which are City funds. Capital commitments of \$441.7 million are provided from FY24 through FY27, of which \$388.2 million are City funds.

Expense Budget Highlights

ACS's 2024 Executive Budget responds to the challenges faced by New York's most vulnerable youth and families and lays important foundations for the future, including:

Child Care: Funds the 2022 State Market Rate increase for Child Care providers at \$57M in FY23.

Foster Care: Resulting from the Statewide settlement increasing the Foster Parent Stipends and Adoption Subsidies, ACS is now required to reimburse at 100%. In addition, the Maximum State Aid Rates (MSAR) were also increased as of July 1, 2023; This funding of \$47M reflects the additional cost of the new rates.

Savings: Achieved through a series of initiatives, including revenue maximization and savings due to fewer youth in juvenile justice and prevention placements for a total \$33.2M in FY24 and out.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$558,281	\$552,285	\$516,303	\$549,696	(\$2,589)	\$33,393
Fringe Benefits	447	211	1	1	(210)	(0)
OTPS	2,088,104	2,598,151	2,179,704	2,173,782	(424,369)	(5,922)
Total	\$2,646,832	\$3,150,647	\$2,696,008	\$2,723,479	(\$427,168)	\$27,471
Funding						
City	\$1,024,776	\$1,055,027	\$852,828	\$855,551	(\$199,476)	\$2,723
Other Categorical Grants	—	—	—	—	—	—
IFA	—	—	—	—	—	—
State	838,129	1,055,294	758,002	780,863	(274,431)	22,861
Federal CD	—	—	—	—	—	—
Federal Other	780,088	1,032,647	1,082,008	1,083,895	51,248	1,887
Intra-City Other	3,839	7,679	3,170	3,170	(4,509)	—
Total	\$2,646,832	\$3,150,647	\$2,696,008	\$2,723,479	(\$427,168)	\$27,471
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$212,081	\$214,369	\$228,595	\$230,389	\$16,020	\$1,794
Pensions	98,114	87,667	96,456	94,799	7,132	(1,657)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$310,195	\$302,036	\$325,051	\$325,188	\$23,152	\$137
Funding						
City	159,322	161,862	205,072	196,164	34,302	(8,908)
Non-City	150,873	140,174	119,979	129,024	(11,150)	9,045
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$558,281	\$552,285	\$516,303	\$549,696	(\$2,589)	\$33,393
Fringe Benefits	212,528	214,580	228,596	230,390	15,810	1,794
Pensions	98,114	87,667	96,456	94,799	7,132	(1,657)
Total PS	\$868,923	\$854,532	\$841,355	\$874,885	\$20,353	\$33,530
OTPS	\$2,088,104	\$2,598,151	\$2,179,704	\$2,173,782	(\$424,369)	(\$5,922)
Debt Service	—	—	—	—	—	—
Total OTPS	\$2,088,104	\$2,598,151	\$2,179,704	\$2,173,782	(\$424,369)	(\$5,922)
Total Agency Costs	\$2,957,027	\$3,452,683	\$3,021,059	\$3,048,667	(\$404,016)	\$27,608
Less Intra-City	\$3,839	\$7,679	\$3,170	\$3,170	(\$4,509)	\$—
Net Agency Cost	\$2,953,188	\$3,445,004	\$3,017,889	\$3,045,497	(\$399,507)	\$27,608
Funding						
City	1,184,098	1,216,889	1,057,900	1,051,715	(165,174)	(6,185)
Non-City	1,769,090	2,228,115	1,959,989	1,993,782	(234,333)	33,793
Personnel (includes FTEs at fiscal year-end)						
City	6,290	6,954	6,971	6,954	—	(17)
Non-City	51	166	167	166	—	(1)
Total	6,341	7,120	7,138	7,120	—	(18)

Programmatic Review and Service Impact

Division of Child Protection (DCP)

DCP responds to reports of alleged abuse or neglect via two different approaches: Most frequently, DCP responds with an investigation conducted by Child Protective Specialists (CPS) in DCP's protective/diagnostic units; in lower-risk cases, DCP can pursue a non-investigative differential response, known as Collaborative Assessment, Response, Engagement and Support (CARES). Cases assigned to the CARES track do not require an investigation determination regarding the neglect allegations that generated the report, and thus leave no adverse determination on a parent's record, which might later impact employment and other opportunities. In 2022, ACS responded to 59,063 reports of abuse and neglect transmitted to ACS from the State Central Register. These resulted in 44,189 investigations and 6,910 CARES cases. (Some investigations result from multiple reports, which are consolidated.)

DCP responds to allegations of child abuse and neglect and makes determinations about the safety of and risk to children in reports transmitted by the New York Statewide Central Register to ACS. The DCP's Family Services Unit (FSU) monitors children and families in court-ordered supervision cases until a judge determines that a child may remain safely in their home without the intervention of ACS or needs placement in foster care. DCP also conducts Family Meetings, which are informal meetings scheduled to engage the family and address risk issues and/or develop or modify a service plan. DCP also organizes Child Safety Conferences, which are scheduled when court intervention is being considered to address existing safety issues. These are facilitated by the Child and Family Specialists (CFS). Family supports, service providers and resources are encouraged to attend both Family Meetings and Child Safety Conferences.

To enhance the retention of Child Protective Specialists, who are instrumental in carrying out DCP's mission, ACS developed simulated classrooms to enhance the training experience, provided stronger training supports to all CPS, and launched the CPS Peer Mentor Program in 2020. This CPS Peer Mentor initiative enhances staff sustainability and promotes resilience by offering support and coaching to newer CPS, as well as rewarding senior CPS who demonstrate characteristics of emerging leaders. ACS continues to support the professional development of staff through

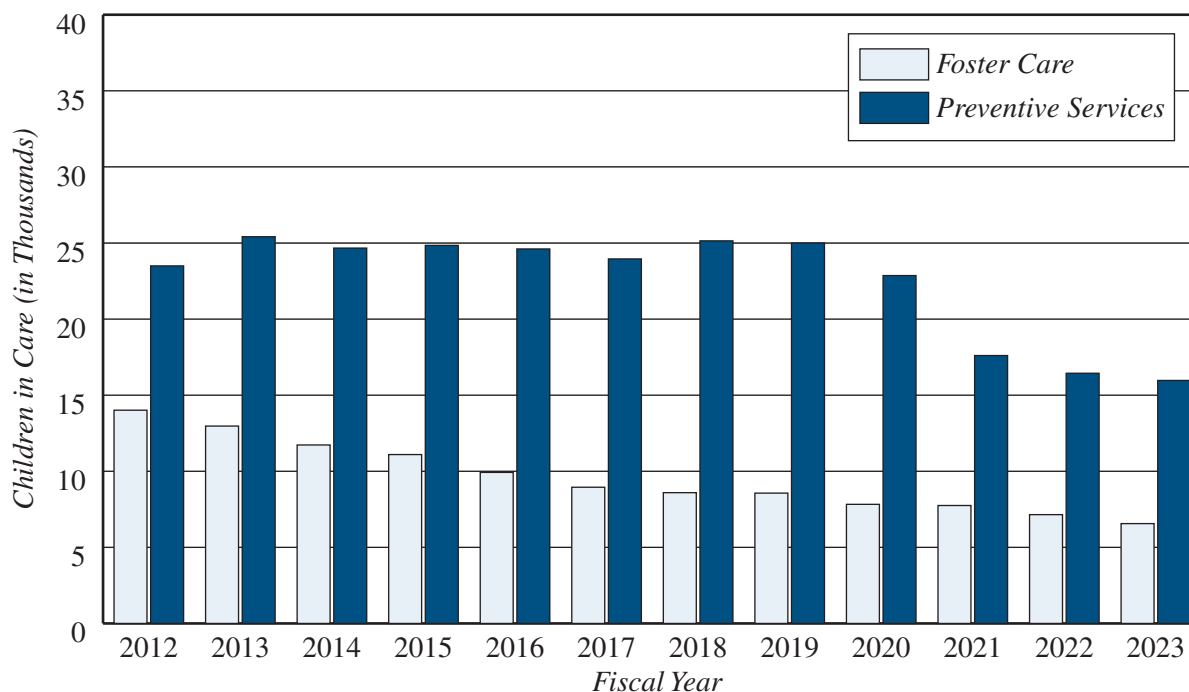
graduate and undergraduate scholarships, as well as a broad array of career-long learning opportunities available through the ACS Workforce Institute, a collaboration with the City University of New York.

Preventive Services for Children and Families

ACS provides Child Welfare Prevention Services with the aim to support families in their communities, promote family stability and well-being, reduce the need for placement of children into foster care, and expedite reunification after placement, thereby reducing the length of time that children spend in foster care. These services are provided in the home to children and families while children remain at home, mostly voluntary and some court-ordered. The services are offered through contracted community-based organizations, free, accessible to families regardless of immigration status, available in multiple languages, and available in every borough. Prevention services seek to support the physical, psychological, and emotional needs of children and caregivers, working closely with families to achieve goals for keeping children safe by providing counseling, case management, concrete supports, therapy, and/or mental health services in a way that embraces the rich cultural diversity of New York City families. These services address underlying factors that may lead to child neglect and maltreatment, such as economic scarcity, trauma, mental health challenges, domestic violence, and substance misuse. The prevention services continuum includes a range of interventions (also known as "models"), many of which are research-informed or evidence-based, that serve families in the child welfare and juvenile justice systems. In CY 2022, 6,497 new families were enrolled in ACS prevention services.

ACS launched a redesigned prevention services system on July 1, 2020. Hallmarks of this new system include more therapeutic services for high-need families; universal access to all program models regardless of where the family lives; and a stronger emphasis on parent feedback, both in the development of the models that ACS offers and in the day-to-day service delivery on individual cases. Services are free and available citywide—in every community, in all five boroughs. In CY 2022, ACS served 15,286 families with 33,262 children in prevention services.

CHILDREN IN FOSTER CARE AND PREVENTIVE SERVICES 2012 - 2023



Source: NYC OMB

Foster Care

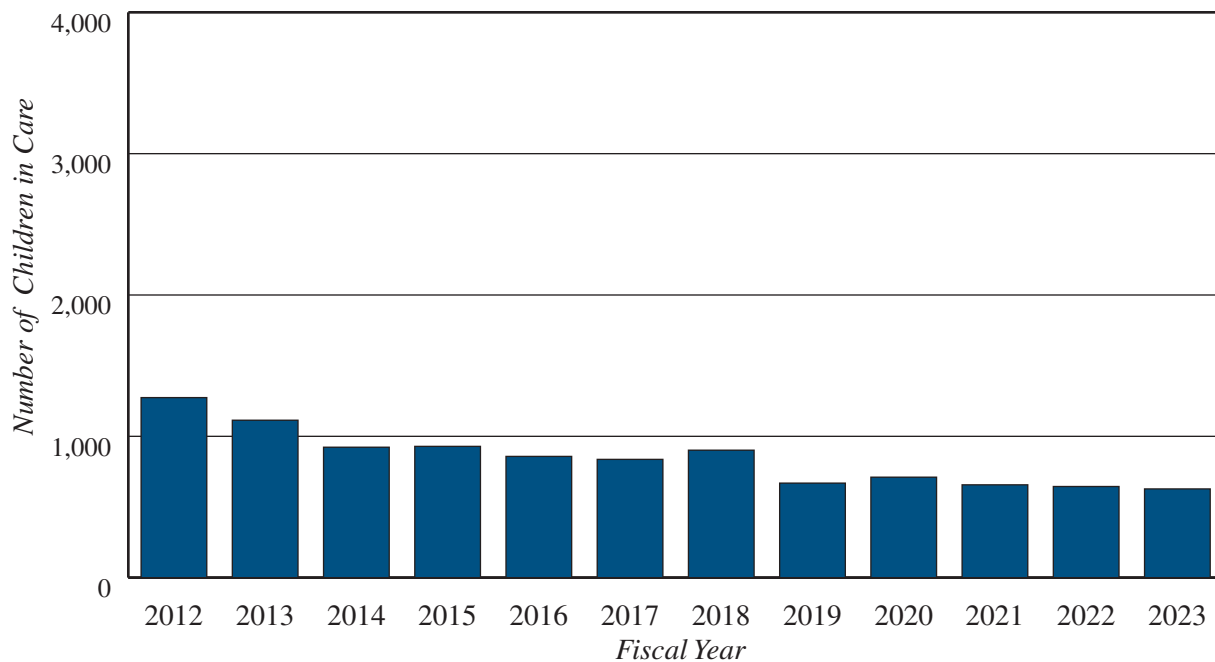
Placements in family foster care, residential settings, or specialized care facilities are provided on a temporary basis until children can be reunified with their families. The majority of children who enter foster care are reunified with their families. When children cannot be safely reunified, the New York City Administration for Children’s Services (ACS) works to achieve permanency through adoption or kinship guardianship. The overall foster care census has continued declining, from 7,087 in January 2022 to 6,757 in January 2023.

In 2022, ACS continued to implement a range of COVID-19 protocols and practices in order to continue essential child welfare work, which were informed by public health guidance and designed to protect the health and safety of children, families, foster parents, and staff. As vaccines became available, ACS worked closely with our provider partners to promote access for youth, parents, foster parents, and child welfare professionals.

Despite the unprecedented challenges during the pandemic, ACS continued to make important progress in key areas, including: reducing the number of children in foster care; increasing the rate of kinship placement (children placed with family and friends); and expanding education and employment services for children and youth through Fair Futures coaches and tutors, virtual internships, and multiple other initiatives.

ACS continuously worked toward advancing permanency as the Family Court resumed normal operations in 2022. Building on the lessons learned from the Parents Empowering Parents (PEP) pilot, ACS moved to expand the use of Parent Advocates across the foster care system. ACS continued to implement an Action Plan to improve services and outcomes for LGBTQAI+ youth in foster care.

RESIDENTIAL CASELOADS 2012 - 2023



Note: Starting in 2012, the residential caseload no longer includes adjudicated juvenile delinquents in congregate settings operated by private not-for-profit agencies.

Source: NYC OMB

Adoption Services and KinGAP

Adoption provides a stable and permanent home for children who cannot return to their parents. ACS has worked to improve permanency outcomes for children and youth in foster care by streamlining the administrative processes and providing enhanced technical assistance to agencies to reduce time to reunification and expedite adoption and kinship guardianship. Most children who are eligible for adoption (i.e., children who are legally freed for adoption and have a permanency goal of adoption) are already placed with the family who will be their adoptive family.

ACS’ efforts to increase placement with relatives and family friends include a strong focus on exploring a child’s entire support network and engaging potential resources. Living with kin not only reduces trauma but also creates the possibility of guardianship with kin who receive a subsidy as a permanency option for children. The Kinship Guardianship Assistance Program (KinGAP) is designed for a foster child to achieve permanency with a relative who had been the child’s foster parent for at least six months.

ACS continues to partner closely with the Family Court to address the backlog of adoption and KinGAP cases that developed as a result of the pandemic. In 2022, adoptions continued to increase; there were 242 adoptions in 2020, 438 in 2021, and 502 adoptions in 2022. The number of children exiting foster care to KinGAP was 398 in 2019, dropped to 215 in 2020, rebounded significantly to 494 in 2021, then decreased to 342 in CY22, which is consistent with pre-pandemic year-to-year increases and a declining foster care census.

Children who are adopted or exit foster care through guardianship receive financial supports through regular subsidies and, in most cases, medical coverage for the child. The level of ongoing financial support is similar to the maintenance payments received while the child was in foster care. As of April 2023, 10,883 adopted children were receiving an adoption subsidy, and 2,677 children who exited foster care through kinship guardianship were receiving a KinGAP subsidy.

Division of Youth and Family Justice

The Division of Youth and Family Justice (DYFJ) provides Specialized Secure Detention (SSD), Secure Detention (SD), and Non-Secure Detention (NSD) services for alleged juvenile delinquents, juvenile offenders, and adolescent offenders whose cases are pending in Family or Criminal Court. ACS operates two secure detention facilities and oversees a network of seven non-secure detention group homes across the City through contracts with private non-profit social service organizations. While in detention, residents receive support services, including education, medical care, mental health support, recreation, and case management.

In the City's Close to Home initiative, launched in 2012, DYFJ assumed custody of adjudicated youth found to need out-of-home placement. DYFJ provides care through a system of non-profit providers located within and just outside of New York City. Providers offer an array of general and specialized juvenile justice residential care programs, including intensive clinical services, educational programs, and aftercare re-entry services.

Currently, the City has 223 non-secure placement (NSP) beds and 66 limited-secure placement (LSP) beds. However, ACS is in the process of reducing the number of NSP and LSP beds as the number of youth requiring placement remains low, and expects to issue an RFP in the near future with new Close to Home contracts beginning in July of 2024. Juvenile Offenders and Adolescent Offenders, those convicted of the most serious crimes, remain in OCFS-operated secure facilities.

With the implementation of New York state's Raise the Age legislation in October 2018, 16- and 17-year-old youth are no longer detained on Riker's Island, and if ordered by a court, are now held in ACS facilities where they receive education, age-appropriate therapeutic and recreational services, and medical and mental health care. As of October 2019, newly arrested 16- and 17-year-olds are now treated as juveniles. If they are detained it is either at Horizon Juvenile Center, Crossroads Juvenile Detention Center, or in one of ACS's non-secure detention facilities. DYFJ will be increasing its investment in court-involved young people with the continued expansion of fair futures and the awarding of the Workforce Development RFP, with services set to begin in the summer of 2023.

In addition to detention and placement services, DYFJ operates a full continuum of community-based diversion and alternatives services to prevent youth from entering the juvenile justice system or to prevent deeper end system involvement. These services include our Family Assessment Program (FAP), which provides support and/or voluntary preventive services to any NYC family who is struggling with youth that are exhibiting challenging behaviors. FAP also serves families seeking to file PINS petitions in family court and serves approximately 3,500 families a year through community-based referrals, contracted evidence-based models, and other proven practices, including mentorship and respite services; and our Juvenile Justice Initiative (JJI), which provides an alternative to placement in a Close to Home setting. JJI allows youth to remain in the community while under the supervision of the NYC Department of Probation and engaged in evidence-based services from ACS. JJI's evidence-based continuum includes Functional Family Therapy and Multisystemic Therapy, with specialization in Substance Abuse, Psychiatric, Emerging Adults, and Problematic Sexualized Behaviors. DYFJ will also be assuming responsibility for the Family Court Alternative to Detention (ATD) programs from MOCJ, with contracts expected to begin in July 2023.

Division of Child and Family Well-Being

The Division of Child and Family Well-Being (CFWB) works to provide families and children the critical supports they need to thrive and enjoy self-determination. The Division focuses on leveraging concrete resources, stakeholder relationships, and community and family strengths to drive toward greater equity and social justice, reduce disparities and disproportionality—including in the child welfare system—and create conditions that foster well-being for families, children, and communities. CFWB helps families afford child care, funds community-based models that promote parent and child well-being, and promotes child safety through education, training, and resource distribution.

Child Care

CFWB administers child care assistance to approximately 60,000 children through child care vouchers supported by Child Care Block Grant state and federal funds, as well as city tax levy funds. This includes families with child welfare involvement, families in receipt of public assistance who are employed or engaged in work activities, and eligible low-income families.

Vouchers may be used to enroll in care in both formal and informal settings. Formal child care settings include child care centers and group family day care homes registered and/or licensed by the Department of Health and Mental Hygiene (DOHMH). Informal settings include care provided in the child’s own home or the homes of family, friends or neighbors. We are committed to working with the city, state and federal government to continue to expand child care access to ensure that New York City has accessible, equitable, high-quality, affordable child care and early childhood education for those who need it most.

Community-Based Programs

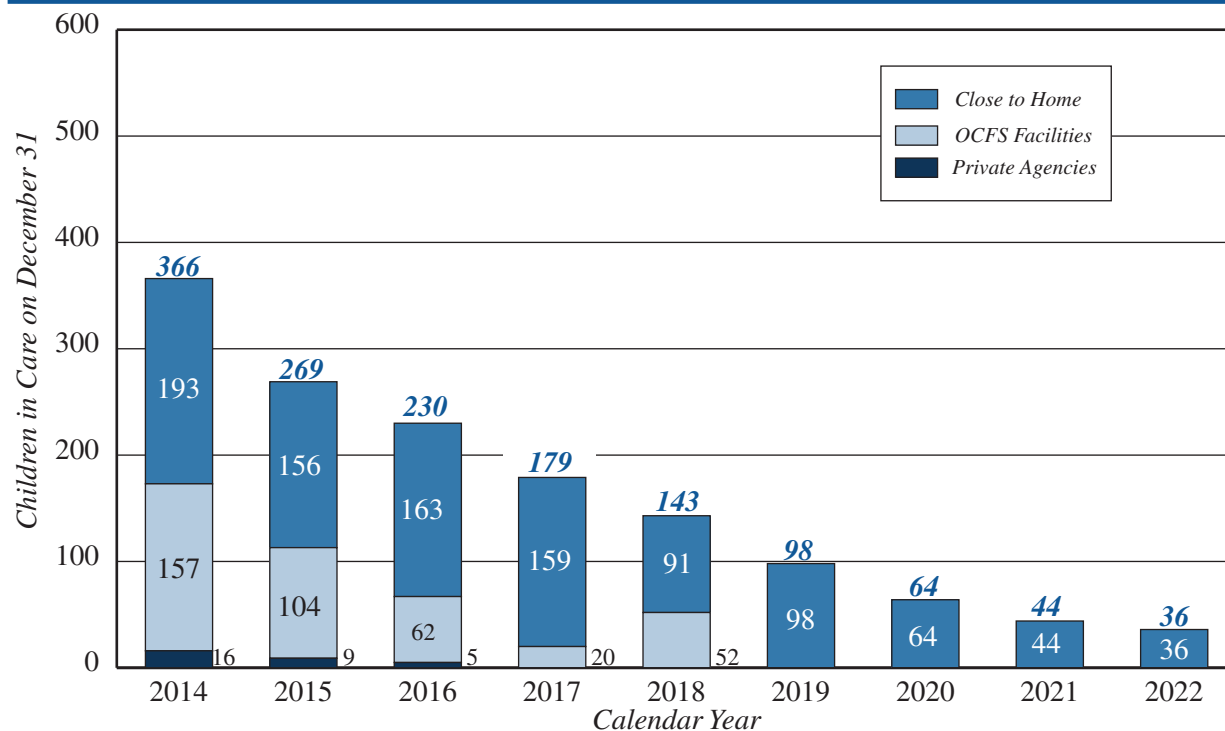
CFWB contracts directly with community-based organizations (CBOs) to manage two community-led initiatives, Community Partnerships (CPs) and Family Enrichment Centers (FECs). Since 2007, the 11 CPs have served as local coalitions through which service providers, community leaders, and residents share resources and information, address community needs, and design and promote strategies to support families and children. The FECs are warm, home-like environments designed with and for community. They are spaces where neighbors can connect, contribute to their community, find resources,

support one another, and build strategies to help families thrive. Since 2018, the FECs have co-designed with the communities in which they are located. With a focus on strengthening protective factors—including resiliency, access to concrete resources, and social connectedness—the FECs aim to leverage family and community strengths. ACS is currently in the process of expanding to 30 FECs over the next two years. Currently, there are 12 FECs, with eight more set to begin their contracts in July 2023.

Child Safety Campaigns

CFWB promotes child safety campaigns to empower families with resources and information they need to keep children safe. In 2021, ACS launched a new Office of Child Safety and Injury Prevention dedicated entirely to education, distribution of resources, and outreach to prevent accidents and injuries among children. The Office connects with New York City families and child-serving professionals to make them aware of the leading causes of preventable childhood injuries and the best ways to keep children safe. This new Office supports ongoing child safety strategies, including public campaigns related to infant safe sleep practices, safe storage of prescription medications and, recently, safe storage of cannabis edibles to mitigate accidental ingestion among children.

JUVENILES IN RESIDENTIAL PLACEMENT 2014 - 2022



* The Close to Home initiative transferred youth in non-secure placement from State (OCFS) to City custody beginning in 2012.

Source: NYS OCFS Annual Youth in Care Report

Capital Review

The Four-Year Capital Plan totals \$441.7 million, of which \$388.2 million are City funds. The Four-Year Capital Plan includes \$295.3 million for DYFJ programs, \$24.2 million for administrative offices, \$81.6 million for equipment and information systems, \$8.5 million for City Council child care and child welfare projects, and \$30.1 million for Borough President child welfare projects.

Capital Commitments

(\$ in 000's)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Child Welfare	\$11,576	\$14,200	\$5,114	\$5,994	\$33,857	\$35,124	\$121,625	\$121,625	\$80,757	\$80,757	\$102,003	\$111,012
Child Care	\$—	\$—	\$—	\$—	\$1,145	\$1,145	\$500	\$500	\$1,107	\$1,107	\$—	\$—
Buildings	\$(667)	\$(667)	\$2,995	\$5,114	\$763	\$1,525	\$3,922	\$3,922	\$1,183	\$1,671	\$1,746	\$1,746
MIS	\$895	\$2,129	\$10,155	\$23,246	\$12,044	\$24,521	\$2,079	\$2,615	\$21,855	\$49,140	\$3,608	\$5,337
Total	\$11,804	\$15,662	\$18,264	\$34,354	\$47,809	\$62,315	\$128,126	\$128,662	\$104,902	\$132,675	\$107,357	\$118,095

Highlights of the Four-Year Capital Plan

- \$81.6 million will support telecommunications and data infrastructure upgrades and improvements.
- \$24.2 million will support the renovation of administrative and field offices as well as the Children’s Center.
- \$343.6 million will support the Department’s juvenile justice operations including the renovation of the Department’s two secure detention facilities – Crossroads and Horizon.

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

The Department of Youth and Community Development (DYCD) mission is to invest in a network of community-based organizations and programs to alleviate the effects of poverty and to provide opportunities for New Yorkers and communities to flourish. DYCD contracts with hundreds of non-profit community-based organizations to operate a continuum of services which includes support programs for families and youth in neighborhoods throughout the five boroughs such as the Comprehensive Afterschool System of NYC (including School's Out NYC, or SONYC), Beacon Community Centers, Cornerstone Programs at NYCHA Community Centers, the Summer Youth Employment Program, Runaway and Homeless Youth Programs, Immigration Programs, and Literacy Services. DYCD is also the designated Community Action Agency for New York City, which is the local grantee for the federal Community Services Block Grant (CSBG). CSBG funding supports a variety of programs that promote self-sufficiency and healthy communities. DYCD's vision is a New York City in which everyone flourishes, and outcomes are not determined by race, gender, gender identity, sexual orientation, income, neighborhood, immigration status, or disability.

Financial Review

The Department's 2024 Executive Budget provides for operating expenses of \$1,151 million, of which \$891 million are City funds.

Expense Budget Highlights

DYCD's 2024 Executive Budget acknowledges the current fiscal challenges facing the City as well as maintaining the crucial foundations for the City's youth, communities, and families. These include:

- Program to Eliminate the Gap (PEG): In the Executive 24 budget, DYCD identified \$11M in FY24 and beyond in savings in contract and

wage underspending, revenue maximization, and technical assistance re-estimate. These savings are in response to the fiscal climate while minimizing service disruption to providers and families.

- Funding to support the Integration of the Office of Neighborhood Safety: DYCD supports the Mayor's goal to address increased crime and disconnected youth. The Executive budget provides the additional infrastructure and headcount to ensure a seamless transition in which providers' contracts are timely registered, there is swift reimbursement for providers to minimize cash flow challenges, and the agency is appropriately staffed to ensure adequate oversight on service delivery.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$44,074	\$49,409	\$45,855	\$49,801	\$392	\$3,946
Fringe Benefits	—	—	—	—	—	—
OTPS	927,494	1,135,274	897,146	1,101,592	(33,682)	204,446
Total	\$971,568	\$1,184,683	\$943,001	\$1,151,393	(\$33,290)	\$208,392
Funding						
City	\$656,137	\$881,949	\$708,001	\$890,614	\$8,665	\$182,613
Other Categorical Grants	1,024	696	—	—	(696)	—
IFA	—	—	—	—	—	—
State	7,072	9,724	5,275	7,116	(2,608)	1,841
Federal CD	7,383	7,526	7,151	7,151	(375)	—
Federal Other	157,651	142,803	80,814	104,752	(38,051)	23,938
Intra-City Other	142,301	141,985	141,760	141,760	(225)	—
Total	\$971,568	\$1,184,683	\$943,001	\$1,151,393	(\$33,290)	\$208,392
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$15,795	\$16,706	\$17,449	\$17,794	\$1,088	\$345
Pensions	8,368	7,647	7,609	7,478	(169)	(131)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$24,163	\$24,353	\$25,058	\$25,272	\$919	\$214
Funding						
City	23,634	23,826	24,495	24,733	907	238
Non-City	529	527	563	539	12	(24)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$44,074	\$49,409	\$45,855	\$49,801	\$392	\$3,946
Fringe Benefits	15,795	16,706	17,449	17,794	1,088	345
Pensions	8,368	7,647	7,609	7,478	(169)	(131)
Total PS	\$68,237	\$73,762	\$70,913	\$75,073	\$1,311	\$4,160
OTPS	\$927,494	\$1,135,274	\$897,146	\$1,101,592	(33,682)	\$204,446
Debt Service	—	—	—	—	—	—
Total OTPS	\$927,494	\$1,135,274	\$897,146	\$1,101,592	(\$33,682)	\$204,446
Total Agency Costs	\$995,731	\$1,209,036	\$968,059	\$1,176,665	(\$32,371)	\$208,606
Less Intra-City	\$142,301	\$141,985	\$141,760	\$141,760	(\$225)	\$—
Net Agency Cost	\$853,430	\$1,067,051	\$826,299	\$1,034,905	(\$32,146)	\$208,606
Funding						
City	679,771	905,775	732,496	915,347	9,572	182,851
Non-City	173,659	161,276	93,803	119,558	(41,718)	25,755
Personnel (includes FTEs at fiscal year-end)						
City	414	446	440	475	29	35
Non-City	66	81	79	79	(2)	—
Total	480	527	519	554	27	35

Programmatic Review and Service Impact

Comprehensive Afterschool System of New York City (COMPASS)

The Comprehensive Afterschool System of NYC (COMPASS), formerly known as the Out-of-School Time (OST) program, began in 2005 and provides a mix of academic, recreational, and cultural activities for young people after school, during school closing days and in the summer. These programs, which are operated by community-based organizations, serve young people from elementary through high school and are primarily located in public and non-public schools, community centers, public housing, and parks recreational facilities.

COMPASS is comprised of nearly 900 programs serving more than 100,000 young people in grades K-12. Through DYCD-funded community-based organizations, COMPASS offers high quality after school programs that offer a balance of enrichment activities, including creative arts, physical fitness, academic support and cultural activities to support and strengthen the overall development of youth. COMPASS programs keep youth safe, foster competencies, and allow young people to explore interests and creativity while building confidence and leadership skills. To date in school year 2022-2023, COMPASS served more than 112,000 students in K-12.

Beacon Community Centers

Pioneered in 1991 under Mayor Dinkins, these collaborative, school-based community centers have been replicated nationally, including as a model for Cornerstone Community Centers and Community Schools. Beacon programs are designed based on the needs of their communities, and tailor activities to serve young people and adults in the areas of academic enhancement, life skills, career awareness, civic engagement and community building, recreation, health and fitness, and culture. Research has demonstrated that Beacons have a positive impact on academic achievement and social development, reducing risky adolescent behaviors, empowering community residents, and providing a forum for local problem solving.

Cornerstone Program

Cornerstone Community Centers (Cornerstones) provide engaging activities year-round for adults and young people at New York City Housing Authority

(NYCHA) developments in the five boroughs. Cornerstone programming is shaped by input from young people, NYCHA residents, Resident Association leaders, elected officials, and school principals. Cornerstone youth programs are designed to help participants acquire the skills they need to graduate from high school, succeed in their chosen careers, and give back to the community. Cornerstone adult programs are designed to enhance skills and promote social interaction, community engagement, and physical activity. DYCD operates Cornerstone programs in 99 NYCHA developments, with partial services in additional sites.

As part of the Mayor's Action Plan for Neighborhood Safety, beginning in 2014 summer hours of service were extended to 11 p.m. daily to allow community residents evening access to a safe place for recreation and learning when school is out.

Runaway and Homeless Youth Services

DYCD funds programs to protect runaway and homeless youth and, whenever possible, reunite them with their families. For youth in need of shelter and care, Crisis Shelters offer safe and welcoming environments on a short-term basis, while Transitional Independent Living (TIL) facilities combine longer-term shelter with the necessary support designed to place formerly homeless youth on the path to independence. Charged with giving vulnerable young people the resources they need to stabilize their lives; services also include Street Outreach and eight Drop-In Centers, five which operate 24/7. In 2023, 813 beds are on-line for youth up to age 24.

Youth Workforce Development

DYCD operates several workforce development programs for youth between the ages of 14 to 24. These include the Summer Youth Employment Program (SYEP), the school-year Work, Learn and Grow program, the Anti-Gun Violence program, the Office of Economic Opportunity (OEO) and Young Men's Initiative (YMI)-funded Advance & Earn program and the Workforce Innovation and Opportunity Act (WIOA)-funded Train & Earn and Learn & Earn programs.

SYEP provides New York City youth between the ages of 14 to 24 with summer work experiences and career exploration opportunities. Older participants

work in a variety of entry-level jobs at community-based organizations, government agencies and private sector businesses and are paid for up to 25 hours per week for up to six weeks at the current State minimum wage of \$15 per hour. Younger participants receive a stipend to complete project-based learning experiences. In FY23, 100,000 worked in SYEP at over 18,000 worksites across the city. In FY24, the city is committed to serving the same amount of youth in SYEP.

In 2023, DYCD received \$9.5 million from the Office of Economic Opportunity (OEO), \$3.5 million from the Young Men's Initiative (YMI) and \$970,000 from an intercity agreement with the Administration for Children's Services (ACS) totaling approximately \$14 million to administer the Advance & Earn program, which launched in February 2020. Without ACS funding, DYCD received approximately \$13 million from OEO and YMI alone. Advance & Earn connects youth between the ages of 16-24 with comprehensive High School Equivalency (HSE) test preparation, employer-recognized training, credentials and certifications, and paid internships. The program will serve 980 participants this year (900 participants if you exclude ACS)

In FY23, DYCD received approximately \$31.2 million in Workforce Innovation and Opportunity Act (WIOA) funding to support the Learn & Earn (formerly known as ISY) and the Train & Earn (formerly known as OSY) programs.

The Learn & Earn program is designed to help high school juniors and seniors graduate from high school and prepare for employment and postsecondary education or training. Learn & Earn program sites are located primarily in high schools to maximize participant success in school and leverage school resources. Learn & Earn program goals are supported through a combination of academic activities, such as tutoring, college visits, SAT preparation, career exploration activities including paid summer work experiences through the Summer Internship Program (SIP), work readiness training, and mentoring. The program also supports participants with guidance and counseling, stipends, and leadership development activities. Participants receive up to two years of services and a year of follow up services, depending on their grade at enrollment.

Train & Earn serves eligible youth aged 16-24 years old who are not working or in school and who need assistance in upgrading their occupational and

educational skills. Train & Earn programs are operated by community-based organizations throughout New York City's five boroughs. Programs offer a combination of occupational skills training in high growth sectors and paid internships, along with academic support, comprehensive supportive services, and placement in employment or postsecondary education or training. A year of follow up services is also provided.

Literacy Services

Adult Literacy programs are designed to assist adults and older youth to become literate and to obtain the knowledge and skills necessary for further education, employment, and self-sufficiency. Adult Basic Education (ABE) programs provide instruction in reading, writing and mathematics to native English speakers. High School Equivalency (HSE) test preparation classes are designed to help students prepare for HSE tests in reading, writing, social studies, science, and math. English for Speakers of Other Languages (ESOL) programs provide English language courses to immigrants to increase their communication skills. In FY23, DYCD's funding for adult literacy services is \$27.6 million and it is projected that 15,316 individuals will be served.

Programs also provided expanded support services to engage students in continued learning while operating remotely, to keep them connected to a caring community, and provide access to essential information and services. Last year, DYCD released a Concept Paper for Literacy programs in anticipation of the Request for Proposals (RFP) being released shortly. In that and all DYCD-issued RFPs moving forward, we will include hybrid classes and mental health services to address issues such as depression, anxiety, trauma and substance abuse. This is consistent with Mayor Adams focus on mental health supports, especially as the city continues its recovery from Covid-19, and addresses the impact the pandemic had on the well-being of New Yorkers. DYCD has received feedback from the Concept Paper for inclusion in the RFP.

Neighborhood Development Programs

DYCD administers the federal Community Services Block Grant (CSBG) program to fund anti-poverty initiatives in 42 designated low-income Neighborhood Development Areas (NDAs) across the five boroughs of New York City. The NDA programs are designed to allow individual neighborhoods to fund the social services they determine best meet their particular needs.

DYCD's mission in administering the Community Action Program is to assist low-income individuals and families to attain the skills, knowledge, motivation, and opportunities they need to become self-sufficient. In FY23, the Department received \$15.7 million in CSBG funding for these programs, which provides immigrant services, family support services, youth development, senior support, and housing assistance to 12,029 participants. Following a Request for Proposal, new contracts started July 1, 2022.

Fatherhood Programs

By promoting positive involvement of fathers in the lives of their children, DYCD's 8 CSBG-funded Fatherhood programs strengthen family relationships and encourage fathers to fulfill their financial responsibilities. Fatherhood services include individual, family and group counseling, father-to-father mentoring, parent and child rearing classes, visitation arrangements, and mediation and conflict resolution training. Support activities include independent living skills training, college preparation classes, and adult basic education and English instruction for speakers of other languages. DYCD also encourages program providers to form linkages with other organizations to address the comprehensive needs of fathers, including job training and placement, health care, and housing. In FY23, the Department allocated \$2.8 million in CSBG funding to provide services to approximately 1,400 participants.

System Upgrades to Support Programming

DYCD's has launched a digital settlement house tool, built on the principles of: embeddedness – being a part of the community, Community Building – strengthening a sense of community, reciprocity – everyone has something to contribute, integrated Services – full array of services for the person and family, and multiple points of entry – many different ways to access resources.

DiscoverDYCD is a digital platform that allows the public to find resources provided by DYCD funded programs, apply to those programs using an easy-to-use interface, track their applications and reach out to DYCD for assistance by phone, email or using our digital assistant. DYCD believes in building strong partnerships with the community and DiscoverDYCD is a tool that allows us to strengthen those interactions.

DEPARTMENT FOR THE AGING

The Department for the Aging (“NYC Aging” or “the Department”) administers a wide range of programs that enhance the independence and quality of life for the City’s older adult population. The Department’s services include older adult centers, home delivered meals, case management services, homecare services, transportation services, caregiver services, employment counseling and placement for older New Yorkers and an array of other aging services programming. NYC Aging serves as an advocate for the City’s older adult population through legislative activity and public policy initiatives.

Financial Review

NYC Aging’s 2024 Executive Budget provides for operating expenses of \$469.0 million, of which \$302.1 million are City funds. In addition, the Department’s Ten-Year Capital Plan includes \$91.9 million.

Expense Budget Highlights

Program Enhancements

- An additional \$400 thousand and 15 additional headcount in 2023 will support DFTA’s programs and services.

Program Efficiencies

- City savings of \$12.5 million in 2024 and \$11.1 million in 2025 and beyond from re-estimates of Older Adult Centers, Home Delivered Meals as well as administrative services.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$29,406	\$30,458	\$28,805	\$29,986	(\$472)	\$1,181
Fringe Benefits	—	—	—	—	—	—
OTPS	473,178	511,468	437,865	439,040	(72,428)	1,175
Total	\$502,584	\$541,926	\$466,670	\$469,026	(\$72,900)	\$2,356
Funding						
City	\$317,992	\$331,934	\$313,112	\$302,065	(\$29,869)	(\$11,047)
Other Categorical Grants	—	293	185	185	(108)	—
IFA	—	—	—	—	—	—
State	47,811	44,545	44,401	44,401	(144)	—
Federal CD	1,143	4,077	2,252	362	(3,715)	(1,890)
Federal Other	133,478	159,095	106,205	121,498	(37,597)	15,293
Intra-City Other	2,160	1,982	515	515	(1,467)	—
Total	\$502,584	\$541,926	\$466,670	\$469,026	(\$72,900)	\$2,356
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$10,978	\$11,258	\$11,820	\$12,118	\$860	\$298
Pensions	5,487	5,129	5,077	4,989	(140)	(88)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$16,465	\$16,387	\$16,897	\$17,107	\$720	\$210
Funding						
City	15,851	15,602	16,108	16,314	712	206
Non-City	614	785	789	793	8	4
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$29,406	\$30,458	\$28,805	\$29,986	(\$472)	\$1,181
Fringe Benefits	10,978	11,258	11,820	12,118	860	298
Pensions	5,487	5,129	5,077	4,989	(140)	(88)
Total PS	\$45,871	\$46,845	\$45,702	\$47,093	\$248	\$1,391
OTPS	\$473,178	\$511,468	\$437,865	\$439,040	(\$72,428)	\$1,175
Debt Service	—	—	—	—	—	—
Total OTPS	\$473,178	\$511,468	\$437,865	\$439,040	(\$72,428)	\$1,175
Total Agency Costs	\$519,049	\$558,313	\$483,567	\$486,133	(\$72,180)	\$2,566
Less Intra-City	\$2,160	\$1,982	\$515	\$515	(\$1,467)	\$—
Net Agency Cost	\$516,889	\$556,331	\$483,052	\$485,618	(\$70,713)	\$2,566
Funding						
City	333,843	347,536	329,220	318,379	(29,157)	(10,841)
Non-City	183,046	208,795	153,832	167,239	(41,556)	13,407
Personnel (includes FTEs at fiscal year-end)						
City	211	230	214	216	(14)	2
Non-City	93	135	135	134	(1)	(1)
Total	304	365	349	350	(15)	1

Programmatic Review and Service Impact

Older Adult Centers

The core of NYC Aging, \$224 million, service portfolio is a citywide network of 272 Older Adult Centers, which every day offers older New Yorkers meals, socialization, recreation, benefits counseling, application assistance, and participation in a wide array of activities designed to improve their health and quality of life. Approximately 165,000 older New Yorkers per year participate in OAC services.

Case Management

Case management services connect homebound older adult to resources and benefits so that they may continue to live independently and safely in their homes. Following a case management assessment, eligible older adults may receive home delivered meals, homecare, and other benefits or services. Older adults are referred to case management providers from older adult centers, meal providers, hospitals and other community-based social service and health care agencies. In 2024, \$44 million will support case management services for approximately 38,000 clients annually. Most of the case management clients benefit from home-delivered meals services five days a week each year.

Home Delivered Meals

NYC Aging has 15 contracts for home delivered meals, which offer older adults the option of frozen, fresh-chilled, or hot meal deliveries. In 2024, \$55 million will support 5.2 million home delivered meals. Home-delivered meals (HDM) program is a vital component in NYC Aging's network of services. Not only do HDMs provide sustenance to homebound older adults across the five boroughs, the interaction with the delivery person—which for many of our clients may be the only direct human interaction for the day—support our ongoing effort to combat social isolation which was exacerbated during the pandemic. This program continues to follow the strict guidance set by the State and is open to those who meet those criteria.

NYC Aging-funded programs can address the most critical overarching goals of the HDM program, including increasing meal options for recipients, embracing the diversity of our City by increasing the availability of culturally aligned meals, such as

vegetarian, halal, kosher, Latin, and pan-Asian, and promoting uniformly high-quality meals made from good food. In 2021, over 4.3 million meals were delivered by our providers. During this same time, the types of meal options expanded, and we have seen a doubling- now 27%- in the number of frozen meals served. Chilled meals were also added a choice this year and to date, more than 102,000 have been served. Home-delivered meals providers are funded by NYC Aging to deliver meals Monday through Friday and serve more than 18,000 clients. NYC Aging partners with City Meals on Wheels to deliver meals on weekends and holidays.

Senior Employment, Foster Grandparent Services and Silver Corps

NYC Aging addresses the employment needs and skills of older New Yorkers through its Senior Community Service Employment Program. This program provides part-time on-the-job training to about 400 low-income participants. Clients serve their communities while receiving job training and other support services to facilitate re-entry into the workforce. Placements are made in City agencies and with not-for-profit employers. In 2024, \$4.7 million is provided for the Senior Employment program.

The Foster Grandparent program is a volunteer-based program enlisting approximately 300 older adults each year to work as mentors and tutors for at-risk or troubled children and youth. Foster grandparents work in hospitals, day care programs, schools, and afterschool programs. In 2024, \$2 million is provided for the foster grandparent program.

Silver Corps Program

NYC Aging received a three-year grant from AmeriCorps Seniors Demonstration Project, for \$4.5 million. It is a three-year pilot program. It will serve about 250 older adults 55 years or older. The program will provide skill development and credential training for in demand industries, leading to greater financial sufficiency and sustainable community change. It will provide job placement and a six-month post-employment support services.

Naturally Occurring Retirement Communities

Naturally Occurring Retirement Communities (“NORCs”) are on-site collaborations among housing

entities, social service providers, and healthcare networks to provide supportive services for older residents to help them remain independent and safe in their own homes. Currently, \$14.7 million supports 36 NORC programs for over 20,000 residents in the Bronx, Brooklyn, Manhattan, and Queens. NORC services include case assistance, transportation, health promotion, education and recreation, and nursing services.

Transportation Services

NYC Aging’s independent transportation program aims to serve older adults who are unable to travel or access public transportation from becoming socially isolated and/or declining physically by assisting them in getting to and from places they need to go in their communities. Moreover, NYC Aging’s transportation services program offers group transportation to enhance community engagement for seniors by offering recreational, social, and educational trips. Each year, NYC Aging’s \$5.1M transportation program provides over 250,000 one-way trips citywide. NYC Aging’s older adult centers provide over 350,000 one way trips each year.

Caregiver Services

NYC Aging’s caregiver support program offers support groups, counseling, trainings, outreach,

and information services to unpaid caregivers. The caregiver program also offers options for respite care through homecare or participation in social adult day care. In addition, the program provides supplemental services which offer limited financial assistance with the purchase of needed assistive devices and other caregiver related expenses. These services help, to ease the burden of families and other unpaid caregivers. In 2023, funding for the caregiver program is \$8.1 million.

Geriatric Mental Health

NYC Aging’s Geriatric Mental Health initiative provides, mental health services on-site at 88 of the largest older adult centers in the agency’s network. Licensed mental health professionals provide therapeutic services to assist older adult seniors with issues ranging from depression, anxiety to trauma. The 2024 budget has \$6.4 million for older adult center geriatric mental health programs.

NYC Aging is always looking how to innovate the provision of mental health services and have a greater reach for mental health services. As such, NYC Aging is conducting a demonstration initiative based on the current DGMH model, whereby outreach through engagement activities and assessments are conducted at other OACs within the community and if there is a mental health need will see the client back at the main OAC designated site.

Capital Review

The Department’s Four -Year Capital Plan for 2024–2027 totals \$63.6 million. The Four-year Capital Strategy

Capital Commitments

(\$ in 000’s)

	2022		2023		2024		2025		2026		2027	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Building Reconstruction	\$1,289	\$1,289	\$6,536	\$6,536	\$3,865	\$3,865	\$17,020	\$17,020	\$22,626	\$22,626	\$12,541	\$12,541
Data Processing and Information Technology	\$—	\$—	\$2,783	\$2,783	\$5,640	\$5,640	\$505	\$505	\$502	\$502	\$858	\$858
Total	\$1,289	\$1,289	\$9,319	\$9,319	\$9,505	\$9,505	\$17,525	\$17,525	\$23,128	\$23,128	\$13,399	\$13,399

includes funding for rehabilitation of older adult centers and for information and technology projects.

Four-Year Capital Strategy Highlights

- The Department’s Four-Year Capital Strategy totals \$63.6M for 2024-2027 and includes rehabilitation of older adult centers, with a focus on structural and accessibility issues (\$56.1 million); computer and network upgrade and equipment purchases (\$7.5 million).

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

The mission of the New York City Department of Health and Mental Hygiene (the Department, or DOHMH) is to protect and promote the health of all New Yorkers. The Department is committed to maintaining core public health and mental health services and continues to introduce new programs and technologies to improve the health status of all New Yorkers and to reduce health inequities between New York City neighborhoods, as we are all healthier when we live in a City that is healthy.

The Department will continue to target its public health activities towards those communities that bear a disproportionate share of physical and mental illness and premature death, relying on evidence-based and evidence-informed programs and interventions. The Department will pursue active engagement with communities, their organizations, institutions, and members, to continue to tackle the leading causes of death and disability.

The Office of Chief Medical Examiner (the Office, or OCME) is responsible for investigating deaths resulting from criminal violence, accident, or suicide; that occur suddenly and when in apparent good health; when unattended by a physician; in a correctional facility or in custody of any criminal justice entity; or occurring in any suspicious or unusual manner or threat to public health. The Office provides additional forensic services, including DNA testing, to support investigations. OCME also manages all functions of the City mortuary, including the retrieval and processing of unclaimed deceased bodies, and facilitates final disposition. Finally, OCME maintains a specialized mass fatality management team ready to support the City in responding to mass fatalities and other disasters.

Financial Review

The Department's 2024 Executive Budget provides for operating expenses of \$2.1 billion, a decrease of 0.9 billion below the amount forecasted in 2023. Capital commitments of \$208.8 million are also provided, a decrease of \$277.0 million below the 2023 Plan amount.

Revenue Forecast

The Department generates revenue from licenses, permits, inspection and service fees. In 2024, the Department will generate \$32 million in revenue from these sources.

Expense Budget Highlights

Budgetary Priorities

- Funding for Mpox (Monkeypox) testing, vaccination, and outreach.
- Funding for abortion services and the creation of the Abortion Access Hub.
- Funding for an initiative to address maternal mental health during pregnancy and the postpartum period with a focus on residents of TRIE neighborhoods.
- Funding for investments in child and family mental health, including the creation of a mental health digital access hub, expansion of clubhouses, and launching of tele-mental health services.
- Funding for the creation and maintenance of a PPE stockpile.
- Funding for supplies that are critical to providing core services of the OCME.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$538,014	\$635,541	\$558,228	\$587,102	(\$48,439)	\$28,874
Fringe Benefits	1,638	2,759	857	859	(1,900)	2
OTPS	2,073,502	2,389,315	1,468,336	1,523,623	(865,692)	55,287
Total	\$2,613,154	\$3,027,615	\$2,027,421	\$2,111,584	(\$916,031)	\$84,163
Funding						
City	\$1,089,909	\$1,230,143	\$1,023,274	\$1,029,537	(\$200,606)	\$6,263
Other Categorical Grants	16,603	56,731	16,843	16,843	(39,888)	—
IFA	—	—	—	—	—	—
State	419,683	687,670	589,374	608,491	(79,179)	19,117
Federal CD	—	—	—	—	—	—
Federal Other	1,068,699	1,031,112	386,494	444,710	(586,402)	58,216
Intra-City Other	18,260	21,959	11,436	12,003	(9,956)	567
Total	\$2,613,154	\$3,027,615	\$2,027,421	\$2,111,584	(\$916,031)	\$84,163
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$191,201	\$207,823	\$217,083	\$219,789	\$11,966	\$2,706
Pensions	99,312	96,956	93,163	91,562	(5,394)	(1,601)
Other Than Personal Service (OTPS)						
Debt Service	72,886	69,717	73,203	53,363	(16,354)	(19,840)
Total Additional Costs	\$363,399	\$374,496	\$383,449	\$364,714	(\$9,782)	(\$18,735)
Funding						
City	338,194	346,785	341,783	323,653	(23,132)	(18,130)
Non-City	25,205	27,711	41,666	41,061	13,350	(605)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$538,014	\$635,541	\$558,228	\$587,102	(\$48,439)	\$28,874
Fringe Benefits	192,839	210,582	217,940	220,648	10,066	2,708
Pensions	99,312	96,956	93,163	91,562	(5,394)	(1,601)
Total PS	\$830,165	\$943,079	\$869,331	\$899,312	(\$43,767)	\$29,981
OTPS	\$2,073,502	\$2,389,315	\$1,468,336	\$1,523,623	(\$865,692)	\$55,287
Debt Service	72,886	69,717	73,203	53,363	(16,354)	(19,840)
Total OTPS	\$2,146,388	\$2,459,032	\$1,541,539	\$1,576,986	(\$882,046)	\$35,447
Total Agency Costs	\$2,976,553	\$3,402,111	\$2,410,870	\$2,476,298	(\$925,813)	\$65,428
Less Intra-City	\$18,260	\$21,959	\$11,436	\$12,003	(\$9,956)	\$567
Net Agency Cost	\$2,958,293	\$3,380,152	\$2,399,434	\$2,464,295	(\$915,857)	\$64,861
Funding						
City	1,428,103	1,576,928	1,365,057	1,353,190	(223,738)	(11,867)
Non-City	1,530,190	1,803,224	1,034,377	1,111,105	(692,119)	76,728
Personnel (includes FTEs at fiscal year-end)						
City	4,775	5,307	5,395	4,747	(560)	(648)
Non-City	1,315	1,765	1,456	2,302	537	846
Total	6,090	7,072	6,851	7,049	(23)	198

Programmatic Review and Service Impact

Public health is at a pivotal moment in New York and the US. The pandemic laid bare public health infrastructure challenges that have long existed due to underfunding and the fragmentation of social services, public health, and health care. The worst of the COVID-19 emergency may be behind us, but we are left with an unprecedented loss of life expectancy in New York City. This moment requires reassessing our tools for addressing the health of the City. The challenges of COVID-19 prompted DOHMH to undertake a rigorous review of our internal capabilities and priorities. As a result of this review process, the agency has developed a new strategic plan which commits to strengthening internal capabilities such as embedding health equity and anti-racism in all activities, modernizing data systems and improving processes across divisions, and refocusing our priorities on the City's most urgent health needs.

Mental Hygiene Services

Division of Mental Hygiene (MHy)

The Division of Mental Hygiene aims to (1) decrease morbidity and premature mortality, (2) use preventive measures to promote mental wellness and wellbeing, and (3) promote community participation, among all New Yorkers, including those experiencing or affected by: mental health conditions; intellectual and developmental disabilities; substance use; and/or intersections with the criminal legal system. The Division prioritizes advancing racial justice, promoting the understanding that environmental and social factors perpetuate health inequities, and increasing access to quality healthcare across the lifespan of all New Yorkers. In March 2023, DOHMH released "Care, Community, Action: A Mental Health Plan for NYC," a comprehensive plan to guide the City in supporting the mental health of New Yorkers.

Bureau of Administration

The Bureau of Administration ensures the provision of necessary administrative support services and consultation to the Division's bureaus and offices in the areas of Human Resources Administration, Finance, Contracts, Purchasing, and General Office Services.

Bureau of Alcohol and Drug Use Prevention, Care, and Treatment (BADUPCT)

The Bureau of Alcohol and Drug Use Prevention, Care and Treatment (BADUPCT) develops, funds, implements, and evaluates data-driven and evidence-informed initiatives to reduce morbidity and mortality among people who use alcohol and drugs as well as disparities in the neighborhood burden of drug-related harms. Key areas of work include: timely and comprehensive surveillance of alcohol- and drug-related health outcomes including overdose; creation and dissemination of communications campaigns; promotion, support, and delivery of harm reduction (including syringe service programs, overdose education and naloxone, and Relay, DOHMH's nonfatal overdose response system); provision, oversight, and expansion of evidence-based, person-centered treatment (medication for opioid use disorder) in traditional and novel settings; meaningful engagement of communities most impacted by overdose and the War on Drugs; and development and advancement of policy innovations.

Bureau of Children, Youth, and Families (CYF) and Developmental Disabilities (DD)

The Bureau of Children, Youth, and Families and Developmental Disabilities develops, funds, and implements evidence-based/informed programs, initiatives, and policies to promote the mental health, social-emotional wellness, and well-being of NYC children and their families, and people with intellectual and developmental disabilities. Key programs and initiatives include the Children's Single Point of Access (CSPOA) for intensive mental health services, the Early Childhood Mental Health Network, family and youth peer support, and Children's Mobile Crisis. DD unit leads and coordinates policy and programming to support the needs of people with intellectual/developmental disabilities, including oversight of contracted services for children and adults, advocacy and interaction with government and community stakeholders, and promotion of educational and employment opportunities.

Bureau of Community Awareness, Action, Response, and Engagement (BCAARE)

The Bureau of Community Awareness, Action, Response, and Engagement (BCAARE) engages and supports community action to learn from community

members' experiences and expectations to develop and disseminate behavioral health linkages and supports for wellness, and for preparing for, and responding to local and widespread events and emergencies. The bureau invites and includes peer perspectives to integrate equitable access to behavioral health across sectors and settings. BCAARE is organized into six offices including Policy and Planning; Consumer Affairs; Behavioral Health Office of Emergency Preparedness and Response; Data Aggregation, Translation, and Analytics; Community Engagement and Training; and Neighborhood Response Unit. Key programs, initiatives, and collaborations include Connections to Care: Building Resilience for Youth, Community Covid Conversations (3C), NYC Project Hope, Resilience and Emotional Support Team (REST), and the Mayor's Subway Safety Plan.

Bureau of Mental Health (BMH)

The Bureau of Mental Health procures and monitors approximately 400 contracted programs that provide supportive housing, crisis intervention, mental health treatment, care coordination, and psychiatric rehabilitation services. Additionally, the Bureau directly operates the City's Single Point of Access (SPOA) to mobile mental health treatment and care coordination, and the court-mandated Assisted Outpatient Treatment (AOT) program, both with a focus on people experiencing serious mental illness, and the NYC Supportive Transition and Recovery Team (NYC START) for young adults experiencing a first episode of psychosis. Lastly, the Bureau evaluates its contracted and directly operated programs to understand their impact and promote quality improvement, conducts population-level surveys and behavioral health care system surveillance to identify gaps in care, and informs decision making, advocacy, and policy.

Bureau of Health Promotion of Justice-Impacted Populations (HPJIP)

The Bureau of Health Promotion of Justice-Impacted Populations (HPJIP) aims to reduce the negative social and health consequences of criminal legal system involvement through innovative policy and practice change. By centering community, addressing racial inequities, honoring lived experience, and elevating trauma-and-resilience-informed-approaches, HPJIP promotes evidence-based best practices to address the needs of those disproportionately impacted by the criminal legal system.

Public Health Services

Center for Health Equity & Community Wellness

The Center for Health Equity and Community Wellness (CHECW) seeks to eliminate racial and other inequities resulting in premature mortality. With an unwavering grounding in history and structural analysis, CHECW increases visibility of the harm perpetuated by centuries of racist, socially unjust policy while pushing towards redress for the most impacted NYC communities. CHECW addresses inequity across community and health systems in partnership with community, faith-based, and health care organizations. CHECW's work focuses on social determinants of health, including environmental and commercial determinants, and addresses both upstream and downstream factors to improve the health and well-being of New Yorkers.

Bureau of Bronx Neighborhood Health

The Bureau of Bronx Neighborhood Health, one of three neighborhood-based bureaus that make up the Center for Health Equity and Community Wellness (CHECW), works to reduce premature mortality among underserved populations in at-risk neighborhoods in the South Bronx. The bureau utilizes a collective action approach, responding to community needs through inclusive programming, capacity building, and collaborative endeavors with local stakeholders. The bureau also oversees the Bronx Neighborhood Health Action Center, a safe and welcoming space that provides social service referrals, health and wellness classes, and meeting space to community partners.

Bureau of Brooklyn Neighborhood Health

The Bureau of Brooklyn Neighborhood Health is one of three neighborhood-based bureaus in the Center for Health Equity and Community Wellness (CHECW), serving North and Central Brooklyn. The Bureau of Brooklyn Neighborhood Health works to close racial gaps in premature mortality through programming, collaborations with key stakeholders, building capacity of community residents and organizations, and responding to community needs through a collective action approach. The Bureau centers communities by ensuring the community has input into programming by getting stakeholder input and looking at neighborhood data. Building services include providing referrals, supporting health and wellness classes, and making building space available to partners.

Bureau of Harlem Neighborhood Health

The Bureau of Harlem Neighborhood Health is one of three neighborhood-based bureaus in the Center for Health Equity and Community Wellness (CHECW), traditionally supporting the East and Central Harlem neighborhoods. The Bureau of Harlem Neighborhood Health works to reduce persistent health disparities across neighborhoods where significant gaps in premature morbidity and mortality exist. Through place-based programming; collaborations with key stakeholders, including co-located partners; and building the capacity of community residents and organizations, the bureau responds to community needs through a collective action approach. The work is centered in a racial equity lens and emanates from a place-based approach ensuring that the community has input into programming through collaborative development supported by analysis of neighborhood data. Services include providing referrals, supportive health and wellness classes, and providing building space to neighborhood and community partners free of charge.

Bureau of Chronic Disease Prevention (BCDP)

The Bureau of Chronic Disease Prevention (BCDP) strives to reduce the burden of chronic disease, including heart disease, obesity, cancer, and diabetes, among New Yorkers. It has created and implemented initiatives and policies with national and international impact. BCDP aims to shift environments and systems to prevent chronic disease and promote more equitable health outcomes, with a focus on nutrition, tobacco use and the built environment as well as increased awareness and screening for hypertension and cancer. BCDP works with partners in government and in the community to employ evidence-based policies, programs, communications, and research to advance its objectives. BCDP promotes equitable health opportunities for all New Yorkers by working to end the impact of racial discrimination and the social injustices that are a root cause for inequities in chronic disease prevalence and outcomes. BCDP sits within the CHECW.

Bureau of Equitable Health Systems (BEHS)

The Bureau of Equitable Health Systems (BEHS) is the healthcare systems bureau situated within CHECW. Its mission is to apply policy, evidence, and practical expertise to improve equity in health care delivery at the individual, organizational, and systems

levels. BEHS aims to operationalize the NYC Board of Health's resolution of Racism as a Public Health Crisis by addressing structural racism and intersectional inequities embedded within the healthcare delivery system. Its units include: the Healthcare System Innovation & Support (Community Healthcare System Support, Community Healthcare Strategic Partnerships, Program Evaluation and Planning), Healthcare Systems Strategy, the Office of Health Insurance Services, and Healthcare Access and Policy. These units collaboratively lead the following initiatives: a) Supporting the strategic plan and vision of the Chief Medical Officer, b) Engaging Safety Net Primary Care Providers to achieve health equity, c) Promoting Health Equity for Immigrant Populations, and d) Promoting Healthy Aging.

Bureau of Health Equity Capacity Building (HECB)

The Bureau of Health Equity Capacity Building (HECB) seeks to increase place-based investments and build community partnerships to address health inequities in disinvested neighborhoods. HECB does this by helping people gain clarity on what causes the health inequities in disinvested neighborhoods, helping all stakeholders develop a strong conviction about what needs to be done and their own agency and role in making change and working with community partners to translate evidence on social determinants of health and root causes into concrete action. The Bureau also works with community partners to develop recommendations for policies, programs, practices, and interventions to close the racial gap in premature mortality for the leading causes of preventable death. Their programs include:

- Faith-based partnerships for health equity.
- Public Health Corps to eliminate COVID-19 disparities.
- Food justice interventions to combat predatory marketing and increase access to healthier food options at bodegas.
- Peer-led community mental health equity programs.
- Queens Neighborhood Health - Sports for Family Health.
- Violence Prevention Initiatives.

Bureau of Finance, Administration, and Services (BFAS)

The Bureau of Finance, Administration, and Services (BFAS) houses all administration for the Center for Health Equity and Community Wellness (CHECW). The CHECW Finance and Administration team consists of Human Resources, Operations, Budget, and Contracts. The CHECW Finance and Administration team aims to support the programmatic goals of CHECW by providing timely, accurate, and transparent administrative information while establishing and enforcing policies and procedures to responsibly manage the division's resources.

Disease Control

Bureau of Hepatitis, HIV, and Sexually Transmitted Infections (BHHS)

The mission of the Bureau of Hepatitis, HIV, and Sexually Transmitted Infections (BHHS) is to improve the lives of New Yorkers by ending transmission, illness, stigma, and inequities related to viral hepatitis, HIV, and sexually transmitted infections (STIs). BHHS's work includes testing initiatives; prevention, care, and treatment programming; epidemiology and surveillance; training and technical assistance; community engagement; social marketing; policy advocacy; and racial equity and social justice initiatives. BHHS takes an approach that is holistic, strengths-based, community-driven, and intersectional, accounting for how factors such as race, ethnicity, gender, sex, and socioeconomic status, among others, come together to impact New Yorkers' experience with viral hepatitis, HIV, and STIs.

BHHS's work on viral hepatitis is guided by the first-ever viral hepatitis elimination plan for New York City, released in December 2021. Led by Hep Free NYC, a community coalition of clinical and community health providers, researchers, advocates, and people with lived experiences of hepatitis B (HBV) and hepatitis C (HCV), the Plan to Eliminate Viral Hepatitis as a Major Public Health Threat in New York City by 2030 presents a set of strategies to reduce the number of HCV infections, improve the health of people with HBV and HCV, and reduce health inequities related to viral hepatitis infection in NYC. The plan includes progress indicators based on currently available hepatitis program and surveillance data. Implementation is underway.

BHHS's work on HIV is guided by the New York City 2020 Ending the HIV Epidemic Plan, which streamlines and sets priorities for the next phase of the City's efforts to bring down the number of new HIV diagnoses and improve the health and well-being of people with HIV. Released in March 2021, the plan is the product of a nearly year-long community planning process involving the New York City HIV Planning Group, Health and Human Services Planning Council of New York, and other community stakeholders. The plan's key activities are organized around four strategies: diagnose, treat, prevent, and respond, and two cross-cutting issues: social and structural determinants of HIV-related health inequities and the HIV service delivery system. It identifies seven priority populations and uses 17 population-level metrics to track progress toward plan goals. Implementation is underway.

BHHS's work on STIs focuses on providing New Yorkers with resources to make informed and empowered sexual and reproductive health decisions, keep themselves and their sexual partners free of STIs and their related negative health outcomes, and reduce sexual and reproductive health disparities. BHHS advances the field of STIs through direct provision and citywide support for patient and partner services to identify, prevent, treat, and manage STIs; evaluating programs and practices to improve clinical service delivery and measure program impact; conducting research and evaluation to strengthen the knowledge base of STI treatment and prevention; monitoring STI disease trends and disseminating accurate and timely information to the public; educating and training providers and community members on STI prevention and treatment practices; and developing policies to improve sexual health.

Bureau of TB Control (BTBC)

The Bureau of TB Control (BTBC) is committed to providing high-quality, effective tuberculosis (TB) prevention and care services to all New Yorkers. TB in NYC disproportionately affects non-US-born New Yorkers and US-born minorities; the majority of cases emerge from the reservoir of infected individuals in the community who may be unaware of their risk for developing TB. BTBC's public health activities include surveillance, case management and contact investigations, directly observed therapy, medical consultation, outbreak detection, evaluation of newly arrived immigrants and refugees, and education and outreach. BTBC works collaboratively with medical providers, elected officials, and communities to

increase awareness of TB and reduce disparities in care. In partnership with BPHC, BTBC is expanding the use of technology for TB testing and diagnosis, providing more effective short-course treatment options, and offering innovative forms of treatment monitoring such as telehealth to ensure an efficient, patient-centered model of care.

Bureau of Public Health Clinics (BPHC)

The Bureau of Public Health Clinics (BPHC) was created in July 2021 to centralize and streamline clinical operations, oversee the Department's eight Sexual Health Clinics (SHCs), four Tuberculosis (TB) Chest Centers, and eight COVID-19 Express testing clinics. Since the centralization in 2021, BPHC has pivoted two COVID-19 Express testing sites to STI Quickie testing sites; enhanced sexual health services to include mpox assessment, testing, treatment and vaccination; initiated a Pre-Exposure Prophylaxis for HIV (PrEP) continuity clinic in Corona Queens to support the Jackson Heights community; expanded Long-Acting Reversible Contraception (LARC) across all operating SHCs; implemented medication abortion at two locations with a stand-alone reproductive health clinic; and initiated social work services within TB chest centers to support social services. The Public Health Clinics are recognized as the safety net clinics of New York City, but in recent years they have also in many cases been the first and only entry point into health care for many New Yorkers – providing stigma-free and patient centered care regardless of immigration status or ability to pay.

- BPHC's SHCs serve anyone ages 12 or older, with or without parental notification. The clinics provide STI and HIV testing; treatment and prevention services; immunizations; HIV pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) to prevent new infections; immediate initiation of anti-retroviral treatment for newly diagnosed HIV infections through the JumpstART program; cancer prevention, reproductive health, and contraceptive services (including LARCs); behavioral health services; and navigation for referrals and follow-up care. The Chelsea and Fort Greene Sexual Health Clinics include a state-of-the-art Quickie clinic offering HIV and STI express testing for chlamydia and gonorrhea conducted in an onsite lab; all visits are conducted within 20-minute cycle time with PCR confirmatory test results available within hours via the patient portal. BPHC is planning to expand Quickie clinic services across SHCs as funding

becomes available to support immediate testing and treatment access for asymptomatic individuals.

- The TB Chest Centers offer TB testing, chest radiographs, treatment and monitoring, and HIV testing. To ensure positive patient outcomes, every patient diagnosed with TB receives comprehensive case management throughout the duration of their treatment – generally six to nine months – regardless of where they receive clinical care. Additionally, BPHC identifies and evaluates individuals at high-risk for TB and offers preventive treatment, if appropriate.
- The COVID-19 testing clinics provide PCR testing, with results ready usually within hours.

Bureau of Communicable Diseases (BCD)

The Bureau of Communicable Diseases (BCD) tracks and monitors more than 73 infectious diseases with the intention of rapidly detecting clusters and outbreaks for investigation, characterizing and responding to infectious disease threats, and preventing and controlling ongoing transmission. BCD is responsible for a wide range of diseases (from anthrax to Zika virus), including those transmitted person-to-person, by contaminated food or water, or through animal contact or mosquito and tick bites. In addition, BCD is responsible for diseases that are a potential bioterrorism threat, or any new or emerging diseases like COVID-19 or novel influenza strains (e.g., avian influenza viruses such as H7N2). Key activities include:

- Case, contact, and outbreak investigations to determine the source of exposures and prevent spread to others.
- Routine monitoring and systematic analyses of notifiable disease data to rapidly detect outbreaks and track disease trends, characterize clinical and local epidemiologic features, and identify common exposures and populations at risk to prioritize prevention efforts and share summary data with internal and external partners.
- Providing technical assistance and consultation to the medical and animal health communities and educating the public on the recognition, prevention, and control of communicable diseases.
- Maintaining timely and informative syndromic surveillance systems to routinely monitor illness and

treatment-seeking patterns and provide situational awareness during public health emergencies.

Since January 2020, BCD has implemented a multi-faced response to COVID-19 to track the pandemic and provide key data to Health Department and City leadership to guide the response. Surveillance reports are produced daily to track case counts, hospitalization, deaths, and to proactively monitor the impact on population groups at higher risk for more severe outcomes, including people of color and those living in high poverty areas of the city or in residential congregate settings. Activities have been numerous and include case and cluster investigations in congregate residential and nonresidential settings (including nursing homes, homeless shelters, schools, and worksites); special epidemiologic studies such as on home deaths, mortality case control study, risk exposure case control study, and pediatric spectrum of disease; and investigation of re-infections and monitoring cases among persons who are vaccinated.

Bureau of Immunization (BOI)

The Bureau of Immunization (BOI) conducts activities to promote the vaccination of all New Yorkers and prevent the occurrence and transmission of vaccine-preventable diseases. Key activities include vaccine distribution, clinical services, provider outreach and support, public education and outreach, monitoring immunization coverage, monitoring school immunization compliance, prevention of perinatal hepatitis B infection, surveillance of vaccine-preventable diseases, outbreak response to prevent or control the spread of disease, and maintaining the Citywide Immunization Registry (CIR).

BOI continues to manage the COVID-19 vaccination program, ensuring access to vaccination services across the City and managing provider enrollment, education, site visits and clinical support, vaccine ordering and distribution, and data tracking especially as COVID-19 vaccine recommendations continue to expand to include all ages over 6 months and new booster recommendations. Additionally, BOI is preparing for the commercialization of COVID-19 vaccine and its inclusion in the Vaccines for Children (VFC) program later this year. BOI is also engaged in several programs to assess COVID-19 vaccine effectiveness in different settings and the effect of vaccine policies.

In addition, staff have responded to multiple emergencies while conducting the COVID-19

vaccination campaign. BOI staff were activated to plan and implement an mpox vaccination campaign as part of the Agency's response to the mpox outbreak (NYC was the epicenter) in the summer of 2022. In the fall of 2022, BOI promoted flu vaccination along with COVID-19 vaccination in response to an early and severe respiratory virus season in NYC. In addition, BOI responded to an influx of asylum seekers who needed vaccination services, to a varicella outbreak, and to a case of paralytic polio in New York State.

BOI is working to address the drop in routine pediatric vaccinations and coverage seen during the COVID-19 pandemic, conduct vaccine accountability activities, promote influenza vaccination, increase coverage of recommended vaccines for adults and human papillomavirus (HPV) vaccine for adolescents, promote CIR clinical decision support and reminder-recall tools to help achieve on-time vaccination of children and adolescents, and increase compliance with school vaccine requirements. We anticipate incorporating COVID-19 vaccination activities into routine immunization work in FY24.

Public Health Laboratory (PHL)

Established in 1892 to control a diphtheria outbreak, the NYC Public Health Laboratory (PHL) was the world's first municipal bacteriological laboratory. It has since become a national leader in public health laboratory science and biosafety in laboratory diagnostics, providing a wide variety of clinical and environmental laboratory testing services and research. PHL tests for infectious diseases such as HIV and other STIs; tuberculosis; vaccine-preventable disease (measles, mumps, and rubella); influenza; and agents of vector-borne, foodborne and waterborne illnesses. PHL also collaborates with other city, state, and federal partners to respond to public health challenges and emerging public health threats in NYC and worldwide. Over the past 20 years, PHL has been called upon to respond to a number of public health emergencies including: analyzing the anthrax-laden letter received at the NBC News office in NYC in 2001; being the first laboratory to implement a CDC-developed test for 2009 H1N1 pandemic influenza; implementing Ebola testing and diagnosing NYC's case in 2014; and using whole genome sequencing (WGS) technology to help determine the sources of the large-scale Legionnaire's disease outbreaks in the summer of 2015 and fall of 2018.

More recently, PHL has been on the forefront of the COVID-19 and mpox responses: PHL was the first lab in early March 2020 to conduct COVID-19 testing in NYC; it opened 8 COVID Express Quickie Labs at Health Department clinics to provide same day results and has tested over 330,000 specimens since the beginning of the pandemic; it has generated over 6,000 SARS-CoV-2 sequences and these activities have been instrumental in ongoing efforts to detect emerging variants in NYC; and it partnered with NYC Department of Environmental Protection and other collaborators to analyze COVID-19 wastewater surveillance data. While continuing to respond to COVID-19, PHL also played a lead role in testing during the first months of the 2022 mpox outbreak and tested over 2,000 cases. PHL continues to work closely with partners to expand wastewater surveillance efforts, which include detection of poliovirus. Additionally, expansion of vector-borne disease testing is ongoing at PHL as climate change continues to affect the geographic spread of mosquitos and ticks. PHL has also been a leader in providing rapid sexual health testing and opened the Quickie Lab in 2019 at the Chelsea Sexual Health Clinic and subsequently opened another Quickie Lab in 2022 at the Fort Greene Health Center. As part of efforts to strengthen NYC as a leader in biopreparedness and to better serve the community, a new state-of-the-art PHL building is currently under construction with planned opening in early 2026.

Bureau of Division Management and Systems Coordination (BDMSC)

The Bureau of Division Management and Systems Coordination (BDMSC) leads administrative, surveillance, informatics, preparedness, policy, communications, and community engagement activities for the Division, and guides the strategic use of Division resources to advance innovative and effective policies and programming.

Division of Environmental Health

The Department's Division of Environmental Health (EH) prevents and controls illness and injury related to environmental and occupational health risks through outreach and education, surveillance, and enforcement. EH permits and inspects facilities including restaurants, mobile food carts and trucks, child care programs, beaches and pools; monitors air and drinking water quality; addresses the impact of our changing climate on health; investigates and prevents elevated blood lead levels; oversees the city's animal

shelter system; controls mosquitoes and rats; and promotes housing quality, among other environmental health activities.

Office of Emergency Preparedness and Response (OEPR)

The Department envisions a healthy, resilient city in which all New Yorkers are able to achieve and maintain optimal and equitable health outcomes before, during, and after emergencies. The Department's Office of Emergency Preparedness and Response (OEPR) aims to advance DOHMH's and NYC's ability to prevent, prepare for, respond to, and recover from the health impact of emergencies by partnering with City agencies, the health care sector, and the community. OEPR plans for critical public health field operations to ensure both life safety and positive health outcomes for all New Yorkers during and after an emergency, including planning for Points of Dispensing (POD), which was a key method to rapidly distribute COVID-19 vaccines during the pandemic. OEPR prepares for and conducts large-scale public health operations such as these through the conduct of field exercises, trainings, and the development of operational plans and Citywide staffing lists that include thousands of staff from over 30 agencies.

The Department also continues to enhance the capacity of the healthcare system, through collaboration with NYC hospitals, healthcare coalitions, long-term care and primary care facilities, to effectively respond to emergencies in a manner that promotes continuity of care for all New Yorkers. Specifically, to increase the City's capacity to address infectious disease threats, OEPR partners with the City healthcare system to ensure the ability to assess/treat patients with emerging infectious disease and prevent healthcare associated infections. The Department is also dedicated to strengthening overall community resilience through partnerships with community networks, leaders and organizations which ensures that there are mechanisms to incorporate community input into the Department's preparedness plans and to enhance coordination with the community during an emergency.

Over the past three years, OEPR led the DOHMH Incident Command System (ICS) coordination for the COVID-19 response including close collaboration with health care, community, and agency partners to ensure an equitable response with a focus on engaging community and clinical partners in neighborhoods most impacted by the pandemic. OEPR staff served in key roles in a

number of DOHMH's ICS emergency response groups, including, but not limited to, Incident Commander (IC), Public Information Officer (PIO), Equity Task Force, Continuity of Operations (COOP), Healthcare Services Support Branch (HSSB), Planning, and Citywide Health Emergency Field Operations (CHEFO) – which included the conduct of complex, critical public health field operations at the NYC Vaccination Hubs/PODs and, in 2020, the distribution of critical personal protective equipment (PPE), ventilators, and other lifesaving medical equipment to health care facilities at the height of the pandemic. Through lessons learned from these efforts, OEPR will continue to focus on building the City's ability to prepare for, respond to and recover from any emergency that impacts the health of New Yorkers.

Division of Epidemiology

The Division of Epidemiology provides epidemiologic information, support, and training to inform policy and program decision-making, monitor health conditions, and improve delivery of public health services in New York City. Key activities in the Division include:

- Systematic collection, analysis, and dissemination of data on health issues, including COVID-19, citywide and among special populations and provision of training and support for specialized analyses and targeted studies.
- Registration, processing, and analysis of all vital events in New York City, including births, deaths, and spontaneous and induced terminations of pregnancy.
- Enhancement of public health knowledge and skills of public health staff, students and trainees through in-person and e-learning courses, internships, and lecture series.
- Education of healthcare providers in New York City and training of medical students and clinical residents to improve public health knowledge and skills.
- Establishment and maintenance of the World Trade Center Health Registry - a cohort of more than 71,000 people directly exposed to the WTC disaster - to identify and track the long-term physical and

mental health effects and unmet health needs of 9/11 and to connect enrollees and others to the federal WTC Health Program for monitoring and treatment of 9/11-related conditions.

- Development and implementation of guidelines to embed equity into agency's research & evaluation activities via the agency-wide Data for Equity Workgroup.

In the coming year, the Division of Epidemiology will continue to work in collaboration with other programs within the Department to support the City's COVID-19 recovery and understand long COVID among New Yorkers. In addition, the Division will continue to expand its public health surveillance approaches, including conducting monthly surveys through Healthy NYC, a panel of approximately 10,000 adult New Yorkers established during the pandemic to collect data on a range of topics. Additionally, the Division will continue to develop and reinforce its racial equity work across the division, including engaging staff and expanding workforce equity efforts to focus on supporting front-facing staff, and continuing to normalize conversations about race, racism, and racial equity.

Division of Family and Child Health

The Division of Family and Child Health works to improve the health of children, women and families in New York City, with an emphasis on reducing health disparities and advancing equity. The Division's diverse and expansive portfolio of work includes providing home visits to new parents, caring for acute and chronic conditions in school children, and engaging communities around promoting sexual and reproductive justice, including equitable abortion access. Four bureaus comprise the Division: Bureau of Maternal, Infant and Reproductive Health, Bureau of Early Intervention, Office of School Health, and the Bureau of Administration.

Bureau of Maternal, Infant and Reproductive Health (BMIRH)

To advance its vision of helping New Yorkers reach their full potential, MIRH implements evidence-based and evidence-informed programs, services, and policies. It conducts innovative research and ongoing surveillance to achieve equitable and improved

maternal, infant, and reproductive health outcomes. It promotes the health and development of all children, youth, and pregnant people to reduce adverse childhood experiences and assures that all children are healthy and ready to learn and thrive every day.

As part of its focus on improving maternal, infant, and reproductive health, MIRH seeks to reduce disparities in outcomes, and educates and empowers New Yorkers to make informed, responsible, and healthy choices in their sexual and reproductive lives. MIRH programs prioritize individual choice and bodily autonomy in the context of historical events, lived experiences, sexualities and social conditions. The bureau operates the City's Abortion Access hub, connecting those seeking abortions in NYC to providers and related services.

The Bureau provides home visiting services for mothers, infants, and families, including those residing in homeless shelters. The New Family Home Visiting program refers New Yorkers to a variety of home visiting programs, ensuring coordination across the city. The Bureau also operates some home visiting programs including the Nurse Family Partnership and the Newborn Home Visiting Program.

A NYC Birth Equity Initiative was launched in 2017 to implement a multifaceted strategy to achieve the OneNYC goal of reducing racial disparities in infant mortality and to reduce disparities in severe maternal morbidity and maternal mortality.

In 2022, NYC unveiled a comprehensive plan to address racial disparities in maternal death, life-threatening complications from childbirth, and infant mortality. The plan expanded the citywide doula initiative and Midwifery Initiative to gather data for a report on births and care. The plan also expanded the Maternity Hospital Quality Improvement Network to all 38 city birthing centers. The network has trained staff in implicit bias and trauma-informed care and created partnerships with community-based organizations and doula services.

Office of School Health (OSH)

The Office of School Health (OSH) is a joint program of the Department of Education and the Department of Health and Mental Hygiene responsible for promoting the health of the approximately 1.1 million school children enrolled in approximately 1,800 public and non-public schools in New York City. OSH

is committed to ensuring all schools have resources to support student health, as well as physicians available for all schools to conduct student examinations and clinical consultations. Nursing services to students include case management of chronic health problems, preventive health screening, urgent care, medication administration, preventive counseling, health education, referral for care, and assurance of ongoing effective treatment.

The Division's multifaceted approach to reduce unintended pregnancy includes providing school-located services to increase the number of adolescents receiving high quality reproductive health services via the School-Based Health Center Reproductive Health Project and Connecting Adolescents to Comprehensive Healthcare (CATCH) program. Both programs provide critical school-located reproductive health services, including on-site dispensing of contraception, to high school students. The Office of School Health also provides vital school-located services including on-site vision, asthma case management, oral health, and mental health services.

The division also operates Making Waves, a multi-component swim program for young people ages 6-18+ who are enrolled in NYC schools or who participate in a DYCD or DOE summer camp program. The Making Waves program started in 2015 as a six-week Progressive Swim summer program providing free swim lessons and water safety instruction to children ages 6-18 in underserved neighborhoods. It has expanded to include school-year programming. Teen Open Swim, operated in DOE pools, provides relaxation and socialization for students selected by their principals. The Lifeguard training and Certification programming makes students (16+) eligible for Red Cross Lifeguard certification and employment as lifeguards.

All three components of Making Waves (Progressive Swim; Teen open Swim; Lifeguard Training) have a goal of addressing systemic health inequities by empowering historically disadvantaged students.

Early Intervention

The Early Intervention (EI) program identifies and serves children from birth to age three years with developmental delays or disabilities. The program supports families in managing their children's needs and their development. The Division coordinates the development of each family's Individualized Family

Service Plan and authorizes all services, such as speech therapy, special instruction, and physical and occupational therapy. EI serves more than 30,000 children and their families annually. All EI services are voluntary and provided at no cost to families, regardless of income, immigration, or insurance status.

The Bureau of Early Intervention promotes equity and access to services in multiple ways. Its extensive outreach and community partnerships have increased the rate of referral from communities of color while also restoring total Program participation to 2019 levels. To improve retention, the Bureau engages all newly referred families through its Text2Families texting program. Retention is also improved when families are served by a culturally competent workforce using best practices, and to support that the Bureau has sponsored programmatic innovations in early childhood education at CUNY and SUNY schools and developed credit-bearing online trainings for EI professionals.

Office of Chief Medical Examiner

The Office of Chief Medical Examiner (the Office, or OCME) serves public health and the criminal justice system through forensic medicine and science. OCME's independent investigations of deaths and analysis of evidence provide answers to families and communities during times of profound need.

The OCME is responsible for investigating deaths resulting from criminal violence, accident, or suicide; that occur suddenly and when in apparent good health; when unattended by a physician; in a correctional facility or in custody of any criminal justice entity; or occurring in any suspicious or unusual manner or threat to public health. These types of cases are referred to as being under "Medical Examiner jurisdiction."

This work is accomplished through the efforts of forensic pathologists at 3 OCME forensic pathology centers and supported by the agency's 5 state of the art forensic laboratories. The Office also reviews all applications for permits to cremate the body of a person who dies in New York City.

The Office provides additional forensic services, including DNA testing to support criminal justice investigations. The OCME houses the nation's largest public forensic DNA laboratory, responsible for performing DNA analysis on nearly every category of

crime occurring in the City, including homicide, rape, property crime, and weapons and gun cases, as well as missing persons investigations.

In June 2022 OCME formed the first in the nation, DNA Gun Crimes Unit with scientists and equipment dedicated exclusively to DNA testing of gun crimes evidence. When it was formed the turnaround time for DNA gun crimes was already under 60 days, faster than 90% of the jurisdictions in the nation; the goal of OCME is to reach 30 days, which will be the fastest of any major jurisdiction in the country.

OCME is the custodian of all unclaimed or unidentified World Trade Center (WTC) remains and will continue to identify additional victims of the World Trade Center attacks.

Finally, OCME maintains a specialized emergency mass fatality management team ready to support the City in responding to mass fatalities and other disasters, as demonstrated by the agency's successful citywide response to the COVID-19 pandemic, the worst mass fatality incident in the history of New York City.

Following OCME's role as mass fatality response lead for the city, the agency has continued to experience a sustained approximately 30% increase in our caseload across all operational areas post pandemic. OCME has added additional capacity to its fixed mortuary facilities to accommodate this increase and has adjusted operations to accommodate.

Capital Review

The 2024-2033 Ten-Year Capital Strategy totals \$667 million which includes \$349 million in the 2024-2027 Four-Year Plan. The plan includes allocations for renovating facilities, new construction, information technology improvements, and the purchase of equipment. The focus of the Department's Four-Year Capital Strategy is to identify, prioritize and support immediate needs for code compliance and other renovations at the City's public health facilities and technology investments that are essential in providing critical public health services.

The table below reflects actual capital commitments for FY 2022 and planned capital commitments over the FY 2023-2027 period by program area.

The table below shows capital commitments by program area over the FY 2023 - 2026 period.

Capital Commitments
(\$ in 000's)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Administration	\$551	\$551	\$2,709	\$2,709	\$700	\$700	\$—	\$—	\$20,038	\$20,038	\$—	\$—
Animal Care.....	\$1,226	\$1,226	\$118,293	\$118,293	\$2,261	\$2,261	\$175	\$175	\$—	\$—	\$—	\$—
Renovations.....	\$11,240	\$11,242	\$30,527	\$30,623	\$70,193	\$70,193	\$1,647	\$1,647	\$3,703	\$3,757	\$10,810	\$10,810
Equipment.....	\$6,322	\$6,341	\$18,948	\$18,974	\$43,652	\$43,872	\$27,267	\$27,267	\$3,680	\$3,682	\$10,259	\$10,259
Information Technology.....	\$(72)	\$(100)	\$18,270	\$20,601	\$4,283	\$4,783	\$—	\$—	\$7,241	\$8,338	\$8,614	\$9,967
Laboratories	\$229,139	\$229,139	\$285,026	\$285,026	\$80,804	\$80,804	\$—	\$—	\$—	\$—	\$—	\$—
OCME.....	\$(52)	\$130	\$9,496	\$9,562	\$6,223	\$6,223	\$38,312	\$38,312	\$1,451	\$1,451	\$4,956	\$4,956
Total	\$248,354	\$248,529	\$483,269	\$485,788	\$208,116	\$208,836	\$67,401	\$67,401	\$36,113	\$37,266	\$34,639	\$35,992

Highlights of the 2024-2033 Ten-Year Plan Capital Strategy:

The 2024-2033 Ten-Year Capital Strategy allocates \$667 million for renovating facilities, new construction, information technology improvements, and the purchase of equipment. It includes \$349 million in the 2024-2027 Four-Year Plan for:

- Renovation of various public health facilities (\$86 million).
- A new Public Health Laboratory (\$80 million).
- Information technology improvements, which include upgrades to the Department’s network and security and systems, and the purchase of critical technologies needed to maintain and improve services (\$23 million).
- One new full-service animal care centers in the Bronx, upgrades to the animal care centers in Brooklyn and Manhattan, and other animal welfare investments (\$2 million).
- Purchase of equipment and vehicles, and upgrades of IT infrastructure within the Office of Chief Medical Examiner (\$51 million).

FIRE DEPARTMENT

The Fire Department is responsible for protecting the lives and property of the citizens of New York City while responding to fire, medical and other emergencies, and investigating building hazards. The Fire Department extinguishes fires, promotes fire prevention awareness, investigates suspicious fires, provides ambulance and emergency medical services, and conducts building safety inspections. The Department currently has 357 fire units that provide fire, rescue, and emergency medical services. The agency also promotes fire prevention through public outreach and enforcement of New York City's Fire Code. The Department's Fire Marshals investigate fires and apprehend arsonists. The Bureau of Emergency Medical Services (EMS), assisted by the Certified First Responder (CFR) trained personnel responding from engine companies, provides pre-hospital emergency medical care and ambulance transport, where required.

Financial Review

The Fire Department's 2024 Executive Budget provides for operating expenses of \$2.3 billion, a decrease of \$301 million from the amount forecasted for 2023. This variance is driven largely by Federal grant funding that has not been reflected in 2024 and a lower allocation in 2024 for uniformed operations.

Capital commitments of \$386 million are also provided in 2024. This represents an increase of \$82 million from the amount forecasted for 2023. The 2024 forecast is higher primarily due to higher planned commitments for facilities construction.

Revenue Forecast

The Fire Department issues permits and collects fees for the inspection of fire suppression and electrical systems, places of public assembly, laboratories, high-rise buildings, review of fire protection plans, and the storage and use of combustible materials. In addition, the Department realizes revenues from fees charged to private fire alarm companies and to out-of-state fire insurers that issue policies in New York City. In 2024, the revenue estimate for the Fire Department is \$99.1 million.

The Department also collects revenue from Emergency Medical Services (EMS) ambulance transports. In 2024, total EMS revenue is projected at \$392.7 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Continue to provide fire extinguishment and rescue services, investigate suspicious fires, promote fire prevention, and conduct building safety inspections.
- Continue to provide on-site emergency medical care and ambulance transport services Citywide.
- Maintain the Department's public CPR training program through 2023, in partnership with NYC Service.
- Continue and expand mental health teams and training to respond to non-violent 911 mental health emergencies, at a cost of \$27 million.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$2,138,660	\$2,204,626	\$1,961,334	\$1,999,239	(\$205,387)	\$37,905
Fringe Benefits	18,956	30,575	28,023	31,635	1,060	3,612
OTPS	328,403	363,276	252,725	266,174	(97,102)	13,449
Total	\$2,486,019	\$2,598,477	\$2,242,082	\$2,297,048	(\$301,429)	\$54,966
Funding						
City	\$2,244,387	\$2,211,919	\$1,796,231	\$1,831,717	(\$380,202)	\$35,486
Other Categorical Grants	166,043	224,164	392,675	394,103	169,939	1,428
IFA	567	567	567	567	—	—
State	1,927	27,430	1,835	1,835	(25,595)	—
Federal CD	—	—	—	—	—	—
Federal Other	70,174	133,171	50,255	68,307	(64,864)	18,052
Intra-City Other	2,921	1,226	519	519	(707)	—
Total	\$2,486,019	\$2,598,477	\$2,242,082	\$2,297,048	(\$301,429)	\$54,966
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$902,493	\$960,162	\$976,645	\$1,009,977	\$49,815	\$33,332
Pensions	1,544,968	1,565,584	1,586,808	1,617,205	51,621	30,397
Other Than Personal Service (OTPS)						
Debt Service	230,150	234,731	246,469	194,451	(40,280)	(52,018)
Total Additional Costs	\$2,677,611	\$2,760,477	\$2,809,922	\$2,821,633	\$61,156	\$11,711
Funding						
City	2,624,676	2,701,468	2,763,835	2,772,940	71,472	9,105
Non-City	52,935	59,009	46,087	48,693	(10,316)	2,606
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$2,138,660	\$2,204,626	\$1,961,334	\$1,999,239	(\$205,387)	\$37,905
Fringe Benefits	921,449	990,737	1,004,668	1,041,612	50,875	36,944
Pensions	1,544,968	1,565,584	1,586,808	1,617,205	51,621	30,397
Total PS	\$4,605,077	\$4,760,947	\$4,552,810	\$4,658,056	(\$102,891)	\$105,246
OTPS	\$328,403	\$363,276	\$252,725	\$266,174	(\$97,102)	\$13,449
Debt Service	230,150	234,731	246,469	194,451	(40,280)	(52,018)
Total OTPS	\$558,553	\$598,007	\$499,194	\$460,625	(\$137,382)	(\$38,569)
Total Agency Costs	\$5,163,630	\$5,358,954	\$5,052,004	\$5,118,681	(\$240,273)	\$66,677
Less Intra-City	\$2,921	\$1,226	\$519	\$519	(\$707)	\$—
Net Agency Cost	\$5,160,709	\$5,357,728	\$5,051,485	\$5,118,162	(\$239,566)	\$66,677
Funding						
City	4,869,063	4,913,387	4,560,066	4,604,657	(308,730)	44,591
Non-City	291,646	444,341	491,419	513,505	69,164	22,086
Personnel (includes FTEs at fiscal year-end)						
City	16,821	17,312	17,131	17,255	(57)	124
Non-City	139	180	172	172	(8)	—
Total	16,960	17,492	17,303	17,427	(65)	124

Programmatic Review and Service Impact

In 2024 the Department expects that 90 percent of the responses by fire companies will be to potentially life threatening medical and other non-fire emergencies. The Department’s Citywide response time to structural fires is projected to be about four minutes and 33 seconds in 2024. The Department anticipates that it will respond to over 1.6 million medical incidents in 2024.

Fire Extinguishment

The Fire Department currently provides fire and rescue operations via 357 units consisting of 197 engine companies, 143 ladder companies, eight squads, five rescue units, three marine companies, and one hazardous materials unit.

Emergency Medical Services

The Department is budgeted for 826 daily ambulance tours. Engine company personnel have received CFR training, and re-certification continues for those whose initial certification will expire.

Fire Prevention

The Bureau of Fire Prevention is responsible for enforcing the City’s Fire Code through the inspection of public and private properties.

Fire Investigation

The Bureau of Fire Investigation is responsible for investigating and determining the cause and origin of all suspicious fires, and for the apprehension of arsonists.

Emergency Communication

The City continues work on planned upgrades and enhancements to its 9-1-1 Emergency System. This entails a new Fire and EMS computer aided dispatch (CAD) system in a second, fully redundant Public Safety Answering Center (PSAC2) in the Bronx. The new FireCAD system went live in 2021.

Capital Review

The 2024-2033 Ten-Year Capital Strategy totals \$2.1 billion, which includes \$1.2 billion in the 2024-2027 Four-Year Plan. This funding will be used for the purchase of fire-fighting apparatus, support vehicles, fire suppression and emergency medical equipment, the renovation and modernization of firehouses and other facilities, and the upgrade and replacement of computer and communications systems. The table below reflects capital commitments by program area over the 2024-2027 period.

**Capital Commitments
(\$ in 000’s)**

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Communications	\$1,105	\$3,440	\$24,061	\$48,839	\$10,461	\$38,520	\$14,429	\$37,633	\$1,400	\$1,400	\$1,000	\$1,000
Electronic Data Processing	15,793	15,793	15,440	15,440	33,699	33,699	7,919	7,919	6,000	6,000	5,718	5,718
Reconstruction/Modernization of Facilities	35,809	35,975	81,911	84,175	192,895	195,372	156,279	157,044	101,676	101,676	332,976	332,976
Vehicles and Equipment	63,784	64,268	155,078	156,086	118,495	118,495	12,406	12,406	94,971	94,971	64,738	64,738
Total	\$116,491	\$119,476	\$276,490	\$304,540	\$355,550	\$386,086	\$191,033	\$215,002	\$204,047	\$204,047	\$404,432	\$404,432

Highlights of the 2024-2023 Ten-Year Capital Strategy and 2024-2027 Four-Year Plan

- The construction and rehabilitation of firehouses, EMS stations, and support facilities, including renovation of building components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows (\$926 million) inclusive of \$524 million in the 2024-2027 Four-Year Plan.
- The rehabilitation of training facilities on Randall's Island and at Fort Totten (\$263 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$673 million) inclusive of \$291 million in the 2024-2027 Four-Year Plan.
- The replacement of conduit, wiring and alarm boxes in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$57 million) all of which is in the 2024-2027 Four-Year Plan.
- The installation of additional data servers, structured cabling, and power upgrades to expand the Data Center at the Public Safety Answering Center (PSAC2) in the Bronx (\$13 million) all of which is in the 2024-2027 Four-Year Plan.
- The replacement of end-of-life information technology and communications equipment (\$198 million) inclusive of \$62 million in the 2024-2027 Four-Year Plan.

The 2024 Plan for the Department totals \$386 million and highlights include:

- The construction and rehabilitation of firehouses, EMS stations, and support facilities, including renovation of building components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows (\$132 million).
- The reconstruction of EMS Station 17 in the Bronx (\$37 million).
- The reconstruction of Engine Company 268 in Queens (\$26 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$118 million).
- The replacement of conduit, wiring, and alarm boxes in inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy (\$31 million).
- The installation of additional data servers, structured cabling, and power upgrades to expand the Data Center at the Public Safety Answering Center (PSAC2) in the Bronx (\$7 million).
- The replacement of end of life information technology and communications equipment (\$34 million).

DEPARTMENT OF SANITATION

As one of the oldest and largest public solid waste organizations in the United States, the Department of Sanitation maintains sanitary conditions and enforces sanitary compliance through street cleaning and the collection, management, recycling, and disposal of municipal solid waste in the City's 59 Community Districts.

Financial Review

The Department of Sanitation's 2024 Executive Budget provides for operating expenses of \$1.86 billion, a decrease of \$64 million from the 2023 forecast, primarily due a lower allocation for uniformed operations.

Capital commitments of \$472 million are also provided in 2024, an increase of \$60 million from the 2023 Plan amount, primarily due to higher planned commitments for facilities rehabilitation projects.

Revenue Forecast

The Department of Sanitation generates revenue from contracts for the removal of abandoned vehicles from City streets and property, from the sale of recycled paper and metal to private processors, and from an assortment of miscellaneous fees and minor sales. The Department's 2024 revenue estimate is \$15.5 million from these sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Continue to provide curbside and containerized refuse and recycling collection service to residential properties and eligible institutions.
- Continue maintaining the cleanliness of the City by sweeping approximately 6,300 miles of streets and collecting waste from 25,000 litter baskets located at street corners Citywide.
- Respond to winter weather emergencies and keep the City's streets clear of snow and ice.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$1,221,119	\$1,100,339	\$1,020,206	\$1,038,413	(\$61,926)	\$18,207
Fringe Benefits	\$45,990	\$42,696	\$42,941	\$44,586	\$1,890	\$1,645
OTPS	\$773,222	\$778,006	\$760,100	\$773,642	(\$4,364)	\$13,542
Total	\$2,040,331	\$1,921,041	\$1,823,247	\$1,856,641	(\$64,400)	\$33,394
Funding						
City	\$1,550,402	\$1,893,037	\$1,536,410	\$1,463,632	(\$429,405)	(\$72,778)
Other Categorical Grants	4,952	1,385	750	750	(635)	—
IFA	5,749	6,017	5,735	6,019	2	284
State	11,235	509	—	—	(509)	—
Federal CD	48	—	—	—	—	—
Federal Other	463,261	7,600	272,691	377,691	370,091	105,000
Intra-City Other	4,684	12,493	7,661	8,549	(3,944)	888
Total	\$2,040,331	\$1,921,041	\$1,823,247	\$1,856,641	(\$64,400)	\$33,394
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$492,940	\$516,739	\$526,141	\$545,080	\$28,341	\$18,939
Pensions	283,253	291,636	310,466	299,075	7,439	(11,391)
Other Than Personal Service (OTPS)						
Debt Service	318,496	286,396	300,718	287,622	1,226	(13,096)
Total Additional Costs	\$1,094,689	\$1,094,771	\$1,137,325	\$1,131,777	\$37,006	(\$5,548)
Funding						
City	1,076,588	1,078,076	1,121,137	1,115,749	37,673	(5,388)
Non-City	18,101	16,695	16,188	16,028	(667)	(160)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$1,221,119	\$1,100,339	\$1,020,206	\$1,038,413	(\$61,926)	\$18,207
Fringe Benefits	538,930	559,435	569,082	589,666	30,231	20,584
Pensions	283,253	291,636	310,466	299,075	7,439	(11,391)
Total PS	\$2,043,302	\$1,951,410	\$1,899,754	\$1,927,154	(\$24,256)	\$27,400
OTPS	\$773,222	\$778,006	\$760,100	\$773,642	(\$4,364)	\$13,542
Debt Service	318,496	286,396	300,718	287,622	1,226	(13,096)
Total OTPS	\$1,091,718	\$1,064,402	\$1,060,818	\$1,061,264	(\$3,138)	\$446
Total Agency Costs	\$3,135,020	\$3,015,812	\$2,960,572	\$2,988,418	(\$27,394)	\$27,846
Less Intra-City	\$4,684	\$12,493	\$7,661	\$8,549	(\$3,944)	\$888
Net Agency Cost	\$3,130,336	\$3,003,319	\$2,952,911	\$2,979,869	(\$23,450)	\$26,958
Funding						
City	2,626,990	2,971,113	2,657,547	2,579,381	(391,732)	(78,166)
Non-City	503,346	32,206	295,364	400,488	368,282	105,124
Personnel (includes FTEs at fiscal year-end)						
City	9,682	9,763	9,702	9,991	228	289
Non-City	47	117	117	117	—	—
Total	9,729	9,880	9,819	10,108	228	289

Programmatic Review and Service Impact

The Department's two principal operational divisions are the Bureau of Cleaning and Collection (BCC) and the Bureau of Solid Waste Management (SWM). The Bureau of Motor Equipment (BME) and the Bureau of Building Management (BBM) provide support operations.

Recycling and Sustainability

The Department continues its efforts to reduce the quantity of solid waste that must be disposed. The Department currently operates a dual-stream recycling program that requires residents to separate metal, glass, and plastic (MGP) from paper and place it in bins, bags, or bundles.

In 2023, the paper recycling program is anticipated to generate an average of \$14.90 of revenue per ton from various vendors, or \$4.7 million.

In 2024, the Department will expand the residential and school organics collection programs. The organics collection program diverts waste from landfills by establishing a separate waste stream for food scraps, yard waste, and other compostable materials.

Bureau of Cleaning and Collection

The Bureau of Cleaning and Collection (BCC) is primarily responsible for collecting household refuse and recyclables, cleaning City streets, and enforcing recycling regulations and portions of the City's health and administrative codes. During the winter, BCC is also responsible for the removal of snow from City streets. Currently, BCC provides refuse collection services two to three times a week depending on the population density of the community.

Bureau of Solid Waste Management

The Bureau of Solid Waste Management (SWM) is responsible for the receipt, transfer, transportation, and final disposal of refuse through operating waste transfer stations and through its waste export contracts. Refuse is transported out of New York City primarily by barge and rail. SWM is also responsible for the Fresh Kills landfill closure and post-closure care activities.

Bureau of Motor Equipment

The Bureau of Motor Equipment (BME) provides services related to the acquisition, repair, and maintenance of the Department's equipment including collection trucks, street sweepers, salt spreaders, snow melters, front-end loaders, and other vehicles and equipment. BME operates an extensive network of repair and maintenance facilities. This Bureau researches and develops equipment specifications to improve productivity, vehicle design, and to take advantage of the newest technologies including alternative fuel vehicles and emissions-reducing exhaust after-treatments.

Sanitation Facilities

The Bureau of Building Management (BBM) provides facility management services. BBM provides maintenance and emergency repair work for the Department's facilities.

The Bureau of Facilities Planning and Engineering oversees Sanitation's capital construction and reconstruction projects. The Department is funded to construct a replacement for the aging Bronx 9, 10, and 11 garage complex. The Department also has funding to construct a new garage for Queens 1 on a site located within that district, which will improve service and alleviate Sanitation truck parking concerns where the garage is currently located. Construction is underway on a project to relocate the undersized Staten Island 1 garage from a densely populated residential neighborhood to land near the former Fresh Kills landfill; the Department will also make improvements to the Staten Island 3 Garage and combine Districts 1 and 3 into a single garage complex. In addition, construction is underway on a project to construct a new Brooklyn 3 Garage.

Capital Review

The Department’s 2024-2033 Ten Year Capital Strategy totals \$3.8 billion. The Strategy provides the Department with funding to construct, rehabilitate, purchase, and develop the necessary infrastructure and assets to support refuse collection, recycling, cleaning, waste disposal, and support operations. The Department’s Capital Plan consists of four components — equipment purchases; solid waste management infrastructure; garage and facility rehabilitation, site acquisition, and construction; and information technology and telecommunications.

To support the Department’s collection and cleaning operations, garages and facilities will be constructed and rehabilitated. The Department continues to replenish its fleet, including collection trucks, mechanical brooms, and salt spreaders in order to support operations.

The 2024-2033 Ten Year Capital Strategy totals \$3.8 billion, which includes \$2.1 billion in the 2024-2027 Four Year Plan. The table below shows capital commitments by program area over the 2024-2027 period.

Capital Commitments
(\$ in 000’s)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Solid Waste Management	\$(414)	\$(414)	\$22,306	\$22,306	\$23,825	\$23,825	\$3,794	\$3,794	\$4,620	\$4,620	\$6,597	\$6,597
Garages and Facilities	53,731	53,897	43,588	45,411	163,641	172,670	629,490	631,656	80,874	80,874	263,635	263,635
Equipment	111,916	113,696	325,794	328,462	260,617	260,618	253,283	253,283	237,293	237,293	173,446	173,446
Information Technology and Telecommunications	3,552	3,552	15,796	15,796	14,508	14,508	3,227	3,227	3,689	3,689	3,692	3,692
Total	\$168,785	\$170,731	\$407,484	\$411,975	\$462,591	\$471,621	\$889,794	\$891,960	\$326,476	\$326,476	\$447,370	\$447,370

Highlights of the 2024-2033 Ten Year Strategy and 2024-2027 Four-Year Capital Plan

- Construction of a new garage for Bronx Community Districts 9, 10 and 11 (\$475 million), \$472 million of which is included in the 2024-2027 Four Year Plan.
 - Construction of a new garage for Queens Community District 1 (\$283 million), all of which is included in the 2024-2027 Four Year Plan.
 - Construction and reconstruction of other garages and facilities (\$672 million), \$394 million of which is included in the 2024-2027 Four Year Plan.
 - Solid waste management infrastructure (\$113 million), \$39 million of which is included in the 2024-2027 Four Year Plan.
 - Replacement of vehicles and other equipment (\$2.2 billion), \$925 million of which is included in the 2024-2027 Four Year Plan.
 - Information technology and telecommunications (\$57 million), \$25 million of which is included in the 2024-2027 Four Year Plan.
- The 2024 Capital Plan provides \$472 million in 2024 including:*
- Construction and reconstruction of various DSNY facilities, Citywide (\$173 million).
 - Solid waste management infrastructure (\$24 million).
 - Replacement of vehicles and other equipment (\$261 million).
 - Information technology and telecommunications (\$15 million).

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation (DPR) is the steward of more than 30,000 acres of land, including nearly 5,000 individual properties, ranging from the Coney Island Boardwalk and Central Park to community gardens and greenstreets. The Department maintains and operates approximately 900 athletic fields, 1,000 playgrounds, 1,800 basketball courts, 700 tennis courts, and 550 community gardens. It also maintains and operates 65 public pools, 51 recreational facilities, 16 nature centers, 14 miles of beaches, 160 miles of waterfront parkland, and 14 golf courses. NYC Parks is also responsible for nearly 850 monuments, 23 historic house museums and the care and maintenance of nearly 700,000 street trees and an additional 2 million park trees.

Financial Review

The Department of Parks and Recreation's 2024 Executive Budget provides for operating expenses of \$610.4 million, a decrease of \$36.9 million below the amount forecasted in 2023. The decrease is due to retroactive collective bargaining costs in 2023 tied to the executed DC37 labor contract and one-time funding in 2023 that does not continue into 2024. Capital commitments of \$757.9 million are also provided, an increase of \$39.3 million above the 2023 Plan amount.

- Maintaining street trees, park flora and fauna including tree pruning, dead tree removal, reforestation, foresters, contract inspection, and administration to support a variety of forestry initiatives, including increasing the City's tree inventory.
- Designing and supervising park construction. The 2024 budget includes the continuation of full-time positions in the Capital Projects Division for the design and construction of hundreds of parks projects, including parks, playgrounds, recreational and athletic fields, and tree planting.

Revenue Forecast

The Department of Parks and Recreation issues recreational permits, collects revenue from marina rentals, and receives revenue generated by concessions operated on Parks property. The Department will collect \$63.2 million from these sources in 2024.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Maintaining the City's parks, playgrounds, infrastructure, and safety equipment, while ensuring acceptable ratings for the cleanliness and overall condition of parks.
- Sustaining parks through workforce transformation programs. Parks maintenance funding is also provided through the City's Human Resources Administration for the Parks Opportunity Program. This program provides a workforce to assist in the maintenance and operation of park facilities and helps to train and employ public assistance recipients.
- Operating and employing lifeguards at pools and beaches during the summer months.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$455,182	\$466,153	\$437,356	\$458,097	(\$8,056)	\$20,741
Fringe Benefits	3,135	7,054	3,325	3,362	(3,692)	37
OTPS	129,874	174,105	141,996	148,901	(25,204)	6,905
Total	\$588,191	\$647,312	\$582,677	\$610,360	(\$36,952)	\$27,683
Funding						
City	\$430,210	\$509,733	\$457,953	\$486,641	(\$23,092)	\$28,688
Other Categorical Grants	11,682	14,960	8,460	8,460	(6,500)	—
IFA	50,389	53,625	51,192	54,599	974	3,407
State	754	2,607	525	628	(1,979)	103
Federal CD	3,152	3,779	2,634	1,701	(2,078)	(933)
Federal Other	57,988	1,279	—	—	(1,279)	—
Intra-City Other	34,016	61,329	61,913	58,331	(2,998)	(3,582)
Total	\$588,191	\$647,312	\$582,677	\$610,360	(\$36,952)	\$27,683
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$155,091	\$170,229	\$177,963	\$181,931	\$11,702	\$3,968
Pensions	77,558	66,712	79,122	77,762	11,050	(1,360)
Other Than Personal Service (OTPS)						
Debt Service	423,838	473,990	497,692	533,615	59,625	35,923
Total Additional Costs	\$656,487	\$710,931	\$754,777	\$793,308	\$82,377	\$38,531
Funding						
City	629,718	690,439	733,176	771,209	80,770	38,033
Non-City	26,769	20,492	21,601	22,099	1,607	498
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$455,182	\$466,153	\$437,356	\$458,097	(\$8,056)	\$20,741
Fringe Benefits	158,226	177,283	181,288	185,293	8,010	4,005
Pensions	77,558	66,712	79,122	77,762	11,050	(1,360)
Total PS	\$690,966	\$710,148	\$697,766	\$721,152	\$11,004	\$23,386
OTPS	\$129,874	\$174,105	\$141,996	\$148,901	(\$25,204)	\$6,905
Debt Service	423,838	473,990	497,692	533,615	59,625	35,923
Total OTPS	\$553,712	\$648,095	\$639,688	\$682,516	\$34,421	\$42,828
Total Agency Costs	\$1,244,678	\$1,358,243	\$1,337,454	\$1,403,668	\$45,425	\$66,214
Less Intra-City	\$34,016	\$61,329	\$61,913	\$58,331	(\$2,998)	(\$3,582)
Net Agency Cost	\$1,210,662	\$1,296,914	\$1,275,541	\$1,345,337	\$48,423	\$69,796
Funding						
City	1,059,928	1,200,172	1,191,129	1,257,850	57,678	66,721
Non-City	150,734	96,742	84,412	87,487	(9,255)	3,075
Personnel (includes FTEs at fiscal year-end)						
City	6,339	7,261	7,197	7,156	(105)	(41)
Non-City	831	672	647	630	(42)	(17)
Total	7,170	7,933	7,844	7,786	(147)	(58)

Programmatic Review and Service Impact

The Department of Parks and Recreation provides clean, safe, attractive, and functional parks and public spaces for all New Yorkers to use and enjoy, with a range of recreational facilities and opportunities for all ages and abilities.

Caring for Parks

NYC Parks plans, builds, and cares for thriving parks and public spaces Citywide, and throughout the COVID-19 pandemic, parks continued to serve as a vital public space for all New Yorkers. Through the Parks Inspection Program (PIP), the Parks Department conducts 6,000 detailed park inspections throughout the year, as a way to consistently observe conditions encountered by the public. The results of these inspections are shared with senior management on a regular basis, guiding decisions regarding resource allocation, with the goal of improving the efficiency and effectiveness of daily operations. As measured by PIP, park and playground conditions were rated at 86 percent acceptable for overall condition and 92 percent acceptable for cleanliness in fiscal year 2022.

Throughout the city's history, when New Yorkers have needed to exercise, find space to enjoy themselves with family and friends, or enjoy quiet time and solitude, they have always turned to City parks, and this reliance has only grown in recent years. In 2022, NYC Parks expanded its commitment to providing safe and engaging recreational and cultural programming opportunities for young people across New York City by expanding recreation center hours at nine sites, adding 1,400 programming hours for beloved programs like "Saturday Night Lights." Seven of the nine sites were in neighborhoods most impacted by the pandemic, as identified by the Taskforce on Racial Inclusion & Equity (TRIE), so that these communities can fully enjoy the fun, health and wellness that recreation centers help provide.

NYC Parks planted thousands of new trees across the city, including in heat-vulnerable neighborhoods. To help New Yorkers better understand the state of the City's urban tree canopy, NYC Parks launched the NYC Tree Map, a first-of-its-kind dynamic map that showcases nearly one million of the City's trees, including unique identification numbers, species information, and maintenance status. New Yorkers can

report tree conditions in parks and on streets directly to NYC Parks staff, increasing the efficiency of tree care efforts.

NYC Parks managed over 600 capital park improvement projects and renovated, rebuilt or expanded 21 GreenThumb community gardens throughout the city, including eight gardens located within New York City Housing Authority campuses.

To ensure that the city continues to be accessible to all New Yorkers, the city is investing in its greenways. NYC Parks received funding for six projects to improve existing greenway routes in Flushing, Queens, and Bay Ridge, Brooklyn. The City is simultaneously working to fill key gaps in the Manhattan Waterfront Greenway under a multi-agency strategy covering Inwood, Harlem, East Harlem, and East Midtown. NYC Parks continues to reconstruct portions of the East River Esplanade between East 60th Street and East 125th Street. These greenway reconstruction projects will enhance quality of life, waterfront access and pedestrian and cyclist safety.

Engaging the Community

NYC Parks works closely with residents, community partners and volunteers across the City to improve the park experience. Thanks to the efforts of the Parks Department divisions that focus on community engagement, including Partnerships for Parks and GreenThumb, which together work with nearly 2,000 community groups and other organizations, Parks is engaging New Yorkers in planning for the future of the park system, fostering broader community engagement in the design process, employing creative placemaking to develop dynamic community spaces and developing local stewardship of our city's parks and public spaces.

Capital Review

The 2024-2033 Ten-Year Capital Strategy totals \$8.9 billion which includes \$3.5 billion in the 2024-2027 Four-Year Plan. The table below reflects actual capital commitments for FY 2022 and planned capital commitments over the FY 2023-2027 period by program area.

Capital Commitments

(\$000's)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Beaches and Boardwalks	\$22,010	\$60,105	\$72,986	\$105,896	\$29,751	\$41,572	\$4,375	\$4,538	\$51,779	\$51,779	\$0	\$0
Land Acquisition and Tree Planting	50,263	73,926	43,052	54,756	70,728	108,268	27,149	27,149	59,508	59,736	21,636	21,636
Major Recreation Facilities and Facility Reconstruction	129,367	131,299	130,295	135,016	89,639	103,309	124,827	141,797	50,999	59,917	102,657	102,657
Neighborhood Parks and Playgrounds	173,040	175,794	234,610	263,393	221,897	262,935	109,627	166,331	553,225	581,138	382,837	383,381
Vehicles and Equipment	16,170	16,170	5,028	5,028	4,277	4,732	2,409	2,409	226	226	127	127
Large, Major and Regional Park Reconstruction	70,265	81,130	140,069	153,873	163,742	237,059	351,194	366,527	413,437	417,171	308,671	308,671
Zoos	0	0	620	620	0	0	0	0	5,376	5,376	0	0
Total	\$461,115	\$538,424	\$626,660	\$718,582	\$580,034	\$757,875	\$619,581	\$708,751	\$1,134,550	\$1,175,343	\$815,928	\$816,472

Highlights of the 2024-2033 Ten-Year Capital Strategy and Four-Year Plan

The 2024-2033 Ten-Year Capital Strategy totals \$8.9 billion of which the 2024-2027 Plan includes \$3.5 billion to reconstruct existing facilities and Parks assets, develop new parkland and playgrounds, and perform tree plantings and natural area restoration. More specifically, this includes:

- Planting of new street trees and park trees, the reforestation and restoration of natural areas, and the repair of sidewalks damaged by trees Citywide (\$408.5 million, including \$135.3 million in the Four-Year Plan).
- Continued implementation of Parks Equity Initiatives including the Anchor Parks, Community Park Initiative, Parks Without Borders, and Walk to a Park Programs (\$549.8 million, including \$28.3 million in the Four-Year Plan).
- Reconstruction of recreation centers, Citywide (\$747.5 million, including \$275.0 million in the Four-Year Plan)
- Reconstruction of the Red Hook Ballfields and Recreation Area in Brooklyn (\$52.0 million, including \$23.2 million in the Four-Year Plan).
- Improvements to DPR's green infrastructure including the construction of new greenways (\$255.3 million, including \$204.2 million in the Four-Year Plan).
- Various reconstruction projects within Flushing Meadows Corona Park in Queens (\$255.3 million, including \$204.2 million in the Four-Year Plan).
- Rehabilitation of DPR-owned pedestrian bridges including the Riverside Park Amtrak Overbuild in Manhattan (\$1.2 billion, including \$904.0 million in the Four-Year Plan).
- Reconstruction of citywide waterfront infrastructure including the Orchard Beach Pavilion in the Bronx (\$305.1 million, including \$78.7 million in the Four-Year Plan).

DEPARTMENT OF ENVIRONMENTAL PROTECTION

The primary mission of the Department of Environmental Protection (DEP) is to deliver drinking water; manage stormwater; treat wastewater; regulate air, noise, and asbestos pollution; and protect the environmental health, welfare, and natural resources of New York City and its residents. This includes managing the New York City water and sewer system. The New York City water system consists of 19 collecting reservoirs and three controlled lakes located within the 2,000 square miles of the Croton, Catskill, and Delaware watersheds, along with 7,000 miles of aqueducts, tunnels, and water mains that deliver more than 1.0 billion gallons of water per day, and seven upstate water pollution control plants. The New York City sewer system comprises a comprehensive network of 7,500 miles of sewers, 14 in-City Wastewater Resource Recovery Facilities (WRRFs), and 96 pump stations to convey and treat approximately 1.2 billion gallons per day of captured sewage to standards established by State and Federal law before releasing the effluent into receiving waters.

Financial Review

The Department of Environmental Protection's 2024 Executive Budget provides for operating expenses of \$1.6 billion. It also provides 2024-2033 capital commitments of \$28.4 billion to be financed by Water Finance Authority funds and \$638.7 million in non-City funds.

Revenue Forecast

The Department collects revenue from permits, property rentals, and other fees. The Department also regulates air and noise quality, performs inspections, issues licenses and permits, and reviews technical plans related to asbestos control, air quality and noise abatement laws, and the storage of hazardous substances. The revenue estimate for 2024 is \$20.6 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- DEP supplies approximately 1.0 billion gallons of drinking water per day to over eight and a half million City residents and one million upstate residents and maintains the City's water main and sewer infrastructure. Approximately 2,335 personnel and \$683.3 million are dedicated to this function. In addition, there are 298 police and security force personnel (\$38.3 million), including 222 environmental police officers, who protect the upstate watershed and respond to hazardous materials emergencies.
- The Department treats an average of 1.2 billion gallons of dry-weather sewage per day at the City's 14 WRRFs. Approximately 1,795 personnel and \$565.7 million are dedicated to this function.
- The Department continues to use various chemicals to ensure high quality drinking water for City and upstate residents and to protect the quality of waterbodies surrounding the City (\$131.6 million).
- The Department continues to fund contracts for biosolids removal, transport, and disposal (\$63.0 million).
- The Department continues to meet the terms under the Surface Water Treatment Rule for a Filtration Avoidance Determination (FAD) in the Catskill and Delaware Watersheds (\$66.5 million). The City's FAD includes programs which focus on agriculture and forestry, land management, flood hazard mitigation, and stormwater, stream, and wastewater management. The NYS Department of Health and the U.S. Environmental Protection Agency renewed the FAD in 2017 and it will be in effect for 10 years.
- The Department enforces the City's air and noise codes in addition to asbestos regulations with 199 personnel and \$17.7 million dedicated to this function.
- The Department will continue implementation of the City's Green Infrastructure Plan with 223 personnel and \$38.0 million dedicated to the purchase, installation, and maintenance of green infrastructure components. This includes funding for the installation of green infrastructure assets on non-City owned properties such as medical facilities, churches, and schools.
- The Department will ensure that the City is in compliance with the requirements set forth in the Municipal Separate Storm Sewer System (MS4) permit, which mandates the City to enforce inspection programs that address stormwater runoff from construction and development sites and from industrial or commercial facilities (\$8.0 million).

Restructuring and Streamlining

The Department expects to achieve a savings of \$10.0 million identified from refinement of agency contractual needs, procurement and programmatic efficiencies, and reevaluation of program budgetary needs.

- The Department has identified surpluses and re-estimates for various agency operations totaling \$0.5 million.
- The Department will save \$9.5 million through vacancy reductions.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$574,696	\$632,395	\$614,340	\$633,868	\$1,473	\$19,528
Fringe Benefits	3,032	5,597	3,297	3,297	(2,300)	0
OTPS	872,179	1,026,621	925,348	1,001,601	(25,020)	76,253
Total	\$1,449,907	\$1,664,613	\$1,542,985	\$1,638,766	(\$25,847)	\$95,781
Funding						
City	\$1,344,856	\$1,567,191	\$1,483,107	\$1,575,463	\$8,272	\$92,356
Other Categorical Grants	7,743	16,581	—	750	(15,831)	750
IFA	61,350	58,013	59,085	61,637	3,624	2,552
State	2,680	3,278	—	—	(3,278)	—
Federal CD	906	—	—	—	—	—
Federal Other	30,216	16,106	153	276	(15,830)	123
Intra-City Other	2,156	3,444	640	640	(2,804)	—
Total	\$1,449,907	\$1,664,613	\$1,542,985	\$1,638,766	(\$25,847)	\$95,781
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$230,254	\$248,135	\$260,939	\$266,658	\$18,523	\$5,719
Pensions	108,003	98,126	99,737	98,022	(104)	(1,715)
Other Than Personal Service (OTPS)						
Debt Service	50,890	73,547	77,224	36,495	(37,052)	(40,729)
Total Additional Costs	\$389,147	\$419,808	\$437,900	\$401,175	(\$18,633)	(\$36,725)
Funding						
City	377,741	409,071	424,100	388,181	(20,890)	(35,919)
Non-City	11,406	10,737	13,800	12,994	2,257	(806)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$574,696	\$632,395	\$614,340	\$633,868	\$1,473	\$19,528
Fringe Benefits	233,286	253,732	264,236	269,955	16,223	5,719
Pensions	108,003	98,126	99,737	98,022	(104)	(1,715)
Total PS	\$915,985	\$984,253	\$978,313	\$1,001,845	\$17,592	\$23,532
OTPS	\$872,179	\$1,026,621	\$925,348	\$1,001,601	(25,020)	\$76,253
Debt Service	50,890	73,547	77,224	36,495	(37,052)	(40,729)
Total OTPS	\$923,069	\$1,100,168	\$1,002,572	\$1,038,096	(\$62,072)	\$35,524
Total Agency Costs	\$1,839,054	\$2,084,421	\$1,980,885	\$2,039,941	(\$44,480)	\$59,056
Less Intra-City	\$2,156	\$3,444	\$640	\$640	(2,804)	\$—
Net Agency Cost	\$1,836,898	\$2,080,977	\$1,980,245	\$2,039,301	(\$41,676)	\$59,056
Funding						
City	1,722,597	1,976,262	1,907,207	1,963,644	(12,618)	56,437
Non-City	114,301	104,715	73,038	75,657	(29,058)	2,619
Personnel (includes FTEs at fiscal year-end)						
City	258	279	282	295	16	13
Non-City	5,334	6,239	6,190	6,199	(40)	9
Total	5,592	6,518	6,472	6,494	(24)	22

Programmatic Review and Service Impacts

Water Supply Strategies

The Department will continue the implementation of programs related to the Filtration Avoidance Determination (FAD) for the City's Catskill and Delaware water supplies. In 2017, the New York State Department of Health, in consultation with the U.S. Environmental Protection Agency, issued an administrative determination providing the City with a waiver from filtering the Catskill and Delaware water supplies through 2027, superseding the previously issued 2007 FAD. As part of the FAD, and in compliance with revised regulations, DEP continues successful water quality management programs and its upstate land acquisition program to protect the water entering the City's reservoirs.

The Department will also continue the Water for the Future Program to address leaks in the Rondout-West Branch Tunnel (RWBT), a 45-mile portion of the Delaware Aqueduct that conveys about 50 percent of the City's daily water supply. A major component of this program is the construction of a 2.5-mile bypass tunnel around the areas of significant leakage. During the connection of this bypass tunnel to the Delaware Aqueduct, the RWBT will need to be temporarily shut down. In order to compensate for this shutdown, the Department will continue to pursue several water supply conservation and augmentation projects.

The Department will also begin construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Disinfection Facility (CDUV). Historically, for purposes of water quality and redundancy, both the Delaware and Catskill Aqueducts conveyed water from the Kensico Reservoir. However, because the Catskill Aqueduct is not sufficiently pressurized to move water through the CDUV, only the Delaware Aqueduct can deliver water from the Kensico Reservoir to the facility. The new tunnel will replace the section of the Catskill Aqueduct between the Kensico Reservoir and the CDUV and restore needed redundancy.

The Department will continue the construction of the remaining two shafts for the Brooklyn/Queens section of City Tunnel No. 3. Completion of these shafts will enable full operation of the Brooklyn/Queens section, allowing for the full inspection of City Tunnels No. 1 and 2 and providing critical water delivery redundancy in Brooklyn, Queens, and Staten

Island. As of December 2017, the Brooklyn/Queens leg of City Tunnel No. 3 was cleaned, pressurized, and filled with water, making it activation-ready in the event of emergencies until the remainder of the tunnel shafts are completed.

Additionally, the Department will conduct rehabilitation work at the Ashokan Reservoir in the Catskill System of the City's watershed. Projects include reconstruction of the Olive Bridge Dam and reservoir dikes, as well as replacement of the Dividing Weir Bridge and overall site restoration. This rehabilitation work will bring several key infrastructure pieces up to State and Federal safety standards and continue the Department's efforts to strengthen infrastructure in preparation for severe storms.

Lastly, the Department will complete comprehensive facility upgrades at the Hillview Reservoir. Constructed between 1909 and 1915, Hillview Reservoir acts as a terminal reservoir, providing balancing storage, pressure regulation, and secondary disinfection for up to 100 percent of the City's drinking water supply. Improvements include new chemical addition facilities, flow control equipment, and electrical infrastructure.

Wastewater Treatment Initiatives

Water quality in the harbor and surrounding waters has seen steady improvements due to ongoing investments. Coliform bacterial counts, which are indicators of water pollution from sewage, continue to remain at the lower levels observed over the last few years. Improvements have also been realized in the measure of dissolved oxygen as concentration levels in most harbor areas remain higher than long term historical levels. These advancements are attributed to the following DEP initiatives: continued reconstruction and upgrades at in-City WRRFs, implementation of advanced treatment technologies for nitrogen removal, the abatement of illegal discharges, improved sewer maintenance, and increased capture of wet weather flows.

To build upon these improvements, DEP continues to implement the NYC Green Infrastructure Plan. This mandated program supplements existing Combined Sewer Overflow (CSO) controls with a mix of "green infrastructure" (natural and permeable surfaces) and the optimization of "grey infrastructure" (construction and modification of tanks and tunnels) that will more

cost-effectively reduce CSOs in waterways, while also improving air quality. Upon meeting the requirement under the consent order, this program will manage one inch of precipitation on impervious surfaces in combined sewer areas.

In addition to the above, DEP is implementing several CSO Long-Term Control Plans which will further improve water quality in City waterbodies. This will encompass several strategies including disinfection of CSOs before being released into receiving waterbodies.

Water Distribution and Wastewater Collection System

The Department operates, maintains, and protects the City's vast water and sewer network by ensuring residents have an adequate supply of potable water, maintaining sewers for a properly functioning wastewater system, and providing emergency services during water main breaks, leaks, sewer backups, and more.

As of August 2015, the City is mandated to comply with the Municipal Separate Storm Sewer System (MS4) permit issued by the New York State Department of Environmental Conservation to manage stormwater runoff in a way that prevents flooding and improves water quality. The permit requires the City to develop a Citywide Stormwater Management Plan that outlines measures to meet the permit obligations.

The Department is amending the City's drainage plan to show the locations, course, size, and elevation of the existing and proposed sewers for each drainage district. This will allow the Department to provide an adequate water and sewer system as new developments take place throughout the City.

In 2015, the Department began constructing a comprehensive storm sewer system in the neighborhoods represented by Community Boards 12 and 13 in Southeast Queens to mitigate chronic flooding experienced by the communities. Recognizing that the build-out of the full sewer system in Southeast Queens remains a long-term project, the Department has developed a number of strategies to provide short-term flooding relief while construction is underway, including public education on grease management, installation of green infrastructure, development of Bluebelt wetlands that naturally filter storm water runoff, and more.

Customer Services Programs

As required by the New York State Department of Environmental Conservation and the New York City Water Board, the Department is progressing towards its goal of universally metering all properties. The major objectives of universal metering include water conservation, improved water supply system management, and rate equity. DEP services approximately 838,000 water and sewer customer accounts, of which 30,000 are billed on a flat-rate system. Currently, more than 834,700 accounts are metered, while just over 3,200 remain unmetered.

DEP also offers several Customer Affordability Programs. The three main Affordability Programs are: a Home Water Assistance Program, which provides a bill credit to smaller property owners subject to an income threshold, a Multi-Family Water Assistance Program, which provides a per apartment unit bill credit to larger multi-family properties that enter into a rental affordability agreement, and a Leak Forgiveness Program, which partially credits back excess water charges attributable to a leak that is repaired. Approximately 66,126 property owners receive the Home Water credit, another 40,000 apartment units receive the Multi-Family Credit, and 3,917 properties receive a leak forgiveness credit each year.

In addition to the above, DEP introduced a Water and Sewer Service Line Protection Program in 2013, offered by American Water Resources (AWR). The purpose of this voluntary program is to protect homeowners from the unexpected high costs of water and sewer service line repairs. In exchange for a relatively small monthly program fee, AWR provides DEP customers with unlimited coverage for water and/or sewer service line leaks and breaks due to normal wear and tear. As of March 2023, 231,619 customers have enrolled in the program and entered into service contracts with AWR. AWR was selected by the Water Board to offer the program, following a competitive Request for Proposal (RFP) process.

DEP bills and collects approximately \$3.9 billion in revenue annually. The launch of a new billing system in September 2021 ensures continued stability and allows DEP to capitalize on new features and greater efficiency than its legacy system.

Environmental Compliance

The Bureau of Environmental Compliance reviews and inspects asbestos abatement projects; investigates air quality and noise complaints; monitors emissions and environmental impacts from alternative fuel vehicles; and issues permits for boilers, other combustion equipment, and other potential sources of air pollution.

The Bureau is also responsible for enforcing the City’s noise code. Along with establishing rules, guidelines, and standards for governing noise in the City, the Bureau promulgates construction rules that require a site-specific noise mitigation plan for each construction site, offering alternatives for contractors to continue construction while reducing the noise impact on the surrounding environment.

Energy Policy

The Department works in conjunction with the Department of Citywide Administrative Services and

the Mayor’s Office on coordinating the City’s strategic goals on energy policy. Given that DEP is one of the City’s largest energy users, this policy role is closely linked with a number of objectives in the Department’s strategic plan. This role is in addition to nearly \$297.3 million in capital projects with energy reduction components where DEP expects to invest in clean distributed generation, energy efficiency, and hydro-electric generation.

Bureau of Police and Security

The Bureau of Police and Security is responsible for protecting the New York City water supply and the associated critical infrastructure from terrorism, pollution, and crime. Since February 1, 2010, the Bureau has been responsible for responding to hazardous material emergencies within the City by evaluating the characteristics of the materials involved and making technical decisions concerning containment, abatement, and disposal. The DEP Police Department patrols the upstate water supply, with 222 officers dedicated to this function.

Capital Review

Overview

The 2024-2033 Ten-Year Capital Strategy totals \$29.0 billion which includes \$13.0 billion in the 2024-2027 Four-Year Plan. The table below reflects actual capital commitments for 2022 and planned capital commitments over the 2023-2027 period by program area.

Capital Commitments
(\$ in 000’s)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Water Pollution.....	\$757,524	\$776,688	\$1,385,005	\$1,388,009	\$901,183	\$1,045,573	\$905,708	\$940,466	\$1,567,707	\$1,622,538	\$1,745,602	\$1,771,940
Water Mains.....	196,840	197,248	278,885	294,547	410,922	415,800	560,056	587,856	1,019,466	1,084,766	704,562	778,462
Sewers.....	532,991	542,801	499,406	532,994	454,642	454,642	366,164	366,964	925,055	931,355	393,050	393,050
Water Supply.....	62,372	62,372	57,025	57,025	765,747	765,747	927,956	927,956	116,202	116,202	455,390	455,390
Equipment.....	29,984	30,470	70,235	70,235	87,884	87,974	137,079	137,079	32,415	32,415	35,687	35,687
Total	\$1,579,711	\$1,609,579	\$2,290,556	\$2,342,810	\$2,620,378	\$2,769,736	\$2,896,963	\$2,960,321	\$3,660,845	\$3,787,276	\$3,334,291	\$3,434,529

The major elements of the Ten-Year Capital Strategy include:

- Extension and reconstruction of storm, sanitary, and combined sewers (\$9.3 billion, of which \$2.1 billion is planned for 2024-2027).
- Investments to maintain the operational integrity of existing wastewater resource recovery facilities (\$6.4 billion, of which \$3.8 billion is planned for 2024-2027). The total includes the hardening of wastewater infrastructure based on findings of the New York City Wastewater Resiliency Plan assessment and Federal grant funding for Sandy-related recovery work (\$475.5 million, of which \$304.0 million is planned for 2024-2027).
- Replacement and extension of trunk and distribution water mains and ancillary work (\$3.4 billion, of which \$1.2 billion is planned for 2024-2027).
- Disinfection and mitigation of Combined Sewer Overflow (CSO) to achieve waterbody-specific water quality standards (\$1.5 billion, of which \$887.2 million is planned for 2024-2027). This includes the construction of two CSO holding tanks to improve water quality in the Gowanus Canal (\$675.5 million, of which \$585.6 million is planned for 2024-2027) and the construction of the Hutchinson River Disinfection facility for CSO mitigation in the Bronx River (\$210.0 million).
- Construction of a comprehensive sewer system in Southeast Queens, including strategically selected projects to deliver near-term and long-term flooding relief (\$1.9 billion, of which \$797.9 million is planned for 2024-2027).
- Construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Disinfection Facility, necessary to provide redundancy in the water supply system (\$1.8 billion, of which \$1.2 billion is planned for 2024-2027).
- Reducing CSOs through the use of green infrastructure (\$1.3 billion, of which \$676.8 million is planned for 2024-2027), such as right-of-way bioswales and stormwater greenstreets, porous pavement, constructed wetlands, onsite stormwater management practices, green roofs, and innovative cloudburst solutions.
- Rehabilitation of Ashokan Reservoir structures, including reconstruction of the Olive Bridge Dam, reservoir dikes, Dividing Weir Bridge, and overall site restoration (\$1.2 billion, of which \$252.6 million is planned for 2024-2027).
- Construction related to the activation of the Brooklyn/Queens section of City Tunnel No. 3 (\$389.6 million, all of which is planned for 2024-2027). This work includes the excavation of the remaining two shafts necessary for full operation of the tunnel.
- Continuation of land acquisition for and construction of the award-winning Staten Island Bluebelt program (\$804.5 million, of which \$179.5 million is planned for 2024-2027).
- Reconstruction of Hillview Reservoir, including new chemical addition facilities, flow control improvements, and electrical upgrades (\$752.1 million, of which \$508.4 million is planned for 2024-2027).
- Reconstruction of upstate and in-City dams, including the rehabilitation of the New Croton Dam (\$173.0 million, all of which is planned for 2024-2027) and excluding the Olive Bridge Dam already noted. This will ensure the long-term reliability of the City's reservoir infrastructure (\$505.8 million, of which \$408.8 million is planned for 2024-2027).
- Ongoing stabilization and upgrade of in-City Wastewater Resource Recovery Facilities (WRRFs) and systems to ensure compliance with State and Federal mandates for: operating permit requirements (\$22.3 million, of which \$11.3 million is planned for 2024-2027); mandated studies and facility upgrades to reduce nitrogen levels in treated wastewater (\$45.1 million, all of which is planned for 2024-2027); and enhancement of the existing chlorination system at various WRRFs in order to meet stricter chlorine discharge limits (\$71.0 million, all of which is planned for 2024-2027).
- Continuation of various filtration avoidance measures and land acquisition in the upstate watershed in support of the 10-year 2017 Filtration Avoidance Determination (\$157.1 million, of which \$103.9 million is planned for 2024-2027).

- Complete rehabilitation and optimization of the Catskill Aqueduct (\$251.2 million, \$136.2 million of which is planned for 2024-2027). This total includes reconstruction of the Lower Catskill Aqueduct connecting the Catskill/Delaware Ultraviolet Facility with Hillview Reservoir (\$125.0 million) and the inspection and repair of deep-rock pressure tunnels that maintain tunnel pressure for water distribution (\$93.5 million, all of which is planned for 2024-2027).
- Emergency rehabilitation and replacement of sewers and water mains in the event of line breaks (\$1.2 billion, of which \$355.4 million is planned for 2024-2027).

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (DOT) maintains and reconstructs City bridges, plans and funds street reconstruction, oversees ferry operations, manages traffic signals and street lighting networks, maintains and collects revenue from parking meters, operates parking facilities, and coordinates transportation planning within the five boroughs. It is DOT's goal to create a transportation network that is reliable, safe, sustainable, and accessible, meeting the needs of all New Yorkers and supporting the City's growing economy.

Financial Review

The Department of Transportation's 2024 Executive Budget provides for operating expenses of \$1.4 billion. Capital commitments of \$1.3 billion are planned for 2024. The 2024-2033 Capital Commitment Plan provides for \$31.6 billion in capital funds, including \$1.1 billion in Federal, State, and private funding.

Revenue Forecast

The Department of Transportation collects revenue from parking meters and parking garages, franchises, concessions, electrical transformers, street opening, and pedestrian sidewalk permits, among others. In 2024, the Department will collect \$462 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Funding of \$629.5 million for the traffic and transportation planning and management programs, including \$73.0 million for energy costs associated with all streetlights and traffic signals throughout the City, and \$222.4 million for the maintenance of approximately 13,440 signalized intersections and over 333,670 streetlights Citywide.

- Funding of \$189.0 for the in-house costs associated with resurfacing 1,100 vehicle lane miles of streets and 50 miles of bike lanes per year, as well as the repair of street defects (potholes).
- Funding of \$128.6 million for the operation of the Staten Island Ferry and regulation of private ferry services.
- Funding of \$56.6 million for preventive maintenance, cleaning, and spot and splash zone painting of City bridges including Federal funding for the maintenance of the East River Bridges.
- Funding of \$22.0 million for the in-house bridge flag/corrective repair program.

Restructuring and Streamlining

- The Department will save between \$18.1 million and \$23.4 million per year in 2024 through 2027 due to less than anticipated spending on traffic studies, data collection, and materials in the Division of Transportation Planning and Management.
- The Department will receive State and Federal funding totaling between \$3.7 million and \$5.7 million per year in 2024 through 2027 for costs that were previously funded by City taxes.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$539,660	\$609,809	\$578,394	\$586,897	(\$22,912)	\$8,503
Fringe Benefits	6,191	5,116	4,980	4,980	(136)	(0)
OTPS	689,530	873,543	819,634	814,851	(58,692)	(4,783)
Total	\$1,235,381	\$1,488,468	\$1,403,008	\$1,406,728	(\$81,740)	\$3,720
Funding						
City	\$744,934	\$908,711	\$864,693	\$852,407	(\$56,304)	(\$12,286)
Other Categorical Grants	14,644	3,336	1,717	1,717	(1,619)	—
IFA	255,581	295,022	283,189	287,644	(7,378)	4,455
State	121,051	131,713	114,692	117,434	(14,279)	2,742
Federal CD	—	—	—	—	—	—
Federal Other	95,599	144,405	136,105	144,881	476	8,776
Intra-City Other	3,572	5,281	2,612	2,645	(2,636)	33
Total	\$1,235,381	\$1,488,468	\$1,403,008	\$1,406,728	(\$81,740)	\$3,720
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$226,245	\$246,515	\$255,195	\$262,966	\$16,451	\$7,771
Pensions	95,893	88,315	94,233	92,614	4,299	(1,619)
Other Than Personal Service (OTPS)						
Debt Service	939,386	937,819	984,715	982,334	44,515	(2,381)
Total Additional Costs	\$1,261,524	\$1,272,649	\$1,334,143	\$1,337,914	\$65,265	\$3,771
Funding						
City	1,156,634	1,175,704	1,233,716	1,237,839	62,135	4,123
Non-City	104,890	96,945	100,427	100,075	3,130	(352)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$539,660	\$609,809	\$578,394	\$586,897	(\$22,912)	\$8,503
Fringe Benefits	232,436	251,631	260,175	267,946	16,315	7,771
Pensions	95,893	88,315	94,233	92,614	4,299	(1,619)
Total PS	\$867,989	\$949,755	\$932,802	\$947,457	(\$2,298)	\$14,655
OTPS	\$689,530	\$873,543	\$819,634	\$814,851	(\$58,692)	(\$4,783)
Debt Service	939,386	937,819	984,715	982,334	44,515	(2,381)
Total OTPS	\$1,628,916	\$1,811,362	\$1,804,349	\$1,797,185	(\$14,177)	(\$7,164)
Total Agency Costs	\$2,496,905	\$2,761,117	\$2,737,151	\$2,744,642	(\$16,475)	\$7,491
Less Intra-City	\$3,572	\$5,281	\$2,612	\$2,645	(\$2,636)	\$33
Net Agency Cost	\$2,493,333	\$2,755,836	\$2,734,539	\$2,741,997	(\$13,839)	\$7,458
Funding						
City	1,901,568	2,084,415	2,098,409	2,090,246	5,831	(8,163)
Non-City	591,765	671,421	636,130	651,751	(19,670)	15,621
Personnel (includes FTEs at fiscal year-end)						
City	2,389	2,735	2,748	2,723	(12)	(25)
Non-City	3,092	3,364	3,378	3,397	33	19
Total	5,481	6,099	6,126	6,120	21	(6)

Programmatic Review and Service Impact

Bridges

The Division of Bridges is responsible for the reconstruction, repair, maintenance, and operation of approximately 803 City-owned bridge and tunnel structures. In 2024, the Division of Bridges provides for 711 positions and has an operating budget of \$116.6 million.

The Bridge program in the 2024 Executive Budget continues the City's commitment to preserve and maintain its infrastructure. The Bridge "Flag" and Corrective Repair program corrects mostly structural ("red" and "yellow" flags, in descending order of priority) and safety deficiencies on bridges by using both in-house and contract forces. Furthermore, the Bridge Preventive Maintenance program includes the oiling, sweeping, cleaning, deck sealing, washing, electrical maintenance and spot and salt splash zone painting of the City's bridges.

Roadway Repair and Maintenance

The Roadway Repair and Maintenance Division is responsible for maintaining approximately 19,324 lane miles of streets, 1,175 lane miles of which are arterial highways within the five boroughs, 73.8 percent of which are in good condition as of 2022. The Permits Management and Construction Control programs are responsible for regulating the excavation and various other uses of City streets and sidewalks. In 2024, Roadway Repair and Maintenance has a budget totaling \$230.8 million.

Traffic Operations and Transportation Planning and Management

The Division of Traffic Operations maintains approximately 13,660 signalized intersections and 333,670 streetlights, collects revenue from approximately 89,356 metered parking spaces, and operates 37 municipal parking facilities consisting of 30 parking lots and 7 parking garages. The Division of Transportation Planning and Management installs and maintains almost one million traffic signs and over 350 million linear feet of pavement markings. The 2024 Executive Budget for the Division of Traffic Operations and Division of Transportation Planning and Management provides for 1,632 positions and \$629.5 million.

The Division of Traffic Operations manages programs that support the Department's Vision Zero and public safety goals. Responsibilities include the installation of Accessible Pedestrian Signals (APS) to deliver traffic signal information to pedestrians with visual impairments, installation of Leading Pedestrian Intervals (LPI) at signalized intersections, installation of new traffic control signals at uncontrolled intersections, traffic signal re-timings, management of the automated traffic enforcement camera program, and management of the new mobile payment app "ParkNYC" for municipal parking services. In 2022, approximately 500 APS were installed and 500 additional APS installations are planned for 2023. The automated enforcement camera program began 24 hour, 7 days-per-week speeding enforcement in August 2022. The ParkNYC app currently has over one million active users.

The Division of Transportation Planning and Management plans and implements Street Improvement Projects (SIPs) that further the City's goals of providing safe, sustainable, and attractive transportation options to New Yorkers in a reliable and high-quality transportation network. Projects implemented under the Safe Streets for Seniors, Safe Routes to Schools, Safe Routes to Transit, and Bus Stops Under the Elevated programs, as well as redesigns of Vision Zero Priority Corridors and Priority Intersections, improve safety for all street users. Implementing SIPs is also essential for meeting the benchmark targets mandated in the NYC Streets Plan, which was released in December 2021.

The Better Buses program speeds up buses by providing high-quality transit enhancements through bus lane and busway installations, installation of transit signal priority, and bus stops upgrades that include adding seating, real time passenger information (RTPI) signs, and accessibility improvements. Expansion of the bike network, as outlined in the Green Wave plan and through new greenway development, increases the safety and convenience of cycling, which has led to a continued increase in the number of people who commute by bicycle.

The Department oversees several pedestrian and micromobility focused programs, such as Open Streets, NYC Plazas, and shared streets, that intend to enhance the pedestrian experience by providing valuable open space for community gathering, greening, and activity programming especially in neighborhoods that otherwise have few alternative public space options. The

Pedestrian Mobility Plan is a data-driven framework that guides planning efforts across transportation modes, encourages more walking trips, and improves the public realm with the goal of reducing demand for private vehicles through pedestrian comfort and prioritization of accessible modes. The Department’s pedestrian programs rely on community partnerships to create vibrant public spaces and applications for public and private entities who wish to collaborate with the Department are made available throughout the year. There are more than 200 Open Streets planned for the 2023 season and 77 plazas currently open to the public, with 12 more plazas in various phases of planning, design, and construction. Installation of bicycle parking, seating, and wayfinding signage further encourage walking, cycling and transit use.

Transit Operations (Ferries)

The Department operates and maintains the Staten Island Ferry boats and terminals and regulates private ferry operations. The 2024 Executive Budget for Ferries provides for 674 positions and an operating budget of \$128.6 million.

The Staten Island Ferry carried approximately 13.6 million passengers in 2022 and achieved an on-time performance rating of 94 percent. Privately operated commuter ferries, including those sponsored by the Economic Development Corporation, carried 11.3 million passengers.

Capital Review

The Department of Transportation’s 2024-2033 Capital Commitment Plan totals \$31.6 billion for the reconstruction of transportation infrastructure, of which approximately 97 percent is City-funded. The table below shows commitments by program area between 2024 and 2027.

**Capital Commitments
(\$ in 000’s)**

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Highways and Streets	\$505,765	\$541,499	517,131	544,739	706,988	807,220	1,243,985	1,295,074	1,431,048	1,516,199	2,105,992	2,150,972
Highway Bridges	152,105	155,595	217,692	313,554	62,933	188,957	746,646	783,883	858,806	924,720	1,176,576	1,499,435
Waterway Bridges	44,911	64,510	179,602	298,352	28,843	28,843	1,381	1,381	50,164	88,025	2	2
Traffic	96,489	104,426	110,834	139,863	83,916	92,504	33,713	35,506	156,123	158,410	44,660	44,796
Vehicles/Equipment	19,299	19,299	9,076	9,076	46,852	46,852	4,248	4,248	11,594	11,594	23,993	23,993
Ferries	7,428	33,479	15,972	25,474	56,764	127,812	8,983	56,947	20,665	31,148	31,456	40,468
Total	\$825,997	\$918,808	\$1,050,307	\$1,331,058	\$986,296	\$1,292,188	\$2,038,956	\$2,177,039	\$2,528,400	\$2,730,096	\$3,382,679	\$3,759,666

The Highlights of the 2024-2027 Capital Plan include:

- Complete rehabilitative work of bridge structures scheduled for life extension (\$1.3 billion), including the Boston Road Bridge over the Hutchinson River (\$83.7 million) and the Grand Street Bridge over Newtown Creek (\$267.6 million).
- Complete reconstruction or rehabilitation of bridge structures currently rated “fair” or “good” (\$2.1 billion), including the Brooklyn-Queens Expressway (BQE) triple cantilever (\$635.6 million) and the Shore Road Bridge over the Hutchinson River (\$394.2 million).
- Street reconstruction (\$2.7 billion), including the reconstruction of Queens Boulevard, Phase 1 (\$114.3 million) and Phase 2 (\$80.6 million).
- Street and arterial resurfacing of approximately 1,100 vehicle lane miles and 50 bike lane miles per year (\$1.1 billion).
- Installation and reconstruction of pedestrian ramps to comply with accessibility requirements (\$1.3 billion) and replacement of sidewalks (\$196.4 million).
- Installation of traffic signals (\$240.8 million), including accessible pedestrian signals (\$139.0 million).

- Ferry terminal and facility improvements (\$171.1 million).
- Upgrade and replacement of lampposts, luminaires, and associated infrastructure (\$14.2 million).
- Enhancements to multiple technology and telecommunications systems (\$25.8 million).
- Reconstruction and upgrade of parking meters, garages, and lots (\$33.2 million).

HOUSING PRESERVATION AND DEVELOPMENT

Established in 1978, the New York City Department of Housing Preservation and Development (HPD) promotes quality and affordability in the City's housing, and diversity and strength in its many neighborhoods. HPD does this by maintaining building and resident safety and health, creating opportunities for New Yorkers through housing affordability, and engaging New Yorkers to build and sustain neighborhood strength and diversity.

HPD is responsible for preserving affordable housing and protecting tenants; developing new affordable housing; enforcing the Housing Maintenance Code and Multiple Dwelling Law; administering Federal rental subsidies; managing the City's prior investments in affordable housing; conducting research on the City's housing stock; and engaging communities in planning more equitable, diverse, and livable neighborhoods. HPD's work is guided by the goals of Housing Our Neighbors: A Blueprint for Housing and Homelessness. The plan outlines key initiatives to achieve the City's goal of providing access to affordable, safe, healthy, and high-quality housing for all New Yorkers.

Financial Review

HPD's 2024 Executive Budget provides for operating expenses of \$1.4 billion, of which approximately \$498 million is City funds. The budgeted headcount of 2,664 full-time positions is funded at \$213 million while other than personal services are projected at \$1.1 billion. Nearly \$830 million, or 61 percent of the agency's expense budget, is supported by Federal and State funding programs. HPD's operating budget described above includes \$226 million in funding for the New York City Housing Authority (NYCHA), of which \$201 million is City funds. In addition, HPD has planned capital commitments of \$2.5 billion in 2024.

Revenue Forecast

HPD collects fees for processing tax abatement and exemption applications, multiple dwelling registrations, document searches, and administrative fees. HPD also collects revenue from residential and commercial tenants occupying *in rem* buildings, and from the sale of *in rem* buildings to the private sector. The agency will generate \$39.5 million in 2024.

Expense Budget Highlights

Providing Core Services

In 2024, the agency will continue to provide core services that include the enforcement of the Housing Maintenance Code, administration of rent subsidies, preservation and development of quality affordable housing, and management of affordable housing assets.

- Through its Code Enforcement team, the agency will continue to respond promptly to housing maintenance complaints, assess conditions, and develop appropriate strategies to correct violations citywide.
- HPD will use various enforcement tools to ensure compliance with legal and regulatory obligations including bringing enforcement proceedings against non-compliant owners and removing hazardous conditions in private distressed buildings. The agency will continue to work with responsible owners and community partners to prevent distress and ensure neighborhood stability. These efforts are supported by the Federal Community Development Block Grant (CDBG) funds.
- HPD will administer the nation's fifth largest Federal Section 8 program and allocate Federal Housing Choice Vouchers and other rental assistance vouchers to eligible New Yorkers. In 2023, the agency supported over 42,000 households. Another \$599 million in subsidy payments are planned for 2024, in line with 2023 planned spending.
- HPD will engage in planning and project development activities and leverage private investments to preserve existing housing stock and create new affordable housing units.
- HPD will continue to monitor the financial health and ongoing affordability of 5,900 rental and co-op buildings containing 171,000 units in its asset management portfolio, as well as 45,000 units of Mitchell-Lama housing across 94 developments, in which the City has previously invested.
- HPD will act as a fiscal conduit for NYCHA. Operating support for NYCHA provided by the City is housed within HPD's operating budget and HPD assists NYCHA in accessing these funds. Additional detail regarding the programmatic uses of these funds is included in the NYCHA section of this message.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$177,564	\$208,059	\$200,543	\$212,563	\$4,504	\$12,020
Fringe Benefits	81	28	28	28	—	—
OTPS	1,016,769	1,286,702	994,596	1,142,761	(143,941)	148,165
Total	\$1,194,414	\$1,494,789	\$1,195,167	\$1,355,352	(\$139,437)	\$160,185
Funding						
City	\$283,253	\$431,914	\$353,125	\$498,408	\$66,494	\$145,283
Other Categorical Grants	10,134	15,622	617	629	(14,993)	12
IFA	18,218	26,241	23,327	24,751	(1,490)	1,424
State	614	1,075	1,075	1,075	—	—
Federal CD	232,554	316,422	174,627	181,854	(134,568)	7,227
Federal Other	647,159	700,460	640,471	646,578	(53,882)	6,107
Intra-City Other	2,482	3,055	1,925	2,057	(998)	132
Total	\$1,194,414	\$1,494,789	\$1,195,167	\$1,355,352	(\$139,437)	\$160,185
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$83,372	\$83,127	\$88,615	\$90,010	\$6,883	\$1,395
Pensions	32,817	30,006	30,668	30,141	135	(527)
Other Than Personal Service (OTPS)						
Debt Service	549,865	724,337	760,559	778,864	54,527	18,305
Total Additional Costs	\$666,054	\$837,470	\$879,842	\$899,015	\$61,545	\$19,173
Funding						
City	616,283	778,701	824,724	839,724	61,023	15,000
Non-City	49,771	58,769	55,118	59,291	522	4,173
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$177,564	\$208,059	\$200,543	\$212,563	\$4,504	\$12,020
Fringe Benefits	83,453	83,155	88,643	90,038	6,883	1,395
Pensions	32,817	30,006	30,668	30,141	135	(527)
Total PS	\$293,834	\$321,220	\$319,854	\$332,742	\$11,522	\$12,888
OTPS	\$1,016,769	\$1,286,702	\$994,596	\$1,142,761	(\$143,941)	\$148,165
Debt Service	549,865	724,337	760,559	778,864	54,527	18,305
Total OTPS	\$1,566,634	\$2,011,039	\$1,755,155	\$1,921,625	(\$89,414)	\$166,470
Total Agency Costs	\$1,860,468	\$2,332,259	\$2,075,009	\$2,254,367	(\$77,892)	\$179,358
Less Intra-City	\$2,482	\$3,055	\$1,925	\$2,057	(\$998)	\$132
Net Agency Cost	\$1,857,986	\$2,329,204	\$2,073,084	\$2,252,310	(\$76,894)	\$179,226
Funding						
City	899,536	1,210,615	1,177,849	1,338,132	127,517	160,283
Non-City	958,450	1,118,589	895,235	914,178	(204,411)	18,943
Personnel (includes FTEs at fiscal year-end)						
City	713	865	845	803	(62)	(42)
Non-City	1,538	1,858	1,822	1,892	34	70
Total	2,251	2,723	2,667	2,695	(28)	28

Programmatic Review and Service Impact

HPD administers the above-described core services through the following offices: Asset and Property Management; Development; Enforcement and Neighborhood Services; Neighborhood Strategies; and Policy and Strategy. The Offices of the Commissioner, First Deputy Commissioner, External Affairs, Finance & Administration, HPD Tech, and Legal Affairs, respectively, also provide planning, leadership, technical, and support services to accomplish the agency's goals.

Asset and Property Management

HPD's Office of Asset and Property Management works to ensure that properties remain financially and physically stable over the long-term. Its programs proactively identify at-risk buildings and help to stabilize mismanaged assets. The Office supervises the City's Asset Management and Mitchell-Lama portfolios, and manages City-owned residential and commercial properties, as well as Urban Renewal sites, until they can be returned to responsible private ownership. In addition, the agency operates Emergency Housing Services to provide emergency shelter and housing relocation services to tenants displaced as a result of fires or vacate orders issued by the Department of Buildings, the Fire Department, or by the agency itself. Finally, the Office oversees all marketing and leasing-related functions, including affordable housing lotteries and homeless placement services.

Development

HPD's Office of Development leads the implementation of the Mayor's affordable housing goals in close collaboration with other City and State agencies, and with the New York City Housing Development Corporation (HDC). The Office builds a pipeline of affordable housing development on both public and private sites, and administers a variety of new construction, rehabilitation, preservation, and homeownership programs.

Additionally, the Office manages eight real property tax benefit programs, as well as the inclusionary housing pipeline and associated transactions. The inclusionary housing program is intended to promote economic integration as areas undergo substantial new development. The Office also allocates as-of-right and competitive federal Low-Income Housing Tax Credits pursuant to the Internal Revenue Code and the City's Qualified Allocation Plan.

Enforcement and Neighborhood Services

HPD's Office of Enforcement and Neighborhood Services protects housing by enforcing the City's Housing Maintenance Code and the New York State Multiple Dwelling Law. The Office responds to public complaints and plans appropriate, individualized actions to address hazardous conditions in privately-owned buildings—conditions may include the presence of lead paint; structural deficiencies; mold, pests, or allergens; fire safety issues, such as self-closing doors; and the lack of heat, hot water, or electricity. Through the Proactive Preservation Initiative and the agency's Alternative Enforcement Program, 7A Administrator Program, Anti-Harassment Unit, and Underlying Conditions Program the Office monitors deteriorating and severely distressed properties and reaches out to owners with tools to educate, assist, and enforce accountability. When warranted, the agency will undertake repairs through the Emergency Repair Program at an owner's expense. The Office also works closely with the Department of Buildings, the Department of Health and Mental Hygiene, and the Fire Department on enforcement issues including tenant harassment. HPD will bring cases to Housing Court to seek the correction of hazardous conditions, and the imposition of civil penalties.

Neighborhood Strategies

HPD's Office of Neighborhood Strategies focuses on planning and community partnerships to help the agency adopt a more comprehensive approach to development within the City's neighborhoods. The Division of Planning and Predevelopment identifies future sites, coordinates neighborhood zoning efforts, and collaborates with other City agencies to develop public properties. The Division of Neighborhood Development and Stabilization leads the agency's commitment to strategic preservation and development through engagement with tenants, landlords, community leaders, and neighborhood stakeholders on issues involving the creation of vibrant neighborhoods anchored by affordable housing. Finally, the Division of Tenant Resources administers rental assistance programs including Section 8 Housing Choice Vouchers, Moderate Rehabilitation / SRO Programs, Continuum of Care, Emergency Housing Vouchers, and the NYC 15/15 Rental Assistance Program.

Policy and Strategy

HPD's Office of Policy and Strategy leverages its expertise to guide and support HPD and its many Offices in their efforts to deepen their impact, optimize their efficiency, and become more data-driven, compliance-attentive, climate-adaptive, and mission-

focused. To do so, the Office collaborates with staff and senior leadership from across the agency, as well as with representatives from other agencies. The Office carries out its work through delivery of rigorous data, policy, and financial/credit analysis; technical and

statistical research, including the triennial Housing and Vacancy Survey; compliance awareness and adherence; and techniques in program visioning and design to all of HPD’s areas of practice.

Capital Review

The 2024-2033 Ten-Year Capital Strategy totals \$19.5 billion, including \$19.1 billion in City funding and \$400 million in Federal funds. The 2024-2027 Four-Year Plan totals \$8.3 billion, including \$8.1 billion in City funds and \$160 million in Federal funds. The agency will use its City capital resources to leverage State and Federal funds as well as private financing (which does not flow through the City’s capital budget) as part of the agency’s goal to create and preserve quality affordable housing. The table below reflects actual capital commitments for 2022 and planned capital commitments over the 2023-2027 period by program area.

Capital Commitments
(\$ in 000’s)

	FY22 Actuals		FY23 Plan		FY24 Plan		FY25 Plan		FY26 Plan		FY27 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New Construction	\$451,701	\$451,701	\$623,792	\$623,792	\$914,696	\$914,696	\$522,449	\$522,449	\$575,532	\$575,532	\$610,836	\$610,836
Other Housing Support	(11)	(11)	33,446	33,446	93,538	93,538	58,323	58,323	45,539	45,539	112,693	112,693
Disposition	37,921	37,921	119,061	119,061	82,282	82,282	78,941	78,941	79,149	79,149	66,309	66,309
Preservation	215,752	215,752	404,497	404,497	722,461	722,461	443,358	443,358	501,506	501,506	492,483	492,483
Special Needs	181,088	210,301	217,126	278,810	212,792	252,792	400,590	440,590	333,544	373,544	383,207	423,207
NYCHA Preservation Programs ..	—	—	100,000	100,000	440,370	440,370	429,445	429,445	544,841	544,841	—	—
Total	\$886,451	\$915,664	\$1,497,922	\$1,559,606	\$2,466,139	\$2,506,139	\$1,933,106	\$1,973,106	\$2,080,111	\$2,120,111	\$1,665,528	\$1,705,528

Highlights of the Ten-Year Capital Strategy and Four-Year Plan

Under the 2024-2033 Ten-Year Capital Strategy and the 2024-2027 Four-Year Plan, HPD will generate affordable housing units via preservation, new construction, senior and supportive housing, and the disposition of *in rem* housing stock. Under the Four-Year Plan:

- Funding of \$2.2 billion will support activities to preserve existing affordable housing stock while creating long-term affordability by providing moderate to substantial rehabilitation.
- Funding of \$2.6 billion will support construction of new units serving various income levels throughout the five boroughs. Initiatives include large-scale developments, as well as funding for various rental and homeownership programs.
- Funding of \$1.5 billion (inclusive of \$160 million of Federal HOME funds) will support senior and supportive housing initiatives funded through various Special Needs Housing loan programs.
- Funding of \$307 million will rehabilitate City-owned housing units and return them to responsible private ownership.
- Funding of \$310 million will be used in support of other ancillary housing investments. This primarily encompasses demolition of unsafe buildings, costs associated with development in urban renewal areas, technology projects that will enhance agency operations, and other infrastructure projects that support the development of housing.

In addition, units are expected to be generated without capital subsidies through various initiatives with agency partners. These units will primarily be created or preserved using bond financing, inclusionary zoning, and tax abatement or exemptions.

The HPD capital budget also supports the conversion of NYCHA developments through the Permanent Affordability Commitment Together (PACT) Program, which is NYCHA's implementation of the Department of Housing and Urban Development (HUD)'s Rental Assistance Demonstration program.

- Funding of \$1.4 billion will support the conversion of approximately 62,000 units from traditional Section 9 public housing to Section 8 rental assistance vouchers through the PACT program by the end of 2026.

Additional detail on the NYCHA PACT program is included in the NYCHA section of this message.

DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES

The Department of Citywide Administrative Services (DCAS) provides a variety of shared services to support the operations of New York City government. These services include recruiting, hiring, and training employees; providing facilities management for 55 public buildings; acquiring, selling, and leasing City property; coordinating the purchase and distribution of supplies and equipment for City agencies; and implementing conservation and safety programs throughout the City's facilities and vehicle fleet. Through these services, DCAS ensures that all City agencies have the critical resources needed to provide the best possible services to the public. The following lines of service are among those that provide this support: Human Capital, Facilities Management, Real Estate Services, Energy Management, Fleet Management, and the Office of Citywide Procurement.

Financial Review

The 2024 Executive Budget for the Department of Citywide Administrative Services provides \$1.62 billion, a decrease of \$87.3 million below the amount forecasted for 2023. The \$9.3 billion DCAS Ten-Year Capital Plan includes \$2.8 billion for the renovation, reconstruction, and outfitting of Public Buildings, \$4.3 billion for energy efficiency initiatives, \$11.1 million for Real Property, and \$2.2 billion for Citywide resiliency and waterfront rehabilitation.

Revenue Forecast

The Department of Citywide Administrative Services manages the City's real estate holdings and receives revenue in the form of rents. It also holds auctions for vehicles from the City's Fleet as well as other City property and collects civil service exam fees. In 2024, DCAS anticipates collecting \$71.2 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The 2024 Executive Budget provides total funds of \$1.62 billion for the Department, of which \$1.01 billion is for goods and services that agencies purchase from DCAS through intra-City agreements, including the following: utilities (\$849.0 million), leases (\$115.2 million), storehouse supplies (\$16.2 million), maintenance and repair of facilities and vehicles (\$19.5 million), personnel training (\$0.9 million), and other services (\$8.6 million).
- The 2024 Executive Budget provides a total of \$294.3 million for DCAS Facilities Management, including \$63.6 million in State funding for lease and maintenance services of court facilities. Of the total \$294.3 million budgeted for Facilities Management,

the City has budgeted \$149.2 million for leases and \$112.6 million for building maintenance. Facilities Management provides maintenance and construction services for 55 public buildings including 29 court facilities.

- The 2024 Executive Budget provides a total of \$15.0 million for Real Estate Services. Real Estate Services purchases, sells, and leases real property; and locates space for City agencies.
- The 2024 Executive Budget provides a total of \$39.1 million for DCAS Police and contractual security coverage at DCAS-managed buildings.

Restructuring and Streamlining

- Since 2014, DCAS has invested more than \$775 million in approximately 4,200 energy efficiency projects and 12,500 energy conservation measures across 2,300 unique city government facilities comprising more than 70 percent of City government's building square footage and approximately 60 percent of energy use and GHG emissions from city government stationary assets. To date, DCAS has also installed over 18.3 megawatts of solar photovoltaic (PV) systems on City assets and is planning to install a further 51 megawatts of capacity in the near-term. The investments have decreased energy use by about 3.7 million MMBtus, or about as much energy as used by 250,000 City residences, avoided almost \$115 million in annual energy costs, and reduced emissions by over 325,000 metric tons of carbon dioxide equivalent, the equivalent of removing over 70,000 cars from the road. In total, city government has reduced greenhouse gas emissions by 26 percent, compared to 18 percent for all sectors combined within the city, and is on pace to achieve both the near-term mandates of Local Law 97, and the City's long-term emissions reduction goals.

- DCAS is leading the implementation of the NYC Clean Fleet Initiative to reduce transportation GHG emissions by 50 percent by 2025 and to comply with Mayoral Executive Order 90 of 2021 to transition the City fleet to electric by 2035 for light and medium duty vehicles and 2040 for heavy duty. DCAS manages the largest electric fleet in New York State, with over 4,000 electric vehicles, and has ordered over 1,000 new electric replacement vehicles for delivery in calendar year 2023. To support the growing EV fleet, the DCAS also manages the state's largest charging infrastructure network with over 1,500 electric vehicle charging ports so far, including 110 solar-powered electric vehicle carports with another 50 units being brought online and 160 fast charging stations with another 150 being installed over the next two years. Fast chargers can charge electric vehicles in a fraction of the time it takes a traditional charger and DCAS is partnering with the NYC Department of Parks and Recreation to make at least 20 of the new fast and solar chargers open to the public to increase access to charging infrastructure. Currently 14 chargers are open to the public.
- DCAS also plays a key role in creating opportunities for all New Yorkers. During Fiscal Year 2022, DCAS hosted or participated in nearly 200 events to spread awareness about working for the City of New York, reaching over 12,000 participants. DCAS also administered 153 civil service exams to over 79,000 job seekers. Through these exams, DCAS opened pathways to great careers and helped City agencies identify qualified candidates for hiring needs. This year, DCAS created and administered the first NYC Bridge Exam. This is a civil service exam that covers 10 different civil service titles. By only paying one fee and taking one exam, New Yorkers will be eligible for jobs under 10 different civil service titles.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$199,609	\$213,680	\$203,477	\$211,867	(\$1,813)	\$8,390
Fringe Benefits	3,818	5,429	2,255	2,255	(3,174)	0
OTPS	1,329,285	1,492,737	1,257,882	1,410,405	(82,332)	152,523
Total	\$1,532,712	\$1,711,846	\$1,463,614	\$1,624,527	(\$87,319)	\$160,913
Funding						
City	\$367,543	\$503,741	\$377,514	\$409,466	(\$94,275)	\$31,952
Other Categorical Grants	127,866	127,348	98,407	112,195	(15,153)	13,788
IFA	379	1,503	1,416	1,511	8	95
State	71,210	75,278	63,460	64,787	(10,491)	1,327
Federal CD	105	—	—	—	—	—
Federal Other	67,161	4,638	27,147	27,147	22,509	—
Intra-City Other	898,448	999,338	895,670	1,009,421	10,083	113,751
Total	\$1,532,712	\$1,711,846	\$1,463,614	\$1,624,527	(\$87,319)	\$160,913
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$102,144	\$77,894	\$82,880	\$83,382	\$5,488	\$502
Pensions	39,653	33,851	35,119	34,515	664	(604)
Other Than Personal Service (OTPS)						
Debt Service	755,649	800,383	806,934	681,190	(119,193)	(125,744)
Total Additional Costs	\$897,446	\$912,128	\$924,933	\$799,087	(\$113,041)	(\$125,846)
Funding						
City	842,241	881,828	901,860	778,804	(103,024)	(123,056)
Non-City	55,205	30,300	23,073	20,283	(10,017)	(2,790)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$199,609	\$213,680	\$203,477	\$211,867	(\$1,813)	\$8,390
Fringe Benefits	105,962	83,323	85,135	85,637	2,314	502
Pensions	39,653	33,851	35,119	34,515	664	(604)
Total PS	\$345,224	\$330,854	\$323,731	\$332,019	\$1,165	\$8,288
OTPS	\$1,329,285	\$1,492,737	\$1,257,882	\$1,410,405	(\$82,332)	\$152,523
Debt Service	755,649	800,383	806,934	681,190	(119,193)	(125,744)
Total OTPS	\$2,084,934	\$2,293,120	\$2,064,816	\$2,091,595	(\$201,525)	\$26,779
Total Agency Costs	\$2,430,158	\$2,623,974	\$2,388,547	\$2,423,614	(\$200,360)	\$35,067
Less Intra-City	\$898,448	\$999,338	\$895,670	\$1,009,421	\$10,083	\$113,751
Net Agency Cost	\$1,531,710	\$1,624,636	\$1,492,877	\$1,414,193	(\$210,443)	(\$78,684)
Funding						
City	1,209,784	1,385,569	1,279,374	1,188,270	(197,299)	(91,104)
Non-City	321,926	239,067	213,503	225,923	(13,144)	12,420
Personnel (includes FTEs at fiscal year-end)						
City	1,520	1,830	1,819	1,856	26	37
Non-City	543	724	709	708	(16)	(1)
Total	2,063	2,554	2,528	2,564	10	36

Programmatic Review and Service Impact

DCAS provides support services through the seven lines of service described below:

Human Capital

Human Capital is responsible for Citywide civil service administration, including the classification of positions and salaries, developing, validating, administering, and rating examinations; creating civil service lists, and certifying those lists to agencies to fill vacancies; and reduce the number of provisional employees. Human Capital also evaluates and administers Citywide personnel policies and programs and conducts professional development and employee training programs. It also oversees the expansion and maintenance of the New York City Automated Personnel System (NYCAPS), the centralized automated personnel system for managers and employees to access and manage personnel and benefits information, including Employee Self-Service.

Facilities Management

Facilities Management actively manages and operates 55 City-owned court and office buildings totaling 21 million square feet throughout the City, which includes City Hall, the Manhattan and Brooklyn Municipal Buildings, and each of the five Borough Halls.

Real Estate Services

Real Estate Services is the real estate arm of the City of New York, which includes overseeing City-owned and/or occupied real estate, as well as negotiating and administering leases of private space for use by City agencies. Acting as the real estate advisor for City agencies, Real Estate Services assists agencies with finding suitable and cost-effective space for their operations in existing City-owned space, or through acquisition or leasing of space.

Energy Management

DCAS Energy Management (DEM) provides centralized energy management for the City government's fixed asset portfolio. It is responsible for purchasing the energy necessary to operate the City's schools and community colleges, cultural institutions, libraries, offices, police precincts, fire houses, wastewater resource recovery facilities, and other essential sites. DEM continues to reduce the emissions impact of the City's energy supply through the deployment of solar PV systems on City infrastructure and a large-scale purchase of large-scale renewable energy, among other

measures. To ensure the City makes a just transition to a clean energy economy, DEM will continue to invest in reducing energy use in government buildings and enhanced social infrastructure in disadvantaged communities to help improve local energy reliability, resiliency, air quality, and public health.

Office of Citywide Procurement

The Office of Citywide Procurement (OCP) purchases, inspects, and distributes supplies and equipment at the lowest net cost, and assists in the disposal of surplus heavy equipment and goods. DCAS purchases on average approximately \$1.5 billion of goods and services for the City, through approximately 1,400 Citywide requirement contracts and one-time purchases. DCAS leverages the City's purchasing power to obtain the most competitive pricing for goods and services by aggregating demand and consolidating contracts. DCAS seeks to maximize minority and women-owned business enterprise (M/WBE) vendor participation by de-bundling large-scale contracts where appropriate, setting aggressive M/WBE utilization goals, using the best value procurement method as often as possible, conducting outreach and training, and regularly representing the City at vendor fairs.

Fleet Management

The DCAS Division of Fleet Management is responsible for managing the City of New York's over 28,500 fleet vehicles. NYC maintains fleet units at 37 dedicated fleet repair facilities and additional satellite locations and has more than 400 in-house fueling locations and over 1,500 EV charging ports. Fleet Management oversees the vehicle maintenance contracts while managing the City's fuel, vehicle collisions, defensive driver training, real-time vehicle tracking, and alternative energy programs. DCAS directs efforts to improve fleet management Citywide in areas of safety, sustainability, transparency, emergency preparedness, resource management, and shared services.

Office of Citywide Equity and Inclusion

The DCAS Office of Citywide Equity and Inclusion (OCEI) plays a vital role in ensuring an equitable work environment for all City employees. OCEI provides City agencies with advice and counsel on all matters related to equity and inclusion, responds to issues related to equity reporting and sexual harassment training, and ensures the City is compliant with reporting mandates. OCEI also provides outreach to the public about careers in civil service, including under-served populations.

Capital Review

The Department is responsible for capital improvements to all DCAS-managed and client agency buildings including office space, warehouses, and courts; oversight and improvements to City-leased properties; the lease, acquisition and rehabilitation of City-owned non-residential waterfront and non-waterfront properties; energy efficiency initiatives; and waterfront rehabilitation. The capital program includes compliance work for public safety and legal mandates, renovation, rehabilitation, construction, design, and outfitting of various sites, including the purchase of furniture. The Department also purchases vehicles and various communications and technological equipment.

The 2024-2033 Ten-Year Capital Strategy totals \$9.3 billion which includes \$5.1 billion in the 2024-2027 Four-Year Plan. The table below reflects capital commitments by program area over the FY 2022-2027 period.

Capital Commitments
(\$ in 000's)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Rehabilitation of City-Owned Space	\$20,591	\$20,591	\$80,118	\$80,118	\$79,358	\$79,358	\$86,923	\$86,923	\$215,417	\$215,417	\$202,212	\$202,212
Renovation of Other City-Owned Facilities.....	1,048	1,048	15,144	15,144	609	609	57,693	57,693	11,375	11,375	77,446	77,446
Rehabilitation of Court Buildings.....	—	—	—	—	—	—	—	—	—	—	—	—
Legal Mandates and Correction of Unsafe Conditions.....	2,003	2,003	35,458	35,458	49,865	49,865	77,851	77,851	15,468	15,468	97,080	97,080
Renovation of Leased Equipment and Interagency Services.....	11,757	11,757	18,678	18,678	7,185	7,185	34,332	34,332	6,671	6,671	26,345	26,345
Communications Equipment	10,205	10,205	22,643	22,643	29,659	29,659	20,863	20,863	6,848	6,848	9,060	9,060
Board of Elections	—	—	80	80	—	—	—	—	—	—	—	—
Miscellaneous Construction.....	56	56	(67)	(67)	—	—	—	—	—	—	10,396	10,396
Acquisition of Real Property	2,812	2,812	19,238	19,238	71,068	71,068	46,314	46,314	53,228	53,228	21,472	21,472
Energy Efficiency and Sustainability	—	—	4,424	8,074	28,091	28,091	1,995	1,995	—	—	100	100
Resiliency and Protective Measures.....	88,875	88,875	461,619	464,620	535,771	535,771	486,654	486,654	326,820	326,820	481,130	481,130
Rehabilitation of Waterfront & Non-Waterfront Properties ..	316,745	454,458	370,627	589,143	788,899	815,314	546,756	601,111	368,219	372,204	81,516	111,621
Total	(8)	(8)	10,367	10,367	2,969	2,969	867	867	44	44	3,685	3,685
	<u>\$454,084</u>	<u>\$591,797</u>	<u>\$1,038,329</u>	<u>\$1,263,496</u>	<u>\$1,593,474</u>	<u>\$1,619,889</u>	<u>\$1,360,248</u>	<u>\$1,414,603</u>	<u>\$1,004,090</u>	<u>\$1,008,075</u>	<u>\$1,010,442</u>	<u>\$1,040,547</u>

Ten Year Capital Strategy (FY 2024-FY2033)

- Reconstruction and rehabilitation of public buildings and City-owned facilities (\$1.2 billion), including projects at the Manhattan Municipal Building (\$149.4 million), 253 Broadway (\$66.0 million), 280 Broadway (\$53.8 million), 100 Gold Street (\$43.6 million), 1932 Arthur Avenue (\$51.4 million) and 2556 Bainbridge Avenue (\$34.7 million) in the Bronx, Queens Borough Hall (\$11.7 million), and 10 Richmond Terrace in Staten Island (\$6.6 million).
 - Legal mandates (\$592.5 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$416.4 million), façade upgrades to ensure Local Law 11 compliance (\$67.9 million), fuel tank replacement and remediation (\$67.7 million), and upgrades to bathrooms and other facilities to ensure ADA compliance (\$27.1 million).
 - Renovation of other City-owned facilities (\$294.6 million), including the reconstruction of 70 Mulberry Street (\$158.4 million).
 - Miscellaneous construction in other facilities (\$278.8 million), including installation of charging infrastructure for electric vehicles (\$140.0 million).
 - Renovation of leased space (\$233.3 million).
 - Equipment and interagency services (\$114.6 million), including development of a Real Estate Management System (\$2.5 million).
 - Acquisition of real property (\$30.8 million).
 - Board of Elections modernization (\$10.4 million).
 - Rehabilitation of court buildings (\$1.4 million).
 - Communications equipment (\$0.3 million).
 - Rehabilitation of waterfront and non-waterfront properties (\$11.1 million).
 - Citywide agency resiliency and waterfront rehabilitation (\$2.2 billion), including the East Side Coastal Resiliency project (\$900.3 million), the Brooklyn Bridge – Montgomery Coastal Resiliency project (\$123.9 million), and rehabilitation of the substructure of Harlem River Park between 125th Street and 135th Street (\$205.4 million).
 - Energy efficiency measures and building retrofits (\$4.3 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$237.4 million), Solar panels at citywide facilities (\$10.8 million), and other energy efficiency upgrades for various projects (\$4.1 billion).
- The 2024-2027 Plan provides \$5.1 billion and includes:*
- Reconstruction and rehabilitation of public buildings and City-owned facilities (\$583.9 million), including projects at the Manhattan Municipal Building (\$85.1 million), 280 Broadway in Manhattan (\$53.8 million), 100 Gold Street (\$43.6 million), 253 Broadway in Manhattan (\$36.0 million), 1932 Arthur Avenue (\$51.4 million) and 2556 Bainbridge Avenue (\$29.5 million) in the Bronx, 10 Richmond Terrace in Staten Island (\$6.6 million), and Queens Borough Hall (\$6.0 million).
 - Legal mandates (\$240.3 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$104.4 million), fuel tank replacement and remediation (\$65.7 million), façade upgrades to ensure Local Law 11 compliance (\$38.7 million), and upgrades to bathrooms and other facilities to ensure ADA compliance (\$18.2 million).
 - Miscellaneous construction in other facilities (\$192.1 million), including installation of charging infrastructure for electric vehicles (\$80.0 million).
 - Renovation of other City-owned facilities (\$147.1 million), including the reconstruction of 70 Mulberry Street (\$93.4 million).
 - Renovation of leased space (\$74.5 million), including office and warehouse space for the Brooklyn District Attorney (\$24.0 million).
 - Energy efficiency measures and building retrofits (\$1.8 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$236.9 million), solar panels at Citywide facilities (\$10.8 million), and other building retrofits (\$1.6 billion).
 - Equipment and interagency services (\$66.4 million), including the development of a real estate management system (\$2.5 million).

- Acquisition of real property (\$30.2 million).
- Board of Elections modernization (\$10.4 million).
- Rehabilitation of waterfront and non-waterfront properties (\$7.6 million).
- Citywide agency resiliency and waterfront rehabilitation (\$1.9 billion) including East Side Coastal Resiliency (\$900.3 million), and Brooklyn Bridge to Montgomery Coastal Resiliency (\$123.9 million).

OFFICE OF TECHNOLOGY AND INNOVATION

In January 2022, Mayor Adams signed Executive Order 3, which consolidated the City's various technology offices into a single entity, the Office of Technology and Innovation (OTI), under the Chief Technology Officer (CTO). The legacy offices now reporting to OTI and led by the CTO include: the NYC Department of Information Technology and Telecommunications (DoITT), the Mayor's Office of the Chief Technology Officer (MOCTO), the Mayor's Office of Information Privacy (MOIP), the Mayor's Office of Data Analytics (MODA), NYC Cyber Command (NYC3), and the 311 Citizen Service Center.

The newly established OTI makes up the technology core of New York City government, partnering with over 100 City agencies and entities to deliver the technology they need to serve and empower New Yorkers. OTI's IT infrastructure and technology solutions help keep the five boroughs safe, strong, and connected by providing citywide coordination and technical expertise in the development and use of data, voice, and video technologies to improve government services and operations to benefit the City and its residents. To ensure the City continues to be a leader in technology and innovation, OTI develops and manages large City IT projects and contracts, provides infrastructure support for data processing and communications services to numerous agencies, and administers the City's cable television and mobile and information services telecommunications franchises.

Financial Review

OTI's 2024 Executive Budget provides for an operating budget of \$748.0 million, a decrease of \$156.0 million over the amount forecasted for 2023. This change is largely attributable to funding added for one year in the 2023 forecast, intra-city agreements for telecom that have not yet been renewed, and other categorical funding that has not yet been rolled.

Revenue Forecast

The Office collects revenue from cable television, information services and mobile telecommunications franchises, advertising on wireless internet kiosks, and international programming fees for the use of NYC TV, the City's cable television network. OTI will generate \$143.3 million in revenue for 2024.

Expense Budget Highlights

Budgetary Priorities: Providing Core IT Services

- The Office's 2024 Executive Budget includes \$138.2 million for services that OTI purchases on behalf of client agencies, including telecommunications, data, and consultant services.
- The Office's 2024 Executive Budget provides \$109.4 million for Infrastructure in the Technology Operations Division. This division is, in part, responsible for the data center operations and fiber optic network that provide data processing and networking services to over 120 City agencies and entities, 24 hours a day, seven days a week.
- The Office's 2024 Executive Budget provides \$56.0 million for the 311 Citizen Service Center. The Service Center provides the public with continuous access to non-emergency City services through one phone number.
- The Office's 2024 Executive Budget provides \$24.5 million for the administration of the Mayor's Office of Media and Entertainment's five divisions: NYC Media, the official broadcast network and media production group of the City of New York, which operates the City's five cable television channels, three broadcast television channels, and one FM radio station; the Film Office, which supports New York City's film and television production industry and issues permits for the use of City property; the Office of Nightlife, the City's liaison to New York City's nightlife and entertainment industry; the Press Credentials Office, which issues press credentials; and Creative Sector Programs, which oversees the agency's workforce and industry development programs.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$161,339	\$166,145	\$155,708	\$166,598	\$453	\$10,890
Fringe Benefits	—	—	—	—	—	—
OTPS	763,140	737,774	541,715	581,369	(156,405)	39,654
Total	\$924,479	\$903,919	\$697,423	\$747,967	(\$155,952)	\$50,544
Funding						
City	\$558,559	\$656,405	\$528,557	\$576,239	(\$80,166)	\$47,682
Other Categorical Grants	4,496	20,509	2,650	2,650	(17,859)	—
IFA	2,825	2,136	—	2,192	56	2,192
State	253	5,664	1,979	1,979	(3,685)	—
Federal CD	3,553	1,755	1,639	1,719	(36)	80
Federal Other	136,019	36,936	25,000	25,000	(11,936)	—
Intra-City Other	218,774	180,514	137,598	138,188	(42,326)	590
Total	\$924,479	\$903,919	\$697,423	\$747,967	(\$155,952)	\$50,544
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$52,749	\$53,755	\$57,151	\$57,409	\$3,654	\$258
Pensions	28,235	26,503	27,853	27,374	871	(479)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$80,984	\$80,258	\$85,004	\$84,783	\$4,525	(\$221)
Funding						
City	77,679	77,073	81,779	81,599	4,526	(180)
Non-City	3,305	3,185	3,225	3,184	(1)	(41)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$161,339	\$166,145	\$155,708	\$166,598	\$453	\$10,890
Fringe Benefits	52,749	53,755	57,151	57,409	3,654	258
Pensions	28,235	26,503	27,853	27,374	871	(479)
Total PS	\$242,323	\$246,403	\$240,712	\$251,381	\$4,978	\$10,669
OTPS	\$763,140	\$737,774	\$541,715	\$581,369	(156,405)	\$39,654
Debt Service	—	—	—	—	—	—
Total OTPS	\$763,140	\$737,774	\$541,715	\$581,369	(\$156,405)	\$39,654
Total Agency Costs	\$1,005,463	\$984,177	\$782,427	\$832,750	(\$151,427)	\$50,323
Less Intra-City	\$218,774	\$180,514	\$137,598	\$138,188	(42,326)	\$590
Net Agency Cost	\$786,689	\$803,663	\$644,829	\$694,562	(\$109,101)	\$49,733
Funding						
City	636,238	733,478	610,336	657,838	(75,640)	47,502
Non-City	150,451	70,185	34,493	36,724	(33,461)	2,231
Personnel (includes FTEs at fiscal year-end)						
City	1,512	1,611	1,608	1,612	1	4
Non-City	52	51	34	51	—	17
Total	1,564	1,662	1,642	1,663	1	21

Programmatic Review and Service Impact

OTI is committed to leading continuous growth in the City's technology and providing world-class IT services so that the City of New York continues to be a leader in technology and innovation. The Office's initiatives reflect OTI's mission of providing resilient, scalable, and leading IT services, infrastructure, and telecommunications to City agency partners to help improve government operations and services for the benefit of NYC residents, businesses, and visitors.

OTI also supports the Adams Administration's goal to create a more diverse, equitable, and inclusive city for all. To achieve these goals, OTI works to establish Citywide standards and policies for large-scale technology programs. Recent efforts to broaden and diversify OTI's pool of vendors to include more Minority- and Women-Owned Business Enterprises (M/WBE) and small businesses are aligned with the Administration's strategic objective to reform City procurement to expand the number of opportunities for M/WBE contracting, as well as to dramatically increase the City's M/WBE spend.

In recognition of the essential nature of broadband, OTI is working with its City partners to fulfill the promise of free and low-cost quality broadband for every resident and business. To facilitate access to affordable, reliable, high-speed broadband, OTI continues to support the ongoing deployment of LinkNYC, a free, high-speed, citywide Wi-Fi network. LinkNYC kiosks are replacing aging public pay telephones across all five boroughs.

OTI's Citywide Data Center allows the City to leverage IT expertise, personnel, and enterprise architecture management to avoid duplicative efforts across City agencies and improve efficiency and effectiveness. OTI also manages CityNet, the City's institutional fiber network; NYC.gov, the City's official website; the Citywide Radio Network (Channel 16); the 800 MHz Radio Network; the Citywide Geographic Information Systems Unit; and provides administrative or IT support to various other tech initiatives to help streamline agency operations and deliver services that make life better for New Yorkers.

Sustainable Broadband Adoption

In support of the City's goal to provide free and low-cost quality broadband, OTI launched Big Apple Connect in September 2022. Big Apple Connect's

first phase provided residents of 135 NYCHA sites with access to free broadband and basic cable TV. The program's subsequent expansion in March 2023 made it available to 300,000 New Yorkers across more than 200 sites. In addition, OTI's franchisee has resumed installation of the LinkNYC kiosks, growing the network to over 2,000 as of April 2023, committing to complete no less than 4,000 kiosks, and giving priority to 13 equity community districts across the boroughs. Link5G, the newest phase of LinkNYC, arrived in July 2022, with priority given to underserved areas across the five boroughs. OTI also administers the funding for NYC Connected Communities, which provides \$3.7 million per year to a range of City partners to increase public broadband access, computer literacy, and job readiness training in communities of need.

OTI also helps facilitate citywide coordination and collaboration on technology issues, serves as a catalyst for and advises agencies on innovation, and interacts with the wider New York City technology ecosystem to fulfill Mayor Adams' vision of making NYC the most innovative, tech-friendly, and equitable big city in the world.

Cyber Command

Since its creation in July 2017 by Executive Order 28, NYC Cyber Command has led the City's cyber defense efforts by directing incident response, mitigating cyber threats, and providing guidance to the Mayor and City agencies. Now under the CTO, Cyber Command will continue using the latest technologies and leveraging public-private partnerships to protect, detect, respond, and recover from cyber threats while setting citywide information security policies and standards and proactively disseminating threat intelligence.

OTI's Cyber Command also takes a leading role in protecting the digital lives of all New Yorkers. In February 2022, Mayor Adams, Governor Hochul and other cities across New York State partnered to headquarter a Joint Security Operations Center (JSOC) in OTI's Downtown Brooklyn Office to bolster the City and the State's ability to combat cybersecurity threats and attacks. The JSOC centralizes cybersecurity expertise and streamlines threat intelligence and responses in the event of a significant cyberattack by housing Cyber Command with federal and state law enforcement entities, and with representatives from other local and

county governments in the same location. In April 2023, OTI graduated the city's inaugural Cyber Academy class – a specialized training program designed to bolster the city's cybersecurity workforce and enhance agency cyber capabilities to defend against threats to essential services and critical infrastructure.

Cyber Command manages NYC Secure, a free mobile security application it launched in 2018, aimed at protecting New Yorkers online. Using a steadily evolving suite of solutions, NYC Secure helps New Yorkers defend against malicious cyber activity on their mobile devices, across public Wi-Fi networks, and beyond.

Information Privacy

The Mayor's Office of Information Privacy (MOIP), now a part of OTI, works to protect the privacy of New Yorkers' identifying information, while maximizing opportunities for data sharing across City agencies, as permitted by law. OTI's Information Privacy Officer aims to increase access to and strengthen coordination of services for individuals and families, and to encourage innovative projects that advance equity and opportunity for all New Yorkers. In collaboration with City agencies, the Information Privacy Officer works to improve the way the City uses data to inform fair, equitable policies and best practices.

Public Safety Answering Centers (PSACs) Communications

The City continues work on planned upgrades and enhancements to its 9-1-1 Emergency System. Most of the capital funding for 9-1-1 technology initiatives is contained within OTI's budget. This includes both the technology refresh of end-of-life systems across the City's two redundant Public Safety Answering Centers (PSACs) as well as transitioning to a Next Generation 9-1-1 system, which will allow for the seamless transfer of digital information from the public to the City's 9-1-1 systems. In June of 2020, the Interim Text to 9-1-1 solution was implemented to provide people who are unable to connect via existing voice services with greater access to the 9-1-1 system. Other enhanced public safety systems, such as FireCAD and a Joint Operations Center (JOC), were completed in 2021. The NextGen 9-1-1 Program is now moving from the Design Phase to the Implementation Phase, as the team drives to complete the City's full transition to a NextGen 9-1-1 system.

Data Analytics

The Mayor's Office of Data Analytics (MODA), now a part of OTI, applies strategic analytical thinking to data to help city agencies deliver services more equitably and effectively, and to increase operational transparency. OTI's Data Analytics and Open Data teams will continue collaborating with agencies to implement data-driven solutions for service delivery and resident engagement, working to implement the city's Open Data Law and engage constituents, and facilitating data sharing among City agencies.

Geographic Information Systems

OTI's Citywide Geographic Information Systems (GIS) Unit provides enterprise-wide support for geospatial applications by developing and hosting interactive maps and geo-reference data along with associated tools and applications. This includes NYCityMap, a physical base map, and planimetrics of New York City derived from aerial photography. Leveraging NYCityMap and similar technologies, OTI works with agencies across the City to launch many interactive websites and applications serving a range of audiences and needs.

NYC311 Customer Service Center

NYC311 is the nation's largest and most comprehensive government information and services center. It is available 24 hours a day, 7 days a week. New Yorkers can connect with NYC311 via online, mobile app, text, phone, or on social media. NYC311 continues to expand accessibility of government services to non-English speakers, with telephone translation services available in over 175 languages and with 311 Online available in more than 100 languages. Since its launch, NYC311 has received more than 343 million calls and has been a clearinghouse for all things related to New York City government, providing information on more than 2,000 topics, routing details of public inquiries to the appropriate City agencies and providing customers with service request numbers to track the progress of their inquiry.

NYC.gov

NYC.gov, the official website of the City of New York, is the City's digital face to the world. Home to more than 250 NYC.gov websites, representing City agencies, entities, organizations, and initiatives, NYC.gov receives more than 70 million unique visitors who

view nearly 325 million pages of content each year. Additionally, NYC.gov serves as a launching point to access City government on other digital platforms such as mobile applications, social media, and targeted alerts. From the homepage, users can find important alerts, watch Mayoral announcements live, make a 311 service request, get customized information about their neighborhood, and discover new programs and events.

Mayor's Office of Media and Entertainment

The New York City Mayor's Office of Media and Entertainment (MOME) streamlines government communications by making more information accessible, leveraging technology to aid in the transparency of government, and by supporting relevant industries in New York City. MOME consists of the Office of Film, Theatre and Broadcasting, the Office of Nightlife, Press Credentials Unit, and NYC Media, the official television, radio, and online network of the City of New York.

Streamlining Agency Operations

OTI will continue to leverage the City's data centers, fiber optic network, and other resources to reduce costs for City agencies in need of internet access, data center hosting and management, e-mail, security and firewall solutions, disaster recovery sites, wireless solutions, and remote access. The OTI Capital Plan for 2024-2027 includes \$359.1 million for infrastructure improvements associated with these citywide initiatives.

ECONOMIC DEVELOPMENT

Fostering economic development in New York City requires a multi-faceted approach, coordinated between multiple agencies. The two main entities responsible for economic development in the City are the Department of Small Business Services (SBS) and the New York City Economic Development Corporation (NYCEDC). SBS makes it easier for businesses in New York City to form, do business and grow by providing direct assistance to business owners, fostering neighborhood development, seeking to reduce regulatory burdens, and linking employers to a skilled and qualified workforce. NYCEDC's mission is to encourage inclusive economic growth throughout the five boroughs of New York City by facilitating investments that create jobs and strengthen neighborhoods. Together, SBS and NYCEDC lead the implementation of the City's economic development plan, Rebuild, Renew, Reinvent: A Blueprint for New York City's Economic Recovery. This Blueprint was designed to achieve an equitable and comprehensive economic recovery for the City.

The Department of Small Business Services (SBS)

SBS helps unlock economic potential and create economic security for all New Yorkers by connecting people to jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs. SBS runs the City's NYC Business Solutions Centers, Industrial Business Solutions Providers and Workforce1 Career Centers; provides grants and services to support the growth of local community and economic development organizations throughout the City; oversees the largest network of Business Improvements Districts (BIDs) in the country; and administers the Minority and Women-owned Business Enterprise (M/WBE) Program. SBS also contracts with NYCEDC, NYC Tourism + Conventions, the Trust for Governors Island (TGI) and the Brooklyn Navy Yard Development Corporation (BNYDC), to bolster economic development in the five boroughs.

New York City Economic Development Corporation (NYCEDC)

NYCEDC is a not for profit organization under contract with SBS. It manages City-owned properties and invests in major infrastructure upgrades and capital projects; conducts area-wide planning and real estate development; and works to support the City's major business sectors. NYCEDC addresses challenges faced by industries through analysis of current economic trends, development of strategies and solutions, and implementation of programs that help businesses thrive and grow. Through the New York City Industrial Development Agency (NYCIDA) and Build New York City Resource Corporation (Build NYC), NYCEDC helps eligible businesses meet financing needs for property acquisition, new equipment, renovation and working capital through low-cost tax-exempt bonds and exemptions and abatements of selected City and State taxes.

Brooklyn Navy Yard Development Corporation (BNYDC) and Trust for Governors Island (TGI)

SBS also contracts with the BNYDC and the TGI for the purposes of economic development and rehabilitating City-owned assets. Since 1981, BNYDC has operated the Brooklyn Navy Yard on behalf of the City and has diversified the types of businesses that operate at the Navy Yard. Currently, over 500 businesses employ over 11,000 people at the Navy Yard's 300-acre campus, generating \$2.5 billion per year in economic impact for the City.

In 2011, the City of New York assumed responsibility for the development and operation of Governors Island, located in Upper New York Harbor. Since assuming control of the Island, the City has made major investments at the Island to increase public access and to prepare it for future development. With these investments, TGI has fortified the Island against natural disasters, rehabilitated the Island's electrical and maritime infrastructure, created new parkland, stabilized historic buildings, and attracted private development. Capitalizing on these investments the Island is poised to serve as the anchor to NYC's efforts to mitigate climate change by housing the Climate Solutions Center.

Financial Review

The 2024 Executive Budget provides \$197.4 million for operating expenses at SBS, comprised of \$153.5 million of City funding and \$43.9 million of non-City sources. The SBS operating budget includes allocations for NYCEDC, the Mayor's Office of Environmental Remediation (MOER), NYC Tourism + Conventions, and TGI.

Capital commitments of \$2.9 billion are forecast in the 2024-2027 Capital Plan. Of this amount, \$2.7 billion

reflects City capital commitments. The remaining \$238.3 million reflects Federal and State commitments.

Expense Budget Highlights

SBS

Workforce Development Division (WDD)

- In partnership with the Mayor's Office of Talent & Workforce Development, the Workforce Development Division helps New Yorkers build careers by training local residents to acquire skills in growing fields, connecting jobseekers to employers with open positions, and developing job search skills through resume and interviewing workshops. The 2024 Executive Budget provides \$55.4 million in City and Federal funds to this division in 2024.

Division of Business Services (DBS)

- The Business Services Division helps businesses to start, operate, and grow by connecting entrepreneurs to resources ranging from business courses to legal services, explaining government rules and regulations, and helping entrepreneurs apply for funding to launch or grow a business. The 2024 Executive Budget provides \$19.3 million in City and Federal funds to this division in 2024.

Neighborhood Development Division (NDD)

- The Neighborhood Development Division supports community-based organizations throughout New York City in order to strengthen commercial corridors and build vibrant neighborhoods. SBS does this by overseeing 76 Business Improvement Districts (BIDs); offering training, tools, and one-on-one assistance to local community-based organizations; administering grant programs to strengthen and revitalize commercial districts; and working with community partners to identify local commercial district needs and plan targeted solutions. The 2024 Executive Budget provides \$10.5 million in City and Federal funds to this division in 2024.

Division of Economic and Financial Opportunity (DEFO)

- In partnership with the Mayor's Office of Minority and Women-owned Business Enterprises, the Division of Economic and Financial Opportunity

(DEFO) certifies minority- and women-owned businesses (M/WBEs) and helps them compete for government contracts by providing technical assistance. The office serves as a One-Stop resource for M/WBEs interested in doing business with the City and its agencies. The 2024 Executive Budget provides \$8.5 million in City and Federal funds to this division in 2024.

NYCEDC

- NYCEDC derives revenues primarily from the management of City-owned property, financing fees, and land sale proceeds. Through a contract with SBS, the Executive Plan will provide NYCEDC \$40.7 million in City, Federal, and State funds in 2024. Proceeds will continue to support EDC's efforts to activate economic potential, support burgeoning industries and effectively manage City assets.

NYC Tourism + Conventions

- Through a contract with SBS, NYC Tourism + Conventions (formerly NYC & Company) will receive \$21.4 million in City funding in 2024 for its work to promote the City as the country's premier tourist destination, serve as the City's official marketing organization, and provide partnership services to events and local businesses across the five boroughs. The agency recently rebranded as New York City Tourism + Conventions to create a more visitor-focused brand strategy and approach to promoting the City.

Trust for Governors Island (TGI)

- Through a contract with SBS, the 2024 Executive budget will provide TGI \$19.5 million in City funding towards the management and operation of the Island, as well as capital funds for further investment in infrastructure, improvement of the ferry landings, and restoration of landmark buildings.

Brooklyn Navy Yard Development Corporation (BNYDC)

- BNYDC receives no direct operating funds from the City, deriving revenues primarily from the management of City properties. Through a contract with SBS, BNYDC will receive capital funds for investments in infrastructure.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$24,296	\$31,024	\$30,287	\$31,962	\$938	\$1,675
Fringe Benefits	—	—	—	—	—	—
OTPS	488,904	402,444	133,989	165,487	(236,957)	31,498
Total	\$513,200	\$433,468	\$164,276	\$197,449	(\$236,019)	\$33,173
Funding						
City	\$146,691	\$294,644	\$122,327	\$153,530	(\$141,114)	\$31,203
Other Categorical Grants	17,252	—	—	—	—	—
IFA	—	—	—	—	—	—
State	1,082	1,571	—	—	(1,571)	—
Federal CD	5,449	12,666	2,485	2,523	(10,143)	38
Federal Other	337,902	104,736	38,854	40,786	(63,950)	1,932
Intra-City Other	4,824	19,851	610	610	(19,241)	—
Total	\$513,200	\$433,468	\$164,276	\$197,449	(\$236,019)	\$33,173
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$9,116	\$9,661	\$10,825	\$10,483	\$822	(\$342)
Pensions	4,653	4,245	4,194	4,122	(123)	(72)
Other Than Personal Service (OTPS)						
Debt Service	66,695	78,460	83,899	95,086	16,626	11,187
Total Additional Costs	\$80,464	\$92,366	\$98,918	\$109,691	\$17,325	\$10,773
Funding						
City	75,555	86,115	92,685	103,102	16,987	10,417
Non-City	4,909	6,251	6,233	6,589	338	356
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$24,296	\$31,024	\$30,287	\$31,962	\$938	\$1,675
Fringe Benefits	9,116	9,661	10,825	10,483	822	(342)
Pensions	4,653	4,245	4,194	4,122	(123)	(72)
Total PS	\$38,065	\$44,930	\$45,306	\$46,567	\$1,637	\$1,261
OTPS	\$488,904	\$402,444	\$133,989	\$165,487	(\$236,957)	\$31,498
Debt Service	66,695	78,460	83,899	95,086	16,626	11,187
Total OTPS	\$555,599	\$480,904	\$217,888	\$260,573	(\$220,331)	\$42,685
Total Agency Costs	\$593,664	\$525,834	\$263,194	\$307,140	(\$218,694)	\$43,946
Less Intra-City	\$4,824	\$19,851	\$610	\$610	(\$19,241)	\$—
Net Agency Cost	\$588,840	\$505,983	\$262,584	\$306,530	(\$199,453)	\$43,946
Funding						
City	222,246	380,759	215,012	256,632	(124,127)	41,620
Non-City	366,594	125,224	47,572	49,898	(75,326)	2,326
Personnel (includes FTEs at fiscal year-end)						
City	165	227	234	243	16	9
Non-City	88	131	117	120	(11)	3
Total	253	358	351	363	5	12

Capital Review

The primary goal of the Ten-Year Capital Plan is to encourage development to create and retain jobs in New York City, bolster the City’s tax base, and maintain City-owned facilities in a state of good repair. The 2024-2033 Ten-Year Capital Strategy totals \$6.2 billion in capital funding which includes \$2.9 billion in the 2024-2027 Four-Year Plan.

The following chart reflects actual commitments for Fiscal Year 2022 and planned capital commitments for the Fiscal Years 2024-2027 period by major function.

Capital Commitments
(\$ in 000’s)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Neighborhood Revitalization.....	\$115,131	\$115,170	\$233,942	\$239,111	\$117,672	\$190,626	\$195,679	\$195,679	\$122,714	\$122,714	\$213,951	\$214,711
Waterfront Development.....	\$40,011	\$40,086	\$37,504	\$62,287	\$73,064	\$103,304	\$72,474	\$72,727	\$99,929	\$101,781	\$39,734	\$39,931
Industrial Development.....	\$57,606	\$58,112	\$140,902	\$146,362	\$93,412	\$201,928	\$86,353	\$90,354	\$62,156	\$62,156	\$24,649	\$24,649
Commercial Development.....	\$16,956	\$16,704	\$29,670	\$36,527	\$21,275	\$21,275	\$2,915	\$2,915	\$18,658	\$22,958	\$48,218	\$48,218
Miscellaneous.....	\$199,388	\$218,052	\$234,867	\$257,636	\$245,920	\$260,132	\$371,723	\$371,776	\$255,296	\$255,296	\$315,348	\$315,349
Community Development.....	\$39,193	\$39,193	\$29,534	\$29,534	\$18,518	\$18,518	\$8,545	\$8,545	\$—	\$—	\$—	\$—
Market Development.....	\$1,547	\$1,547	\$12,527	\$12,527	\$30,300	\$31,295	\$31,498	\$31,498	\$508	\$508	\$83,854	\$83,854
Cultural Development.....	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Port Development	\$10	\$10	\$34	\$34	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Total.....	\$ 469,842	\$488,874	\$718,980	\$784,018	\$600,161	\$827,078	\$769,187	\$773,494	\$559,261	\$565,413	\$725,754	\$726,712

Highlights of the Ten-Year Capital Strategy and 2024-2027 Four-Year Capital Plan:

The 2024-2033 Ten-Year Capital Strategy allocates \$1,105.3 million for development, management and rehabilitation of City-owned waterfront and pier sites Citywide, of which \$317.7 million is allocated in the 2024-2027 Four-Year Plan. This funding includes \$160.0 million for the Financial District and South Street Seaport Coastal Resiliency project.

A total of \$570.0 million is allocated in the 2024-2033 Ten-Year Capital Strategy for the development of the Manhattan Greenway, a continuous 32.5-mile route around Manhattan intended to transform the waterfront into a green attraction for recreational and commuting use; \$238.5 million is allocated in the 2024-2027 Four-Year Capital Plan.

A total of \$433.0 million is allocated in the 2024-2033 Ten-Year Capital Strategy for Life Sciences Initiatives to fund lab space and equipment for cure-producing research, of which \$163.4 million is in the 2024-2027 Four-Year Capital Plan, including \$48.0 million to develop lab spaces at the Brooklyn Army Terminal.

A total of \$332.3 million is allocated in the 2024-2033 Ten-Year Capital Strategy for infrastructure improvements and neighborhood development around the Hunts Point Market, of which \$200.2 million is allocated in the 2024-2027 Four-Year Plan. Funding includes \$36.8 million to develop energy resilient resources.

A total of \$253.4 million is allocated in the 2024-2027 Four-Year Capital Plan for the New Stapleton Waterfront development in Stapleton, Staten Island, including the development of the Tompkinsville Esplanade, Dockbuilders Pier, and the Staten Island Homeport. There is an additional \$58.2 million allocated in Fiscal Year 2023.

A total of \$152.6 million is allocated in the 2024-2033 Ten-Year Capital Strategy for infrastructure work related to the NYC Ferry Service, of which \$115.6 million is allocated in the 2024-2027 Four-Year Plan.

A total of \$106.3 million is allocated for Offshore Wind Industry development to transform NYC into a global hub for the industry, including \$56.3 million to develop the South Brooklyn Marine Terminal (SBMT) into one of the country’s largest offshore wind port

facilities in the 2024-2027 Four-Year Capital Plan. A total of \$176.3 million is allocated in the 2024-2033 Ten-Year Capital Strategy.

A total of \$694.6 million is allocated in the 2024-2033 Ten-Year Capital Strategy, of which \$301.8 million in the 2024-2027 Four-Year Capital Plan, for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support future redevelopment at Brooklyn Navy Yard.

A total of \$254.4 million is allocated in the 2024-2033 Ten-Year Capital Strategy, of which \$196.8 million in the 2024-2027 Four-Year Capital Plan, for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support public open space and future redevelopment at Governors Island.

LIBRARIES

The City of New York funds three independently operated public library systems, each administered by a separate board of trustees. The Brooklyn Public Library (BPL) oversees the operation of 60 branches, a Central Library and the Center for Brooklyn History. The New York Public Library (NYPL) is made up of 88 neighborhood branches throughout the Bronx (35 branches), Manhattan (39 branches), and Staten Island (14 branches), and four research centers located in Manhattan. NYPL's four research centers are the Stephen A. Schwarzman Building, the New York Public Library for the Performing Arts, the Schomburg Center for Research in Black Culture, and the Thomas Yoseloff Business Center. The Queens Public Library (QPL) consists of 66 branches including a Central Library, seven adult learning centers, a technology center, a universal pre-kindergarten, and two teen centers.

Financial Review

The Libraries 2024 Executive Budget provides for operating expenses of \$431 million, a decrease of \$40.5 million below the amount forecasted in 2023. Capital commitments of \$198.5 million are also provided, an increase of \$77.8 million above the 2023 Plan amount.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2024, the operating subsidy for the Brooklyn Public Library will be \$119.4 million.
- In 2024, the operating subsidy for the New York Public Library will be \$157.7 million.
- In 2024, the operating subsidy for the New York Public Library's research libraries will be \$30.7 million.
- In 2024, the operating subsidy for the Queens Public Library will be \$123.3 million.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$—	\$—	\$—	\$—	\$—	\$—
Fringe Benefits	—	—	—	—	—	—
OTPS	431,026	471,535	411,197	431,010	(40,525)	19,813
Total	\$431,026	\$471,535	\$411,197	\$431,010	(\$40,525)	\$19,813
Funding						
City	\$423,499	\$463,258	\$411,197	\$430,991	(\$32,267)	\$19,794
Other Categorical Grants ..	919	71	—	—	(71)	—
IFA	—	—	—	—	—	—
State	—	—	—	—	—	—
Federal CD	—	—	—	—	—	—
Federal Other	24	—	—	—	—	—
Intra-City Other	6,584	8,206	—	19	(8,187)	19
Total	\$431,026	\$471,535	\$411,197	\$431,010	(\$40,525)	\$19,813
Additional Costs Centrally Funded						
Other Than Personal Service (OTPS)						
Fringe Benefits	\$2,528	\$1,939	\$2,695	\$2,062	\$123	(\$633)
Pensions	38,185	32,956	27,953	27,953	(5,003)	—
Debt Service	79,075	99,118	104,075	80,408	(18,710)	(23,667)
Total Additional Costs ...	\$119,788	\$134,013	\$134,723	\$110,423	(\$23,590)	(\$24,300)
Funding						
City	117,975	131,951	132,671	108,870	(23,081)	(23,801)
Non-City	1,813	2,062	2,052	1,553	(509)	(499)
Full Agency Costs (including Central Accounts)						
Fringe Benefits	\$2,528	\$1,939	\$2,695	\$2,062	\$123	(\$633)
OTPS	431,026	471,535	411,197	431,010	(40,525)	19,813
Pensions	38,185	32,956	27,953	27,953	(5,003)	—
Debt Service	79,075	99,118	104,075	80,408	(18,710)	(23,667)
Total OTPS	\$550,814	\$605,548	\$545,920	\$541,433	(\$64,115)	(\$4,487)
Total Agency Costs	\$550,814	\$605,548	\$545,920	\$541,433	(\$64,115)	(\$4,487)
Less Intra-City	\$6,584	\$8,206	\$—	\$19	(\$8,187)	\$19
Net Agency Cost	\$544,230	\$597,342	\$545,920	\$541,414	(\$55,928)	(\$4,506)
Funding						
City	541,474	595,209	543,868	539,861	(55,348)	(4,007)
Non-City	2,756	2,133	2,052	1,553	(580)	(499)
Personnel (includes FTEs at fiscal year-end)						
City	—	—	—	—	—	—
Non-City	—	—	—	—	—	—
Total	—	—	—	—	—	—

* The 2024 Executive Budget provides an estimated 4,111 full-time and full-time equivalent positions, which are funded with City subsidies.

Programmatic Review and Service Impact

The three library systems will continue to provide services throughout the five boroughs at existing branches and at recently opened or rehabilitated libraries:

- A new branch, Charleston, opened on Staten Island in March 2022.
- Construction is underway on full rehabilitations of five historic Carnegie libraries - Hunts Point and Melrose in the Bronx, 125th Street and Fort Washington in Manhattan, and Port Richmond on Staten Island.
- QPL reopened their busiest branch, Flushing Library in April 2022.
- The newly expanded and completely rebuilt Sunset Park Library is expected to open in the fall of 2023.
- Fit-out of Brooklyn Public Library's newest branch, the L10 Arts and Culture Library, will open later this summer. Along with BAM, MoCADA, and 651 Arts, BPL will open a library dedicated to the arts and in coordination with events at other cultural institutions.
- The Bedford Library HVAC replacement is near completion and will reopen in late Summer 2023.

The three library systems continue to provide a variety of community programming throughout the five boroughs:

- Brooklyn Public Library continued to play an integral role in the lives of Brooklynites in 2023. BPL had over 3 million visitors and hosted 25,386 programs with an attendance of 387,500 individuals. Circulation remains robust with over 9,300,000 materials and e-books circulating last year. Finally, BPL issued a record 143,441 new library cards. BPL continues to press forward with its strategy to address significant deferred maintenance needs by partnering with the City to undertake self-managed Capital grant projects and has commenced the design of the Canarsie, New Lots, and Walt Whitman branches, which will each receive a large overhaul of the infrastructure and interior improvements.
- The New York Public Library (NYPL) has been an essential presence in the Bronx, Manhattan, and Staten Island for over 125 years, providing

safe and reliable spaces and opportunities for all New Yorkers, regardless of their background or means. NYPL prioritizes equitable access to its offerings. This focus on equity is why the Library eliminated late fines in the fall of 2021. At the time of its announcement in October 2021, about 150,000 library cards could have been blocked because of fine accruals. Forty-four percent of these cardholders resided in low-income neighborhoods. NYPL's focus on equity extends to a range of offerings that focus on education. Through programs like Storytime, family literacy workshops, and pre-k for all partnerships, New York City's Libraries have established themselves as the leading providers of early literacy programs and services in the city. In the fall of 2021, NYPL launched a new drop-in after school program, with free homework help, tutoring, and career exploration services. NYPL After School is currently in 31 branches and helps students in historically marginalized communities keep pace with their more affluent peers, a dire need given pandemic-related learning loss. The Library's new Teens 360 initiative aims to give adolescents places to socialize, supportive adults, and exposure to new experiences they need to find their own voice. An important aspect of this initiative is teen centers which provide safe and stable access to free, up-to-date technologies, spaces to gather and socialize, as well as both academic and socio-emotional support. NYPL's flagship teen center is at the newly-renovated central circulating library, the Stavros Niarchos Foundation Library (SNFL). Teens gather here from across the city to utilize books, computers, programs, staff expertise, or a state-of-the-art recording studio. Thus far in 2023, the SNFL Teen Center has hosted 410 programs with 3,585 attendees. The Library is currently in the process of opening 19 additional teen centers in underserved neighborhoods thanks to support it has received from the City, Google, Best Buy, and the Joly Family Foundation.

- Queens Public Library remains committed to helping New Yorkers recover from the pandemic and building an equitable city for all. As part of a continued partnership with NYC H+H since February 2022, QPL staff at every location have handed out nearly 390,000 much needed home COVID test kits. Throughout 2022, QPL introduced new initiatives to meet the diverse needs of its communities. Between April and December 2022, through its mobile food pantries in partnership with Food Bank For New York City, QPL

distributed fresh, canned and boxed food to more than 2,800 households benefitting 12,000 people at 18 events at Laurelton, St. Albans and Rochdale Village libraries. In October 2022, the Library's Queens Memory Project launched Queens Name Explorer to document the biographical details of the individuals behind the names of hundreds of streets, schools, buildings, parks, monuments, and other public places throughout the borough. The Library also deployed LanguageLine, the phone-based service that provides on-demand interpretation in 240 languages at all of its locations. To support asylum seekers applying for IDNYC cards at Central Library, QPL staff have been volunteering to provide in-person interpretation to assist them with the application process and connect them to library services and case management. Staff have also conducted outreach to shelters to provide asylum seekers with books, school supplies, and information on ESOL and adult learning classes, hotspot lending, and other free resources. Under the Mayor's Teen Initiative, QPL has expanded its successful Youth Justice Court, reestablished Young Adult Literacy Services to help students obtain GEDs, and expanded college readiness, podcasting, robotics, mental health, and civic engagement programs, among others. Building on the Far Rockaway Teen Library model, QPL plans to have five upgraded or newly established teen centers in the months ahead. To take a stand against censorship and promote free expression, QPL, BPL, and NYPL initiated the "NYC Banned Books Challenge" in May 2022, publishing a list of 10 banned or challenged titles recommended by librarians at the three systems and urging New Yorkers to borrow and read them. In 2022, attendance at QPL's in-person and virtual programs climbed to more than 697,400, circulation for print and e-materials surpassed 7.2 million, visits rose to 4.8 million, WiFi sessions increased to 581,600, card registrations grew to 72,400, and the number of Culture Pass reservations jumped to 11,600.

Capital Review

The 2024-2033 Ten-Year Capital Strategy totals \$1.4 billion, which includes \$776.9 million in the 2024-2027 Four-Year Plan. The table below reflects actual capital commitments for FY 2022 and planned capital commitments over the FY 2023-2027 period by program area.

**Capital Commitments
(\$ in 000's)**

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Brooklyn Public Library	\$17,529	\$17,529	\$29,230	\$29,230	\$88,077	\$88,077	\$43,513	\$43,513	\$41,973	\$41,973	\$116,071	\$122,329
New York Public Library	\$109,116	\$109,116	\$64,323	\$64,323	\$70,867	\$70,867	\$14,338	\$14,338	\$28,179	\$28,179	\$75,196	\$75,196
NYPL Research Libraries	\$288	\$288	\$5,719	\$5,719	\$869	\$869	\$769	\$769	\$3,336	\$3,336	\$1,360	\$1,360
Queens Borough Public Library	\$9,064	\$15,160	\$21,419	\$21,419	\$38,645	\$38,645	\$69,410	\$69,410	\$61,631	\$65,484	\$112,551	\$112,551
Total	\$135,997	\$142,093	\$120,691	\$120,691	\$198,458	\$198,458	\$128,030	\$128,030	\$135,119	\$138,972	\$305,178	\$311,436

Highlights of the Ten-Year Plan include:

Brooklyn Public Library (BPL):

The 2024-2033 Ten-Year Capital Strategy allocates \$465.9 million for various renovations and improvements at BPL branches, including:

- Complete overhaul of the Brownsville branch Library (\$25.8 million).
- Renovation and construction of the 2nd floor at Midwood Library (\$7.7 million).
- Infrastructure upgrades at Stone Avenue Library (\$7.5 million).
- Comprehensive renovation of Borough Park Library (\$19.6 million).
- Complete overhaul of the Eastern Parkway branch Library (\$29 million).

New York Public Library (NYPL), which includes projects in the Bronx, Manhattan, and Staten Island:

The 2024-2033 Ten-Year Capital Strategy allocates \$349.8 million for various renovations and improvements at NYPL branches and research libraries, including:

- Interior and exterior renovation of the Hamilton Fish Library in Manhattan (\$11.3 million)
- Construction of the new Westchester Square Library in the Bronx (\$24 million, in addition to \$13.9 million in 2023).

- Branch expansion at the Woodlawn Library in the Bronx (\$9.6 million).
- A new HVAC system at the New Dorp Library in Staten Island (\$3.6 million).
- Partial renovation of the Castle Hill Library in the Bronx (\$9.3 million).

Queens Public Library (QPL):

The 2024-2033 Ten-Year Capital Strategy allocates \$571.3 million for various renovations, replacement branches, and improvements for QPL branches, including:

- Gut renovation of the Briarwood Library (\$11.3 million, in addition to \$2.1 million in 2023)
- Roof and masonry repair of the Ridgewood Library (\$4.5 million).
- Renovation and ADA compliance upgrades at Astoria Library (\$16.2 million).
- Expansion and Resiliency of the Arverne Library (\$16 million).
- Construction of a new Rego Park Library (\$41.4 million).
- Exterior rehabilitation and ADA compliance upgrades at Queens Village library (\$14 million).

THE DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs (DCLA) is responsible for supporting and strengthening the City's vibrant cultural life through funding, technical assistance, and advocacy for more than 1,200 nonprofit cultural organizations across New York City, including museums, dance companies, theaters, performing arts organizations, botanical gardens, zoos, and a wide array of other cultural organizations.

The City supports operations at the 34 City-owned cultural institutions known as the Cultural Institutions Group (CIG). This group includes diverse organizations such as the Bronx Zoo, Queens Botanical Garden, Snug Harbor Cultural Center, Studio Museum Harlem, and Weeksville Heritage Center.

DCLA provides support for capital improvements at more than 200 cultural organizations throughout the five boroughs. Funding is provided for infrastructure, renovation, expansion, equipment, and public art projects. In 2023, DCLA also provided program grants and support services for more than 1,000 cultural organizations citywide, including groups such as Bronx Arts Ensemble, Casita Maria, Central Brooklyn Jazz Consortium, 651 Arts, Waterfront Museum, Louis Armstrong House, Asian American Writers' Workshop, Harlem Chamber Players, Ayazamana Cultural Center, Queensboro Dance Festival, Friends of Alice Austin House, Universal Temple of the Arts, and Staten Island MakerSpace.

Financial Review

The Department of Cultural Affairs' 2024 Executive Budget provides for operating expenses of \$157.6 million, a decrease of \$92.5 million below the amount forecasted in 2023. Capital Commitments of \$156.0 million are also provided, an increase of \$37.1 million above the 2023 Plan amount.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The City's 34 CIG institutions will receive operating support of \$118.6 million, including \$46.3 million in energy subsidies.
- In the 2024 Executive Budget, various cultural organizations citywide will receive program grants totaling \$31.6 million.
- The 2024 Executive Budget contains \$7.5 million in operating funds for the Department of Cultural Affairs' staff, rent, supplies, and equipment.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$5,271	\$5,848	\$5,435	\$5,673	(\$175)	\$238
Fringe Benefits	—	—	—	—	—	—
OTPS	224,532	244,322	144,397	151,974	(92,348)	7,577
Total	\$229,803	\$250,170	\$149,832	\$157,647	(\$92,523)	\$7,815
Funding						
City	\$210,736	\$248,459	\$149,518	\$157,312	(\$91,147)	\$7,794
Other Categorical Grants	1,098	16	—	—	(16)	—
IFA	284	295	288	295	—	7
State	—	—	—	—	—	—
Federal CD	—	—	—	—	—	—
Federal Other	13,333	1,025	—	—	(1,025)	—
Intra-City Other	4,352	375	26	40	(335)	14
Total	\$229,803	\$250,170	\$149,832	\$157,647	(\$92,523)	\$7,815
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$1,805	\$1,952	\$1,965	\$2,085	\$133	\$120
Pensions	9,948	11,720	11,783	11,767	47	(16)
Other Than Personal Service (OTPS)						
Debt Service	240,382	252,884	265,530	320,102	67,218	54,572
Total Additional Costs	\$252,135	\$266,556	\$279,278	\$333,954	\$67,398	\$54,676
Funding						
City	246,568	261,238	273,989	327,716	66,478	53,727
Non-City	5,567	5,318	5,289	6,238	920	949
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$5,271	\$5,848	\$5,435	\$5,673	(\$175)	\$238
Fringe Benefits	1,805	1,952	1,965	2,085	133	120
Pensions	9,948	11,720	11,783	11,767	47	(16)
Total PS	\$17,024	\$19,520	\$19,183	\$19,525	\$5	\$342
OTPS	\$224,532	\$244,322	\$144,397	\$151,974	(\$92,348)	\$7,577
Debt Service	240,382	252,884	265,530	320,102	67,218	54,572
Total OTPS	\$464,914	\$497,206	\$409,927	\$472,076	(\$25,130)	\$62,149
Total Agency Costs	\$481,938	\$516,726	\$429,110	\$491,601	(\$25,125)	\$62,491
Less Intra-City	\$4,352	\$375	\$26	\$40	(\$335)	\$14
Net Agency Cost	\$477,586	\$516,351	\$429,084	\$491,561	(\$24,790)	\$62,477
Funding						
City	457,304	509,697	423,507	485,028	(24,669)	61,521
Non-City	20,282	6,654	5,577	6,533	(121)	956
Personnel (includes FTEs at fiscal year-end)						
City	57	68	69	70	2	1
Non-City	4	5	3	3	(2)	—
Total	61	73	72	73	—	1

* The 2024 Executive Budget provides an estimated 1,288 full-time and full-time equivalent positions, which are funded with City subsidies.

Programmatic Review and Service Impact

- As New York's cultural sector recovers from the unprecedented damage caused by the pandemic, DCLA continues to provide robust levels of support for arts and cultural groups across the city.
 1. After years of research and a top-to-bottom evaluation of the Cultural Development Fund (CDF), 2023 saw the first significant impacts of the ongoing reforms to the competitive grant making process. With a focus on equity and access, the reforms yielded promising results in their first year: 125 groups received funding for the very first time – indicating that DCLA was successfully reaching new communities – and 82% of groups led by or founded by people of color saw an increase in their CDF baseline awards. For 2024, DCLA continues to engage in an ongoing process of evaluation and reform to make the CDF even more equitable, accessible, and open. The agency is committed to ensuring that City funding reaches the diverse groups and organizations that make up New York's everchanging cultural ecosystem.
 2. DCLA's partnership with the 34 members of the Cultural Institution's Group, which represents an array of cultural organizations – zoos, museums, science and heritage centers, botanical gardens, theaters and performing arts organizations – throughout the five boroughs of New York City has remained consistent. The CIGs continue to advance mission related work and fulfill their mandate to public service. They also continue to work toward achieving goals outlined in the diversity, equity, inclusion and access plans required by DCLA, which underpin their work to foster a more open, inclusive cultural sector. As tourism and visitorship continues its climb to pre-pandemic levels, the CIGs are helping to drive the City's recovery, providing the performances, exhibitions, and cultural programming that make New York such a vibrant and inviting place to live, work and play.
 3. DCLA continues to support individual artists through the re-grant program with five local arts councils.
 4. DCLA supports diversity, equity and inclusion in the cultural workforce through the continuation of the CUNY Cultural Corps program, which places CUNY students in paid internship positions at cultural organizations citywide.
 - In 2023, DCLA continues its Public Artists in Residence (PAIR) program, which creates more avenues for artists to work with government agencies. In 2023, DCLA launched three new residencies with new City agency partners: NYC Health + Hospitals, the Department of Design and Construction, and the NYC Department of Homeless Services. The three artists will be in residence with their host agencies for a year and will present participatory public art projects that address some of the challenges facing the City.
 - In 2023, nine commissions for Percent for Art are slated for completion, including Daniel Bejar at the Academy of American Studies in Queens and Frank Parga at the Richard R. Hungerford School on Staten Island. Percent for Art also selected fourteen artists for new commissions, which included future works by Vanessa German for the Shirley Chisholm Recreation Center in Brooklyn, Jennifer Wen-Ma at 70 Mulberry Street in Chinatown, Manhattan and Rachel Hayes for Q388 PS at 2530 Waters Edge Drive in Queens. By the end of the fiscal year the program will continue to select artists for new City construction projects in schools, libraries, and recreational centers throughout the five boroughs.
 - Materials for the Arts (MFTA) collects millions of pounds of reusable materials from donors in and around NYC, diverting it from the landfill and providing them, free of charge, to thousands of arts organizations, nonprofits, NYC public schools, and City agencies. Since reopening to members in November 2021, after operating through curbside pickup during the pandemic, MFTA's membership base has increased, along with growth in the level of donations and in MFTA's partnerships with individual artists and arts organizations. Thus far in 2023, MFTA has processed more than 2,970 donations valued at \$13.3 million.

Capital Review

The 2024-2033 Ten-Year Capital Strategy totals \$1.6 billion, which includes \$988.1 million in the 2024-2027 Four-Year Plan. The table below reflects actual capital commitments for FY 2022 and planned commitments over the FY 2023-2027 period by program area.

**Capital Commitments
(\$ in 000's)**

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Department of Cultural Affairs	\$55,745	\$55,697	\$116,805	\$118,853	\$131,949	\$155,957	\$244,029	\$244,029	\$291,963	\$292,963	\$291,946	\$295,185
Total.....	\$55,745	\$55,697	\$116,805	\$118,853	\$131,949	\$155,957	\$244,029	\$244,029	\$291,963	\$292,963	\$291,946	\$295,185

Highlights of the Ten-Year Capital Strategy and Four-Year Plan:

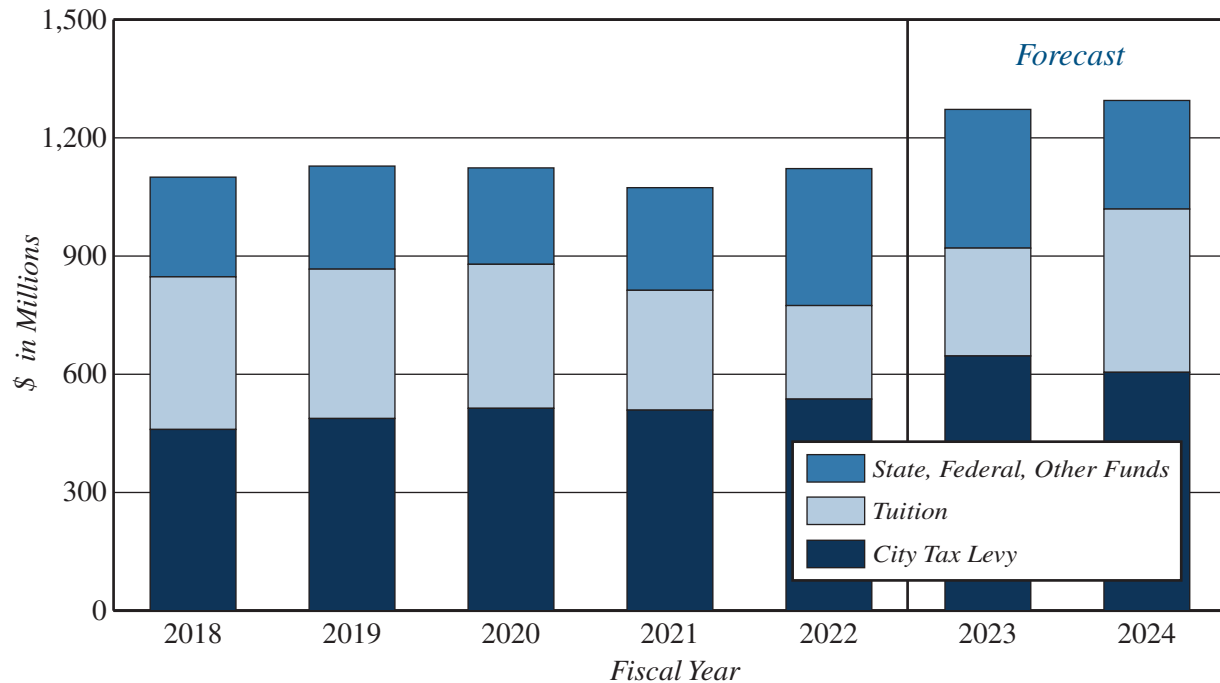
- Comprehensive renovation of the Public Theater’s Delacorte Theater in Central Park (\$41.3M)
- Construction of a Visitor/Education Center at the Queens County Farm Museum (\$23.0M).
- Renovation of the building envelope for the Brooklyn Museum (\$2.5M).
- Renovation of the Sea Cliffs Exhibit at the New York Aquarium in Brooklyn (\$19.4M).
- Restoration of Clove Road for the Staten Island Zoo (\$5.7M).
- Renovation of the South Wing Atrium for the Bronx Museum of the Arts (\$23.9M).
- Switchgear and electrical service upgrades for the Bronx Zoo (\$13.0M).

CITY UNIVERSITY OF NEW YORK

The City University of New York (CUNY) includes eleven senior colleges, seven community colleges, the School of Professional Studies, the Graduate Center, the Graduate School of Journalism, the Macaulay Honors College, the CUNY School of Law, the CUNY Graduate School of Public Health and Health Policy and the CUNY School of Labor and Urban Studies. CUNY also sponsors the Hunter College Campus Schools. The CUNY colleges, some of which date back to the nineteenth century, were federated in 1961. The University is governed by a 17-member Board of Trustees. Ten members are appointed by the Governor, five are appointed by the Mayor with the advice and consent of the New York State Senate, and two (the chairpersons of the Faculty and Student Senates) serve as ex-officio members.

CUNY is the largest municipal university system in the United States and ranks third in number of students among the public university systems in the nation. More than 80 percent of the University’s graduates stay in New York, contributing to all aspects of the City’s economic, civic, and cultural life and diversifying the City’s workforce in every sector. The University’s historic mission continues to this day: provide a public first-rate education to all students, regardless of means or background.

COMMUNITY COLLEGE EXPENDITURES BY SOURCE 2018 - 2024



* Funding which supports senior college and Hunter Campus Schools activities is not included here. Other Categorical and intra-city revenues are also excluded. City tax levy includes pension contributions which are budgeted in the Pension Agency and Collective Bargaining, Medicare Part B and Stabilization Fund contributions which are budgeted in the Miscellaneous Agency. Tuition includes Tuition and Fees, Miscellaneous Revenues, Adult Continuing Education fees and Other Categorical funds. State and Federal dollars are combined and include Community Development funds. Source: NYC OMB

Financial Review

The City University of New York's 2024 Executive Budget totals \$1,294.6 million, a net decrease of \$88.9 million from the 2023 forecast of \$1,383.5 million. The senior college lump sum appropriation of \$35 million remains unchanged from 2023. Additionally, \$111.2 million in pension and other fringe costs attributable to higher education are budgeted in separate agencies, bringing CUNY's total 2024 budget to \$1,405.9 million.

Revenue Forecast

Total non-City revenues for two-year colleges decreased by \$78.5 million from \$370.0 million in 2023 to \$291.5 million in 2024. The decrease is mostly attributable to a \$78.2 million year-over-year decrease in pandemic-related federal stimulus.

Expense Budget Highlights

The Executive Budget includes City support for CUNY to better prepare the upcoming workforce, to increase supports for students seeking in-demand career paths, and to rebuild New York City following the devastating impacts of COVID-19. Assisted by revenues generated through enrollment, State aid for the community colleges, and Federal Higher Education Emergency Relief Funds, CUNY will continue to engage in programs with a particular focus on increasing career readiness, addressing the wealth gap among NYC's most devastated communities, and supporting ongoing economic recovery and revitalization efforts.

Inclusive Economy Initiatives

Aligning with the Mayoral priority of economic recovery, these programs are all geared to better prepare the next generation of New York City's workforce. Together, these efforts will create opportunities for students to explore their interests and career pathways, receive advisement from specialized mentors, and learn through paid work experiences during summer months.

- CUNY Career Launch Program (SYEP Expansion): As part of the Mayoral expansion of the Summer Youth Employment Program (SYEP), the CUNY

Career Launch Program will provide 2,000 CUNY students the opportunity to develop workplace skills, make connections within their field of choice, and earn money throughout the summer.

- Industry Campus Backbone and Support Unit: CUNY strives to increase campus support for students seeking a career in high demand sectors. This program adds dedicated staff whose main goal is to ready the next generation workforce with industry standard abilities, making sure course subject matter is aligned with the skills demanded within the technology, healthcare, and green energy fields.
- Career-Aligned Advisors: To better prepare CUNY students with the tools required to start their desired professions after graduation, CUNY will increase the number of advisors specifically geared to career identification on undergraduate campuses. These advisors will guide students in choosing the right majors, minors, and courses based on the career goals and interests of the student.

CUNY Reconnect

The Executive budget includes expanded funding for the CUNY Reconnect program, which invests in marketing efforts and academic and retention supports to help working-age New Yorkers with some college credit, but no degree, to complete a college degree at CUNY. As of 2023, the program has enrolled 16,000 new students into the CUNY system, surpassing its goal of 10,000 students in its first year of operation.

The plan also adds continued funding for the Brooklyn Recovery Corps at Medgar Evers College. This program provides eligible students attending Medgar Evers College with the opportunity to contribute to the ongoing economic recovery of Brooklyn and the City. For sophomore, junior, and senior-level students, this program offers hands-on learning experiences through academic credit or paid internships, career preparation support and engagement within the community, and STEM-focused career placement opportunities.

Summary of Agency Financial Data

The following table compares 2024 Executive Budget with the 2024 Preliminary Budget, the 2023 forecast and actual expenditures for 2022, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2022 Actual	2023 Forecast	2024		2023	2024
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$647,786	\$552,300	\$688,898	\$692,126	\$139,826	\$3,228
Fringe Benefits	183,981	235,504	238,357	228,189	(7,315)	(10,168)
OTPS	399,954	595,726	349,334	374,297	(221,429)	24,963
Total	\$1,231,721	\$1,383,530	\$1,276,589	\$1,294,612	(\$88,918)	\$18,023
Funding						
City	\$738,783	\$876,343	\$962,484	\$965,864	\$89,521	\$3,380
Other Categorical Grants	19,679	15,146	14,077	14,077	(1,069)	—
IFA	—	—	—	—	—	—
State	238,055	276,110	276,110	276,110	—	—
Federal CD	—	—	—	—	—	—
Federal Other	112,773	78,770	1,313	1,313	(77,457)	—
Intra-City Other	122,431	137,161	22,605	37,248	(99,913)	14,643
Total	\$1,231,721	\$1,383,530	\$1,276,589	\$1,294,612	(\$88,918)	\$18,023
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$3,892	\$3,050	\$4,136	\$3,231	\$181	(\$905)
Pensions	87,268	95,941	99,764	108,015	12,074	8,251
Other Than Personal Service (OTPS)						
Debt Service	67,036	66,436	66,018	76,494	10,058	10,476
Total Additional Costs	\$158,196	\$165,427	\$169,918	\$187,740	\$22,313	\$17,822
Funding						
City	156,864	164,340	168,837	186,537	22,197	17,700
Non-City	1,332	1,087	1,081	1,203	116	122
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$647,786	\$552,300	\$688,898	\$692,126	\$139,826	\$3,228
Fringe Benefits	187,873	238,554	242,493	231,420	(7,134)	(11,073)
Pensions	87,268	95,941	99,764	108,015	12,074	8,251
Total PS	\$922,927	\$886,795	\$1,031,155	\$1,031,561	\$144,766	\$406
OTPS	\$399,954	\$595,726	\$349,334	\$374,297	(221,429)	\$24,963
Debt Service	67,036	66,436	66,018	76,494	10,058	10,476
Total OTPS	\$466,990	\$662,162	\$415,352	\$450,791	(\$211,371)	\$35,439
Total Agency Costs	\$1,389,917	\$1,548,957	\$1,446,507	\$1,482,352	(\$66,605)	\$35,845
Less Intra-City	\$122,431	\$137,161	\$22,605	\$37,248	(99,913)	\$14,643
Net Agency Cost	\$1,267,486	\$1,411,796	\$1,423,902	\$1,445,104	\$33,308	\$21,202
Funding						
City	895,647	1,040,683	1,131,321	1,152,401	111,718	21,080
Non-City	371,839	371,113	292,581	292,703	(78,410)	122
Personnel (includes FTEs at fiscal year-end)						
City	7,472	9,860	9,775	9,775	(85)	—
Non-City	—	—	—	—	—	—
Total	7,472	9,860	9,775	9,775	(85)	—

Capital Review

The City University of New York’s 2024-2033 Ten-Year Capital Strategy totals \$1.5 billion which includes \$630.6 million in the 2024-2027 Four-Year Plan. Approximately 17 percent of CUNY’s 2024-2027 capital funds are reflected in 2024, totaling \$106.9 million. The table below reflects actual capital commitments for 2022 and planned capital commitments over the 2023-2027 period by program area.

**Capital Commitments
(\$ in 000’s)**

	2022 Actuals		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New School Construction	\$225	\$225	\$—	\$—	\$11,183	\$11,183	\$23,401	\$23,401	\$73,644	\$73,644	\$177,819	\$177,819
Renovation/Rehabilitation of Roofs, Classrooms, etc	42,533	42,533	59,736	59,736	76,979	81,118	123,181	123,181	46,584	46,584	51,568	51,568
Purchase & Installation of ... EDP and Other Equipment ...	743	743	8,991	8,991	14,647	14,647	6,883	6,883	10,600	10,600	7,200	7,200
Energy Conservation Conservation	—	—	—	—	—	—	1,228	1,228	—	—	1,500	1,500
Other Projects	—	—	251	251	—	—	—	—	—	—	—	—
Total	\$43,501	\$43,501	\$68,978	\$68,978	\$102,809	\$106,948	\$154,693	\$154,693	\$130,828	\$130,828	\$238,087	\$238,087

Community college critical maintenance and new capital construction projects approved by the City are eligible for an equal amount of State matching funds. The State provides its 50 percent share for such projects through annual State budget capital appropriations. The State’s funds, provided through the independent sale of New York State Dormitory Authority (DASNY) bonds, are not represented in the City’s capital plan.

The City University of New York’s 2024-2033 Ten-Year Capital Strategy allocated \$934.8 million for reconstruction projects. This includes \$302.5 million in the 2024-2027 Four-Year Plan for:

- Bronx Community College - \$38 million. Funds support improvements to the school’s mechanical HVAC systems and controls to significantly enhance the air quality and energy efficiency at several buildings on campus.
- LaGuardia Community College - \$26.5 million. Funds support the infrastructure upgrades needed at the Center 3 building to accommodate the buildout of three vacant floors for additional classrooms, labs, and offices.
- LaGuardia Community College - \$14.4 million. Funds support the replacement of the air handling units and variable air volume system, tying both into the building management system, resulting in a reliable system capable of supporting the building's

HVAC demands. Additionally, it will result in greenhouse gas reduction in compliance with NYC Local Law 97.

- Hostos Community College - \$7 million. Funds support the design and construction of 500 Grand Concourse’s second floor and sub-basement.
- Queensborough Community College - \$2.5 million. Funds support ADA-compliant reconstruction of elevators in the Medical Arts and Science Building.

\$503.7 million for new school construction, including \$286 million in the 2024-2027 Four-Year Plan for:

- Hunter College - \$267.8 million. Funds support the Brookdale Campus Redevelopment; this project will upgrade/improve spaces for the School of Nursing and School of Health Professions, CUNY Graduate School of Public Health, and Health Policy and College Dorms.

\$69.1 million for data processing and equipment, including \$39.3 million in the 2024-2027 Four-Year Plan for:

- York College - \$3 million. Funds support the procurement of state-of-the-art scientific analysis equipment.

- College of Staten Island - \$2 million. Funds support an upgrade of the existing fiber distribution plant across multiple locations.
- New York City Technical College - \$2 million. Funds support the purchase of state-of-the-art instructional technology, including digital imaging systems, laser technology, 3-D printers, etc., for the campus.
- Baruch College - \$1.2 million. Funds support the replacement of all the network switches that connect to users' devices across the campus.

PENSIONS AND OTHER FRINGE BENEFITS

Pension Overview

The Executive Budget for 2024 includes \$9,634 million in expenditures for City pension contributions, an increase of \$221 million from the amount carried in 2023. The City’s pension contributions for 2024 and beyond are based on the actuarial assumptions and methods set forth by the Chief Actuary in 2021, and reflect wage increases consistent with the City’s most recent collective bargaining pattern, as well as adjustments in planned staffing levels, and the estimated impact of investment losses that occurred in 2022.

These projections also reflect a resetting of the actuarial value of assets equal to the market value of assets in 2019, referred to as the Market Restart. Investment gains or losses that have occurred since 2019 are phased-in over subsequent five-year period periods at 20 percent per year. These projections also incorporate updated post-retirement mortality tables per the Society of Actuaries (MP-2020).

In addition, the 2024 budget includes a reserve for costs that could arise from recommendations pursuant to an independent actuarial audit that is underway.

In the table below: (1) \$9,526 million in expenditures are for contributions to the City’s five

major retirement systems (City Actuarial Systems) that cover City employees and retirees; (2) \$108 million in expenditures are for contributions to retirement systems not maintained by the City (Non-City Systems). This includes contributions to the State pension plan that cover employees of City libraries, contributions to the Cultural Institutions Retirement System that cover non-City employees of day care centers and certain cultural institutions, and contributions to the Teachers’ Insurance and Annuity Association (TIAA) that cover certain CUNY employees and contributions to the City’s Voluntary Defined Contribution program; and (3) less than a million in expenditures (Non-Actuarial) are primarily for supplemental benefits for certain retired uniformed members.

**Pension Expenditures and Funding Sources
(\$ in 000’s)**

	2022 Actual	2023 Forecast	2024		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2023 Forecast	Preliminary Budget
<i>Expenditures</i>						
<i>Personal Service</i>						
City Actuarial Systems	\$9,611,441	\$9,305,234	\$9,454,980	\$9,525,976	\$220,742	\$70,997
Non-City Systems.....	99,836	108,064	108,120	108,120	56	—
Non-Actuarial	99	350	350	350	—	—
Total*	\$9,711,376	\$9,413,649	\$9,563,450	\$9,634,446	\$220,798	\$70,997
<i>Funding</i>						
City	\$9,567,097	\$9,269,370	\$9,419,171	\$9,490,167	\$220,798	\$70,997
State	32,025	32,025	32,025	32,025	—	—
Federal	—	—	—	—	—	—
Intra-City Other	112,254	112,254	112,254	112,254	—	—
Total*	\$9,711,376	\$9,413,649	\$9,563,450	\$9,634,446	\$220,798	\$70,997

*Numbers may not add due to rounding.

The City's five actuarial retirement systems are the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, the New York City Fire Pension Fund, and the Board of Education Retirement System. These systems cover approximately 724,000 employees, retirees and beneficiaries of the City, the Department of Education, the City University System, and certain independent agencies. Each system is governed by a board of trustees and functions in accordance with applicable state and local laws. Annual pension contributions are made as required by statute based on an actuarial valuation of liabilities and assets.

Other Fringe Benefits

The City provides a number of fringe benefits to its employees, retirees and eligible dependents. City contribution amounts and terms of coverage are governed by various contractual, legal and collective bargaining provisions. In general, the City's Miscellaneous Expense Budget contains the budget appropriations for the fringe benefit expenditures on behalf of employees and retirees of the mayoral agencies. Separate allocations are included in the Department of Education, the City University system, NYC Health & Hospitals, and the various other covered organizations, libraries and cultural institutions, for the fringe benefit expenditures on behalf of their active and retired employees.

The City's basic health insurance program provides comprehensive major medical and hospitalization benefits to its employees, retirees and eligible dependents. In addition, the City makes annual contributions to union-administered welfare funds, which typically provide supplemental health insurance benefits to their members. Annual City contributions to the various welfare funds, as well as other supplemental benefit funds, conform to collective bargaining and labor agreements.

The City also makes the required employer contributions on behalf of its employees who are

covered under federal Social Security. As required by New York State Workers' Compensation Law, the City pays wage replacement and medical benefits to employees who sustain on-the-job injuries. Under New York State Labor Law, the City provides up to 26 weeks in unemployment benefits (capped at statutory maximums) to eligible employees who lose their jobs due to economic reasons. Additional weeks can be provided during periods of high unemployment in the State. The City, as required by the Administrative Code, also pays for the medical costs of uniformed employees of the Police, Fire and Sanitation Departments who sustain injuries in the line of duty.

Retiree Health Benefits Trust Fund

The Retiree Health Benefits Trust Fund (the "Trust") was created in 2006 and began operating in 2007. The Trust is used to receive City deposits and make the annual pay as you go ("PAYGO") payments required to meet current year health insurance and supplemental welfare benefits expenses for retirees. The Trust was initially funded with \$2.5 billion in City contributions: \$1 billion in 2006 and \$1.5 billion in 2007. Over the years, the City has consistently made annual contributions to the Trust, ensuring that there are sufficient assets in the Trust to meet the annual PAYGO obligation. In some years, the City made additional discretionary contributions into the Trust, while in certain years of fiscal stress, the City made a reduced contribution.

In 2022, the Trust paid out approximately \$3.1 billion in benefit payments, and had a year-end balance of \$5.4 billion, or \$4.6 billion net of a \$792 million prepayment towards fiscal 2023. Assets in the Trust are used to offset the City's Other Postemployment Benefits (OPEB) obligations. OPEB exclude pensions, and include retiree health insurance premium payments, contributions to retiree welfare funds, and Medicare Part B reimbursements. As of the end of 2022, the City's reported net OPEB obligation was \$89.5 billion. The City is not required to fund OPEB obligations on an actuarial basis, other than to meet its current year PAYGO payment.

The following table sets forth the fringe benefit amounts carried in the Miscellaneous Budget for 2023 and 2024.

Fringe Benefits

(\$ in 000's)

	2023 Forecast	2024 Executive	Increase/ (Decrease)
Workers' Compensation	\$443,396	\$480,096	\$36,700
Health Insurance Plans	4,358,588	5,527,273	1,168,686
Uniform Allowances	15,350	15,176	(174)
Social Security Contributions	1,461,908	1,505,864	43,956
Unemployment Insurance Benefits.....	24,854	25,854	1,000
Supplementary Employee Welfare Benefits.....	684,337	724,081	39,745
Workers' Compensation - Other.....	47,700	49,600	1,900
Total.....	\$7,036,132	\$8,327,945	\$1,291,813
Funding			
City	\$6,254,917	\$7,556,812	\$1,301,895
Other Categorical	183,360	183,116	(244)
State.....	182,619	193,958	11,339
Interfund Agreements	69,238	79,922	10,684
Intra-City.....	97,071	83,556	(13,515)
Federal.....	248,928	230,582	(18,346)
• CD	26,379	27,646	1,267
• Other	222,549	202,936	(19,613)
Total.....	\$7,036,132	\$8,327,945	\$1,291,813

JUDGMENTS AND CLAIMS

The Executive Budget for 2024 includes an appropriation of \$1,165 million for expenditures on Judgments and Claims. These expenditures represent the City's payments to settle tort and contract liability claims. Tort expenditures cover both personal injury and property damage claims, and typically represent about 95 percent of total Judgment and Claims expenditures. The projections incorporate a substantial amount of claims expenditures attributed to NYC Health + Hospitals (H + H) for which H + H will reimburse the City.

The Office of Management and Budget (OMB) employs various statistical methods and financial models to estimate claims expenses. In addition, OMB consults the Law Department to obtain cost estimates for cases that are expected to settle for \$1 million or greater. These are mainly serious personal injury cases that have been in litigation or on appeal for a considerable period of time. These cases represent a

significant portion of total tort expenditures, but their relatively small volumes do not lend themselves to statistical analysis. Historical claim data contained on the Comptroller's Omnibus Automated Image Storage and Information System (OAISIS) are analyzed to determine annual settlement volumes and average cost per claim. Total expenditures are the product of the volume and average claim cost projections.

**Analysis of
Agency
Budgets:
Covered
Organizations**

NEW YORK CITY HEALTH + HOSPITALS

NYC Health + Hospitals (Health + Hospitals), the largest municipal health system in the country, includes 11 acute care hospital sites, one long-term acute care hospital, five skilled nursing facilities, and nearly 50 Gotham Health community health centers. The system provides comprehensive health care services including preventive and primary care, behavioral health, substance abuse, trauma, high-risk neonatal and obstetric care, and burn care.

Health + Hospitals' acute care hospitals serve as major teaching hospitals. In addition, the system includes MetroPlus (a managed care plan), an Accountable Care Organization, a Certified Home Health Agency, Correctional Health Services, and a program conducting mental health evaluations for the family courts in the Bronx, Brooklyn, Queens, and Manhattan. Health + Hospitals is the City's single largest provider of care to Medicaid patients, mental health patients, and the uninsured, serving 1.1 million New Yorkers.

Financial Review

Health + Hospitals closed the first half of 2023 with a negative net budget variance of \$89 million due to higher than anticipated expenses on temporary nurse staffing to keep our facilities running. At the same time, the system's direct patient care receipts through the first half of 2023 were \$43 million better than the same period in 2022. This continues to build on the system's positive momentum in 2022 where direct patient care revenues came in \$617 million higher than 2021.

Health + Hospitals' Strategic Initiatives associated with revenue cycle improvements, managed care contracting improvements, and value-based payments also remain on track. Through December, it has generated \$397 million in revenue and has a projected line of sight of \$676 million for the full year, on target with our projections.

Recent System-wide Achievements

COVID-19

Three years ago, COVID-19 arrived in New York City and required a huge commitment of our energy and resources. Health + Hospitals invested financially, physically, and emotionally to contend with the virus, and continues to do so today. As a result of these efforts, Health + Hospitals emerged from the pandemic stronger and more united in many ways. We solved new challenges, marked major milestones, invested in patient care and responded with excellence to the needs of the diverse communities we serve.

As we move beyond the emergency response to COVID-19, we can reflect and recognize the incredible work of our medical frontline at Health + Hospitals, including leading the City's response to the pandemic via the Test & Treat Corps.

- Testing – Since the beginning of the City's operations, over 14.5 million tests have been administered across testing sites and programs.
- Treating – Our innovative mobile test to treat program has been able to administer over 4,700 Paxlovid prescriptions and Virtual ExpressCare has connected people with Paxlovid prescriptions over 37,000 times.
- Long COVID – The AfterCare program, which provides New Yorkers experiencing Long COVID information and tools related to Long COVID, and connects them to health and social needs resources that support them in their recovery, has proactively reached out to over 500,000 New Yorkers, and referred more than 57,000 people to critical health, social and financial support services.

In addition, the system had several other key accomplishments over the past year, which include:

- Provided care to thousands of asylum seekers who arrived at the Port Authority Bus Terminal, and helped to set up the Humanitarian Emergency Response and Relief Centers.
- Launched “Housing for Health” to connect our homeless patients to housing, which has already housed over 400 patients.
- Administered over 15,000 Mpox vaccinations at our hospitals and mobile sites.
- Expanded B-HEARD, the powerful new program where Health + Hospitals social workers and FDNY EMTs respond to 911 mental health calls, to 10 additional police precincts, covering Washington Heights, Inwood, the South Bronx, East New York, and Brownsville.

- Expanded our award-winning Street Health Outreach & Wellness (SHOW) vans to include buprenorphine treatment for people with opioid use disorder – a life-saving intervention to broaden the vans’ already sizeable impact.
- Expanded our nationally renowned lifestyle medicine service program to all 11 of our hospitals, offering plant-based lunches and dinners as the default choice for our patients.
- Launched a Bio Surveillance Program, which tests wastewater for infectious disease, at all 11 of our hospitals.
- Earned Medicare shared savings for reducing cost and providing high quality care for patients through its Accountable Care Organization (ACO).
- All of our hospitals received “Baby-Friendly” designation for successfully providing evidence-based care.

Guaranteed HealthCare Plan

In August 2019, NYC Care was launched in the Bronx to guarantee health care at a low to no-cost to New Yorkers who do not qualify for or cannot afford health insurance in all five boroughs. Since then, the program expanded to Brooklyn and Staten Island in January 2020 and Queens and Manhattan in September 2020. Through December 2022, over 110,000 individuals have enrolled.

Expanding Ambulatory Care Services

Health + Hospitals continues to invest in new and current facilities to expand options for care to New Yorkers. In the last year, the system has:

- Continued operations at the system’s three COVID-19 Centers of Excellence.
- Grew to over 426,000 unique primary care patients and improved specialty care access with 150,000 e-consults last quarter.
- Had over 60 percent of all patients activated in our electronic medical records patient portal, MyChart, through December 2022, continuing the system’s success being above the national average in its digital health utilization.

- Expanded our Virtual ExpressCare which also began providing Paxlovid throughout the State, administering the most Paxlovid prescriptions of any provider in New York City.

Promoting Culturally Competent Care

Health + Hospitals has developed specialized programs to support culturally and linguistically responsive services that support the diverse healthcare needs of the City’s residents. The Equity and Access Council, established in March 2020 provides strategic direction for the development of programs and initiatives aimed at eliminating barriers, institutional and structural inequities, and improving the health and well-being of underrepresented and marginalized communities. In 2022, the system continued to build on its work embedding equity into the System’s strategic priorities serving as a core foundational element to the Health + Hospitals’ vision, mission, and values. The work of the Equity and Access Council is focused on the following priority areas:

- Workforce Diversity – initiatives to attract, retain, and develop diverse talent.
- Workplace Inclusion – strategies to promote inclusive practices.
- Equity of Care – strategies to eliminate racial and social institutional and structural inequities. For example, Health + Hospitals eliminated the inclusion of race in a common clinical equation used to calculate kidney function.
- Monitoring and Evaluation – metrics to inform program improvements and service delivery models, identify priority populations, and drive evidence-based intervention initiatives.

Correctional Health Services

In Calendar Year 2022, NYC Health + Hospitals/ Correctional Health Services (CHS) continued to provide high-quality health care services to approximately 18,000 people in the City’s custody while advancing innovative health initiatives. These include its pioneering Outposted Therapeutic Housing Unit (OTxHU) initiative, which will bridge the gap between the care provided in the jails and inpatient hospitalization. These secure, clinical units will house patients who have serious health conditions and would

benefit from close, regular access to the specialty and subspecialty care available in hospitals.

Construction of the first Outposted unit at NYC Health + Hospitals/Bellevue is underway, with a planned completion date of December 2023. Subsequent units at NYC Health + Hospitals/Woodhull and NYC Health + Hospitals/North Central Bronx have planned completion dates of 2024 and 2025, respectively. The Outposted initiative also includes capital funds for upgrades to the hospitals necessary to support the new units. CHS has secured \$662 million in capital funding for this work.

In addition to leveraging Health + Hospitals' resources to meet the medical and mental health needs of people in custody, CHS draws on the Health + Hospitals system to help discharged patients successfully return to their communities. A recent example is Just Home, a housing initiative that will provide permanent, supportive housing for medically complex, homeless New Yorkers after they leave jail by revitalizing an unused building on the NYC Health + Hospitals/Jacobi hospital campus.

Homeless individuals with complex medical needs experience significant challenges navigating homeless shelters and securing appropriate housing, and individuals with justice involvement face particular barriers when trying to reestablish themselves in the community. The Just Home project will help address these challenges while advancing Health + Hospitals' mission to care for the most vulnerable New Yorkers. In July 2022, HPD selected The Fortune Society from a pre-qualified list of non-profit developers who own and operate high-quality supportive housing as the developer. CHS has also secured \$1 million through the City's Justice-Involved Supportive Housing (JISH) program to fund the social services provided at Just Home. Just Home is expected to welcome its first tenants in 2025.

MetroPlus

MetroPlus Health was ranked as New York City's highest-rated health plan for not only their exceptional clinical services, but also their dedication to the local community, and commitment to the reduction of health disparities by addressing the social determinants of health. In the past year, MetroPlus continued to grow its membership, which now exceeds 700,000 members.

Capital Review

Highlights include:

- NYC Health + Hospitals/Correctional Health Services continues to advance its Outposted Therapeutic Housing Unit (OTxHU) initiative, with construction underway for the first unit at NYC Health + Hospitals/Bellevue. Pre-design work at NYC Health + Hospitals/Woodhull and NYC Health + Hospitals/North Central Bronx is in progress for the subsequent units, with currently targeted completion dates of 2024 and 2025, respectively. The units will increase access to health services for patients in custody who have serious health conditions and enable CHS' most clinically vulnerable patients to reside in more therapeutic and appropriate settings, while reducing the current transportation burdens to and from the hospitals.
- Health + Hospitals' energy decarbonization projects are well on their way to help decrease greenhouse gas emissions and support climate resiliency as part of the carbon challenge, Local law 97 NYC roadmap to 80x50 initiatives, and our HHS pledge of Net Zero by 2050. The state-of-the-art upgrades at Bellevue, Harlem, Lincoln and Queens include a new interior energy efficient lighting system, chiller plant upgrades, boiler plant control upgrades, hot water steam piping insulation, and air handling unit upgrades respectively. These will account for a significant percent decrease in campus-wide greenhouse gas consumption when all is complete.
- NYC Health + Hospitals/South Brooklyn (RBG) new state-of-the-art critical services hospital work is well underway with opening a new tower building, featuring an elevated emergency department and inpatient services. Despite the COVID-19 pandemic, this critical project was swiftly restarted after the shutdown and now completed. The permanent flood wall system has been installed and the system's short-term storm barriers are in place to protect the hospital in the event of a future storm. We are targeting go-live to open for services in May 2023.
- NYC Health + Hospitals/Metropolitan announced the opening of its comprehensive Pride Health Center, a dedicated space where LGBTQ, transgender and gender non-conforming patients (TGNC) can access individual care with respect and dignity. The Center serves lesbian, gay, bisexual, transgender, and

questioning/queer (LGBTQ) patients as they receive high-quality, culturally competent, respectful care in a new, dedicated space. Metropolitan's Pride Health Center has been providing care to LGBTQ patients for over ten years, however, the new Pride Health Center is a dedicated, safe space in the facility where LGBTQ and TGNC patients can access individual and family-based care with empathy, dignity and respect.

- Health + Hospitals' is kicking off design and construction at South Brooklyn (RBG), Kings County Hospital. Woodhull and Elmhurst will consolidate and expand access to women's health services on their respective campuses. This will allow improvement of the continuity of care between inpatient and outpatient services, which will lead to better patient outcomes and improve maternal health care services that will in turn reduce maternal mortality rates. Services from outpatient care to labor and delivery to post-partum recovery will be brought together to ensure care continuity and safety. Patient rooms and ancillary space will be upgraded to enhanced total family care. Additionally, the neonatal intensive care unit (NICU) and nursery will be redesigned respectively to accommodate the needs of families to reflect the hospital's Baby-Friendly designation.

NEW YORK CITY TRANSIT

New York City Transit (NYCT) operates the most extensive public transportation system in the nation, which served approximately 1.4 billion subway and bus passengers in calendar year 2022, 1.0 billion on the subway alone. NYCT has been a component of the Metropolitan Transportation Authority (MTA) since the Authority's inception in 1968. The MTA is a New York State public authority responsible for coordinating and implementing a mass transportation program for New York City and seven neighboring counties. The other components of the MTA primarily serving New York City are the Staten Island Rapid Transit Operating Authority (SIRTOA) and the MTA Bus Company (MTABC). The MTA also includes the Long Island Rail Road and the Metro-North Commuter Railroad.

NYCT's subway system currently operates 24 hours a day, seven days a week, on over 665 miles of mainline track, serving 472 stations throughout the Bronx, Brooklyn, Manhattan, and Queens. The NYCT bus system comprises a fleet of 4,517 buses on 192 local, 17 Select Bus Service, and 32 express routes servicing all five boroughs.

SIRTOA operates a 29-track-mile rapid transit line serving 21 stations on Staten Island and providing a connection to the Staten Island Ferry. SIRTOA served approximately 2.2 million passengers in 2022.

MTABC operates an extensive public bus transportation system throughout New York City, primarily in the Bronx, Brooklyn, and Queens. MTABC served approximately 81 million passengers in 2022. MTABC is primarily funded through farebox revenues and City subsidies.

MTABC currently operates 1,330 buses, all owned by the City. Service on 44 local, three Select Bus, and 43 express routes is available 24 hours a day, seven days a week. Since beginning operations in 2005, MTABC has significantly improved service and the City expects MTABC to continue making improvements to all facets of its operations, ensuring that service levels are up to MTA's standards.

Financial Review

The City's financial plan includes \$392.3 million for NYCT in fiscal year 2024. As NYCT operates on a calendar year (CY) basis, the financial plan below is presented in that format. The NYCT financial plan is funded through a combination of fare revenue, tax revenue, and direct subsidies. The CY 2023 plan's subsidies include Federal stimulus dollars in addition to the usual subsidies from the City, State, and other jurisdictions in the MTA's service area. The MTA's plan for CY 2023 includes the following key elements:

- CY 2023 fare revenue is projected to be \$3.3 billion, a 12 percent increase over the CY 2022 total.
- Tax revenues dedicated for NYCT's use are projected to total \$4.5 billion; \$1.9 billion from the regional Metropolitan Mass Transportation Operating Assistance Account (MMTOA), \$519.1 million from the State "Lock Box" Petroleum Business Tax, and \$500.1 million from the Urban Mass Transportation Operating Assistance Account

(Urban Account). Other State taxes and fees provide \$1.6 billion including \$946.6 million from the Payroll Mobility Tax, \$197.9 million from license, vehicle registration, taxi, and vehicle rental fees, \$171.0 million to replace forgone revenues from exempting school districts and small businesses from the Payroll Mobility Tax, and \$320.1 million from the taxi and for-hire vehicle congestion surcharge.

- The City's expected contribution to NYCT's operating budget for CY 2023 totals \$464.0 million, including \$158.7 million in operating assistance as part of the City match to State "18b" aid (\$35.0 million of which is IFA), \$45.0 million for student fare discounts, \$242.9 million for the Paratransit program, \$13.8 million for elderly and disabled fare discounts, and \$3.6 million for expenses incurred by NYCT on behalf of the NYPD Transit Bureau.

In addition to the very large indirect contributions the City makes to various MTA revenue sources, the following chart summarizes the City's direct subsidies to NYCT for CY 2023:

City Subsidies to NYCT, CY 2023**(\$ in Millions)**

• Elderly and Disabled Subsidy.....	\$13.8
• School Fare Subsidy.....	\$45.0
• Operating Assistance.....	\$158.7
• Police Reimbursement.....	\$3.6
• Paratransit.....	\$242.9
TOTAL.....	\$464.0

Based on recent financial reports, NYCT projects that it will close CY 2023 with a cash surplus of \$349.9 million. NYCT has projected deficits in CY 2024, CY 2025, and CY 2026 of \$1.1 billion, \$1.5 billion, and \$1.5 billion respectively. These deficits are expected to be offset by gap-closing actions potentially including tax, fee, and further fare increases.

New York City Transit Financial Plan
(\$ in Millions)

	Calendar Years [1]				
	2022	2023	2024	2025	2026
REVENUES					
Subway / Bus Fare Revenue.....	\$2,894.3	\$3,265.1	\$3,375.4	\$3,468.9	\$3,579.7
Other Operating Revenue [2].....	\$5,092.7	\$222.1	\$222.1	\$211.0	\$206.6
Transit Tax and Other Subsidies	\$5,286.5	\$5,763.3	\$4,471.8	\$4,713.9	\$4,697.8
City Subsidies	\$419.9	\$464.7	\$478.9	\$491.9	\$508.2
State Subsidies	\$183.4	\$183.4	\$183.4	\$183.4	\$183.4
TBTA Surplus Transfer.....	\$538.2	\$433.6	\$430.3	\$392.1	\$368.8
Capital and Other Reimbursements ...	\$1,053.6	\$1,260.0	\$1,249.8	\$1,232.7	\$1,237.1
TOTAL REVENUES	\$15,468.5	\$11,592.1	\$10,411.7	\$10,693.8	\$10,781.6
EXPENSES					
Salaries & Wages	\$4,269.0	\$4,290.6	\$4,374.2	\$4,484.8	\$4,582.7
Fringes.....	\$3,999.0	\$4,278.6	\$4,473.4	\$4,680.4	\$4,888.0
Reimbursable Overhead.....	(\$214.0)	(\$245.0)	(\$244.9)	(\$239.1)	(\$239.9)
OTPS	\$1,785.4	\$1,853.9	\$1,747.5	\$1,773.8	\$1,791.9
Paratransit Expenses	\$407.3	\$474.9	\$504.7	\$527.3	\$561.1
Capital Reimbursable Expenses.....	\$1,053.6	\$1,260.0	\$1,249.8	\$1,232.7	\$1,237.1
Transit Police.....	\$4.4	\$4.4	\$4.4	\$4.4	\$4.4
Debt Service.....	\$1,506.0	\$1,340.5	\$1,491.1	\$1,517.7	\$1,424.4
Depreciation [3]	\$2,096.0	\$2,138.0	\$2,181.0	\$2,225.0	\$2,269.0
Other Post Employment Benefits [4].	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENSES	\$14,906.7	\$15,395.9	\$15,781.1	\$16,206.9	\$16,518.7
OTHER ACTIONS					
Balance before Adjustments	\$561.8	(\$3,803.9)	(\$5,369.4)	(\$5,513.1)	(\$5,737.2)
Gap-Closing Actions [5]	\$0.0	\$782.6	\$587.8	\$845.1	\$838.7
Cash Flow Adjustments [6].....	(\$1,087.0)	\$3,134.1	\$3,308.7	\$3,182.6	\$3,383.0
Net Cash from Prior Year.....	\$762.2	\$237.0	\$349.9	\$0.0	\$0.0
SURPLUS/(DEFICIT).....	\$237.0	\$349.9	(\$1,123.1)	(\$1,485.4)	(\$1,515.4)

[1] NYCT provided all financial plan figures in February 2023. These figures are estimated values. Since the MTA operates on a calendar year basis (January-December) the values do not directly carry to the City's fiscal year (July-June).

[2] The 2022 amount is larger than other years due to NYCT realization of ARPA federal aid.

[3] Since February 2004, NYCT has included depreciation in its financial plan.

[4] As of 2007, NYCT also reports other post employment benefits (OPEB) obligations and environmental remediation liabilities.

[5] Includes Below the Line Items and items not yet provided by the MTA. Typically includes increased ridership, fare collection, expense reduction, management initiatives, cash reserve, and other governmental assistance.

[6] Cash flow adjustments include operating, depreciation, environmental remediation, and OPEB cash flow adjustments. These adjustments also include the re-flowing of ARPA federal aid, which the MTA reflects as other revenue in 2022 but plans to apply across the financial plan period.

In addition to its contribution to NYCT, the City expects to contribute \$110.9 million directly to the MTA to maintain Long Island Rail Road and Metro-North Commuter Railroad stations in the five boroughs and for operating assistance for the commuter railroads as part of the local match of State “18b” aid. Based on MTA’s forecast, the City will provide \$61.2 million for liabilities related to the Staten Island Rapid Transit Operating Authority, and \$390.4 million for liabilities related to the MTA Bus Company. The City will also contribute \$13.6 million for E-ZPass courtesy tags used by City agencies.

Overall, the City annually provides the MTA with approximately \$1.0 billion in direct subsidies and \$1.4 billion of in-kind contributions (NYPD Transit Bureau, debt service for MTA capital projects, and homeless outreach).

Capital Review

The City’s 2024-2033 Ten-Year Capital Strategy totals \$2.1 billion for NYCT, which includes \$1.8 billion in the 2024-2027 Four-Year Plan. The City is funding the MTA’s 2020-2024 Capital Program to support MTA’s most essential work: bringing the mass transit system to a state of good repair, maintaining a normal replacement cycle, and improving quality of services. City capital funds are used in conjunction with other sources (Federal, State, and Private) toward MTA’s Capital Program. The City expects to contribute \$3.0 billion to the MTA 2020-2024 Capital Program. The Four-Year Capital Plan reflects \$1.7 billion of the City contribution to the MTA 2020-2024 Capital Program in the budget.

The City’s Four-Year Capital Plan for NYCT, SIRTOA, and MTABC includes the following key elements:

- Funds to help provide for various NYCT infrastructure improvements, system enhancements, and bus and subway car upgrades, \$1.7 billion for 2024-2033.
- Funds for NYCT track work, \$350.0 million for 2024-2033 (\$140.0 million in the 2024-2027 Four-Year Plan).

The table below outlines the City’s capital commitments to NYCT, SIRTOA and MTABC for the 2022-2027 period:

Capital Commitments (\$ in 000’s)

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Infrastructure.....	\$707,682	\$707,682	\$1,152,191	\$1,152,191	\$1,660,000	\$1,660,000	\$—	\$—	\$—	\$—	\$—	\$—
Trackwork.....	35,664	35,664	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Revolving Fund.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
MTABC.....	11,820	23,640	45,105	80,835	—	—	—	—	—	—	—	—
Total	\$760,166	\$771,986	\$1,237,296	\$1,273,026	\$1,700,000	\$1,700,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000

NEW YORK CITY HOUSING AUTHORITY

The New York City Housing Authority (NYCHA), created in 1935, strives to operate and maintain safe, decent, and affordable housing for low- and moderate- income families in New York City.

NYCHA owns and operates the nation's largest public housing program. With 274 developments (161,585 apartments in 2,103 residential buildings), NYCHA houses over 330,000 tenants throughout the City in their conventional Federal Section 9 Public Housing Program. In traditional public housing supported by the Section 9 funding stream, the public housing authority (PHA, in this case NYCHA) receives funding from HUD based on a regulatory formula that broadly scales with the number of units in the PHA's portfolio. This Federal funding stream from HUD supports the PHA's direct operations, repairs, and management of their properties.

The Authority also operates a Federal Leased Housing (Section 8) Program, with approximately 95,628 rented apartments housing 203,852 residents. In the Section 8 program, which funds rental assistance vouchers, PHA's provide Federal rental subsidy to individuals and families who live in apartments in the private rental market. A total of 25,302 landlords participate in the Section 8 Program. Additionally, NYCHA also serves another 61 developments (15,984 apartments housing 30,852 residents) that have converted to Project-Based Section 8 through NYCHA's Permanent Affordability Commitment Together (PACT) program, which primarily utilizes the Federal Rental Assistance Demonstration (RAD) program. A more complete description of the PACT and RAD programs can be found at the end of this section.

In 2019, the City, NYCHA, the U.S. Attorney's Office for the Southern District of New York (SDNY) and the US Department of Housing and Urban Development (HUD) signed an Agreement that committed NYCHA to specific deadlines for addressing deficiencies with respect to lead-based paint, mold, heating, elevators, pests, waste management, and inspections. As part of the Agreement, the City committed an additional \$2.2 billion in City capital to NYCHA through 2028, and the City later committed another \$1 billion in funds through 2033. The City is committed to providing an additional \$200 million a year for the duration of the Agreement. The Agreement can only be terminated if HUD, after consultation with SDNY and the US Environmental Protection Agency, determines that NYCHA has been in substantial compliance with its obligations outlined in the Agreement for at least the prior twelve months.

In 2021, the City and NYCHA finalized a spending plan – known as the City Capital Action Plan – for the first 10 years of funding provided through the Agreement (totaling \$2.2 billion). NYCHA's Federal Monitor, installed as part of the Agreement, approved this plan in May 2021, after consulting with HUD and SDNY.

Financial Review

The City provides ongoing operating support to NYCHA out of the Department of Housing Preservation and Development (HPD)'s expense budget through a combination of City tax levy revenue and Federal grants. In 2024, funding support to NYCHA flowing through the City's budget will total \$226 million, \$201 million of which is made up of City tax levy funding and another \$25 million is made up of all other sources. The City's funding covers both broad support to the Authority, such as covering the cost of prior collective bargaining adjustments, and discrete initiatives, such as rehabbing vacant units upon turnover. NYCHA also receives substantial Federal resources that do not flow through the City's budget and are not highlighted here.

Expense Budget Highlights

The expense highlights in this section cover City support to NYCHA through HPD's expense budget and foregone payments to the City.

- In 2024, the City allocated \$158 million to cover the costs of collective bargaining adjustments for settled unions. This funding is equal to the sum of all previous collective bargaining adjustments added to the City budget for NYCHA through both the 2010-2017 and 2017-2023 rounds of bargaining.
- Through a partnership between HRA, DHS, and NYCHA, the City covers the cost of rehabbing vacant NYCHA units when a tenant moves out to expedite the preparation of that unit for new tenants. The City allocated \$34 million in 2024 for

this program. NYCHA sets aside a number of units each year to house families referred by DHS who are experiencing homelessness to help reduce the shelter census population.

elimination of NYCHA's payments to the NYPD for policing services at NYCHA developments and \$33 million for the elimination of NYCHA's payment in lieu of taxes for NYCHA properties.

- Starting in 2014, the City eliminated and forwent NYCHA’s payment to the New York City Police Department (NYPD) for police operations in and around NYCHA developments. Since 2015, the City similarly eliminated and forwent NYCHA’s payment in-lieu of taxes obligation to the City. Both eliminations help support NYCHA’s operating budget at a projected impact to the City of \$105 million annually. This consists of \$72 million for the
- In 2024, the City allocated \$25 million of its Federal Community Development Block Grant (CDBG) allocation to NYCHA for rehabilitation projects at various developments including, but not limited to, testing for, preventing, and addressing violations related to lead-based paint and addressing deteriorating or deteriorated facades as required by Local Law 11.

Capital Review

Capital in NYCHA’s Budget

The City’s 2024-2033 Ten-Year Capital Strategy totals \$4.4 billion, which includes \$2.8 billion in the Four-Year Plan, all City capital funding. NYCHA will use its City resources to target its most essential work of bringing its public housing stock to a state of good repair and making progress towards the requirements of the Executed Agreement. NYCHA will also leverage funding from their annual Federal capital allocations from HUD as well as State appropriations for heating and elevator work to address the over \$40 billion need of their entire capital stock. The City’s Ten-Year Capital Strategy and Four-Year Capital Commitment Plan for NYCHA includes the following key elements:

- Funding of \$2.9 billion in the 2024-2033 Ten-Year Capital Strategy to directly help NYCHA meet their obligations under the 2019 Executed Agreement. This includes \$1.7B in the 2024-2027 Four-Year Plan. NYCHA will use these funds to address physical conditions in developments that pertain to lead, mold, waste, heating, or elevators outages – the primary public health issue areas covered by the Agreement. This funding makes up 60 percent of their Four-Year Plan.
- Funding of \$405 million in the 2024-2033 Ten-Year Capital Strategy and the 2024-2027 Four-Year Plan to replace or repair the roofs on approximately 900 NYCHA buildings. This funding makes up 15 percent of their Four-Year Plan.
- Funding of \$1.1 billion in the 2024-2033 Ten-Year Capital Strategy and \$708 million in the 2024-2027 Four-Year Plan for all other general construction projects at NYCHA, which include infrastructure improvements, system enhancements, repairs to common areas, and other construction projects. This funding makes up 25 percent of their Four-Year Plan.

The table below outlines the City’s capital commitments to NYCHA for the 2023-2027 period and actual commitments in 2022:

**Capital Commitments
(\$ in 000’s)**

	2022 Actual		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2027 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Executed Agreement	\$66,146	\$66,146	\$196,902	\$196,902	\$882,815	\$882,815	\$376,442	\$376,442	\$200,000	\$200,000	\$207,725	\$207,725
Roofs	\$146,376	\$146,376	\$266,482	\$266,482	\$92,912	\$92,912	\$100,895	\$100,895	\$84,399	\$84,399	\$126,886	\$126,886
General Construction	\$22,606	\$22,606	\$278,302	\$278,302	\$531,699	\$531,699	\$123,801	\$123,801	\$22,424	\$22,424	\$29,979	\$29,979
Total	\$235,128	\$235,128	\$741,686	\$741,686	\$1,507,426	\$1,507,426	\$601,138	\$601,138	\$306,823	\$306,823	\$364,590	\$364,590

Capital Outside NYCHA's Budget

In addition to the City capital support outlined above, the City also provides support to NYCHA through HPD's capital budget for the conversion of NYCHA developments through the PACT program, NYCHA's implementation of HUD's Rental Assistance Demonstration (RAD) program.

Under the PACT program, NYCHA buildings convert from traditional Section 9-funded public housing to the Project-Based Section 8 program. Through these conversions, NYCHA partners with private and non-profit development teams to leverage the federally backed income stream from Project-Based Section 8 vouchers to secure and support financing to fund comprehensive repairs at certain NYCHA developments. NYCHA continues to own the land and the buildings themselves. Through these transactions, NYCHA enters into a long-term lease agreement with selected PACT partners, comprised of developers, property managers, general contractors, and social services providers. PACT partners are required to make comprehensive capital repairs and oversee the day-to-day maintenance and upkeep of the buildings and grounds. Partnerships with social service providers help improve on-site services and programming through input from residents.

- Funding of \$1.4 billion in the 2024-2027 Four-Year Plan included in HPD's capital budget to support the conversion of approximately 62,000 total units from traditional Section 9-funded public housing to Project-Based Section 8 rental assistance vouchers through the PACT program. To date, over 15,000 units have converted through PACT, with an additional 47,000 units projected to convert in the coming years. In addition to the City's support, NYCHA will leverage private and public funding sources to undertake comprehensive capital repairs at the PACT converting developments. The conversion of units under PACT will primarily be supported by Housing Development Corporation debt, Federal and State historic tax credits, and PACT Partner equity, among other sources.

Appendix

EXHIBIT 1 EXPENDITURE ASSUMPTIONS

Personal Services

The estimates for Personal Services over the five-year period of the plan are as follows:

	(\$ in Millions)				
	2023	2024	2025	2026	2027
Salaries and Wages	\$30,453	\$29,658	\$29,484	\$29,670	\$29,760
Pensions	9,414	9,634	10,415	10,878	11,060
Other Fringe Benefits*	12,375	13,300	14,155	14,913	15,529
Retiree Health Prepayment	(792)	—	—	—	—
Reserve for Collective Bargaining	3,008	3,003	4,309	5,420	6,537
Total	<u>\$54,458</u>	<u>\$55,595</u>	<u>\$58,363</u>	<u>\$60,881</u>	<u>\$62,886</u>

* Numbers adjusted for prepayments.

Salaries and Wages

The projections for salaries and wages reflect personnel costs associated with current and projected headcount levels and also includes recognized needs and any wage adjustments from rounds of collective bargaining that have been implemented.

Pensions and Other Fringe Benefits

The pension expenses in the City's financial plan reflect recent actuarial estimates of the City's five major retirement systems. These estimates were prepared by the Office of the Actuary using funding assumptions and methods that were developed in 2021. Notably, the use of an actuarial interest rate assumption of seven percent per annum, updated (MP-2020) mortality tables, and a resetting of the actuarial asset values to market values as of June 30, 2019.

The latest valuation projections have factored in the investment performance of the City's pension funds since 2019. These projections take into account positive earnings of 4.44% and 25.80% in 2020 and 2021, respectively, followed by negative earnings of 8.65% in 2022. Investment gains or losses above or below seven percent, are phased-in over subsequent five-year periods.

The Actuary's valuation projections also reflect the cost impact of the City's latest wage increase proposals consistent with collective bargaining. Adjustments are also made in the City's financial plan to account for the planned headcount changes not reflected in the Actuary's valuation. In addition, benefit enhancements resulting from new state legislation since 2019, have been reflected in the valuation, such as (1) a change from ten to five-year vesting, (2) special accidental death benefits for parents of deceased employees who died in the line of duty, and (3) a reduction in employee pension contributions for certain earnings during stated COVID periods. Other adjustments are made in the financial plan for the projected yearly change in administrative expenses of the retirement systems.

The financial plan also includes an annual reserve of \$279 million to fund potential changes that could arise from audit recommendations.

Total pension expenses for the financial plan are shown below:

	Total Pension Expenses				
	(\$ in Millions)				
	2023	2024	2025	2026	2027
City Actuarial Systems	\$9,305	\$9,526	\$10,307	\$10,770	\$10,950
Non-City Systems	108	108	108	107	110
Non-Actuarial*	—	—	—	—	—
Total**	\$9,414	\$9,634	\$10,415	\$10,878	\$11,060

* Non-Actuarial expense are \$350,000 rounded to zero.

** Numbers may not add due to rounding.

Other fringe benefits include primarily Social Security, Unemployment Insurance, Workers' Compensation and Health Insurance. Expenditures on fringe benefits include adjustments for the expected changes in the City's planned headcount levels. The Social Security expense estimates reflect the tax rates and earnings caps as issued by the Social Security Administration. In Calendar 2023, the combined tax rate is 7.65%. The OASDI tax portion of 6.20% is applied to covered earnings capped at \$160,200, while the Medicare tax portion of 1.45% is applied to all covered earnings. Unemployment Insurance expense estimates are consistent with the statutory weekly benefit levels and planned payroll levels. Workers' Compensation expense estimates are consistent with the compensation rate schedules mandated by state law, and the projected growth in medical costs. Health insurance expense estimates reflect current City enrollment and premium data available from the City's health insurance providers.

Reserve for Collective Bargaining

The City has reached a contract agreement with District Council 37 of AFSME (DC 37) for the 2021 to 2026 round of collective bargaining. The agreement with DC 37 establishes a five-year pattern framework with 3% wage increases in each of the first four years of the contract, followed by a 3.25% wage increase in the fifth year. The agreement also includes a \$3,000 bonus upon contract ratification and 1% equity fund jointly funded by union and City to address areas with significant recruitment and retention issues.

The City has also reached an agreement with the Police Benevolent Association (PBA) for the period 2017 to 2025. The first three years of the settlement are consistent with raises other uniformed groups received in the last round of bargaining. The subsequent five years of the agreement establishes the framework for other uniformed unions with wage increases of 3.25%, 3.25%, 3.5%, 3.5%, and 4%. There is also a small amount added to increase entry and early tenure pay.

The reserve for collective bargaining had previously budgeted for annual wage increases of 1.25%. Additional funding totaling approximately \$16 billion have now been added to the reserve assuming the DC 37 and PBA framework will apply to relevant portions of the city work force.

Other Than Personal Services

The following items are included in this category:

	(\$ in Millions)				
	2023	2024	2025	2026	2027
Administrative OTPS	\$34,870	\$31,102	\$29,198	\$28,207	\$28,354
Public Assistance	1,970	1,650	1,650	1,650	2,000
Medical Assistance	6,297	6,651	6,385	6,385	6,535
Health + Hospitals	1,813	1,815	1,303	1,054	1,063
Covered Agency Support & Other Subsidies	6,555	5,642	5,424	5,468	5,583
City Debt Service*	7,544	7,815	8,266	9,034	9,725
Prepayment Adjustments	(2,287)	(3,035)	—	—	—
Capital Stabilization Reserve	—	250	250	250	250
General Reserve	50	1,200	1,200	1,200	1,200
Total	\$56,812	\$53,090	\$53,676	\$53,248	\$54,710

* Numbers adjusted for prepayments.

Administrative OTPS

The estimates in this category include new needs in the baseline. For 2025 through 2027, most expenditures have been increased to reflect the effect of inflation. Baseline costs for energy and lease requirements are shown in the appropriate operating agency.

Energy

The financial plan includes a Citywide appropriation to provide for the changing cost of energy for 2025 through 2027. Energy costs in each agency, with the exception of HPD, are held constant for 2024 through 2027. Price and usage changes for HPD's In-Rem/DAMP Programs are budgeted in HPD's four-year plan.

Energy costs are expected to increase by \$160 million from 2024 to 2027 primarily due to fluctuating commodity prices and increased delivery rates. Gasoline and fuel oil costs are expected to remain relatively stable from 2024 to 2027. Heat, light and power costs are expected to increase by \$162 million between 2024 and 2027.

	Energy Costs (\$ in Millions)				
	2023	2024	2025	2026	2027
Gasoline	\$118	\$118	\$116	\$116	\$118
Fuel Oil	99	95	93	93	94
HPD-In Rem / DAMP	9	8	8	8	8
HPD-Emergency Repairs	4	4	3	3	3
Heat, Light and Power	946	991	1,004	1,109	1,153
Total	\$1,176	\$1,216	\$1,224	\$1,329	\$1,376

Leases

In each agency, the cost of leases is budgeted at a constant level from 2024 through 2027. A citywide adjustment for 2025 through 2027 provides for the increasing cost of leases based on a three percent annual inflator as well as known future leases, where applicable.

In total, the four-year plan includes \$1.563 billion for leases in 2024, \$1.610 billion in 2025, \$1.658 billion in 2026 and \$1.708 billion in 2027. Of these amounts, the citywide adjustment is \$47 million, \$95 million, and \$145 million respectively in 2025 through 2027.

Public Assistance

The four-year financial plan supports the current monthly average caseload of 440,701 persons on Public Assistance.

Medical Assistance

The financial plan for Medical Assistance assumes baselined funds consistent with the New York State enacted budget effective April 1, 2022, in which the State continues to take over Medicaid growth from localities. The financial plan also assumes enhanced Federal Medicaid funding to localities from COVID-19 stimulus funds appropriated by Congress during the COVID-19 emergency period. In addition, the financial plan includes the City share of Disproportionate Share and Upper Payment Limit payments to Health + Hospitals which fall outside of the Medicaid cap.

Health + Hospitals

Revenue and expenditure projections for 2023 through 2027 include assumptions related to actual collections experience, the impact of rates by third party payers, and collections performance through a variety of revenue enhancement efforts. Included in the System's baseline revenue assumption are the continued receipt of the Disproportionate Share and Upper Payment Limit transactions, as well as a shift from Medicaid Fee for Service to Medicaid Managed Care. Expenditure increases are driven by growth in health insurance costs and wage increases.

Covered Agency Support and Other Subsidies

Included in this category are the contributions made by the City to the Transit Authority, Housing Authority, Libraries and various Cultural Institutions. Also included in this category are the estimated projections for the cost of Judgments and Claims.

General Reserve

The General Reserve is projected at \$50 million for 2023 and \$1.2 billion for 2024 through 2027 to provide for uncontrollable increases in expenditures as well as shortfalls in revenue. The General Reserve for 2024 through 2027 has been increased above the required amount as per the City Charter to allow for any further uncertainties that may occur in the future.

Capital Stabilization Reserve

The financial plan includes a capital stabilization reserve of \$250 million in fiscal years 2024 through 2027, for a total of \$1 billion.

Debt Service

Debt Service projections cover payments of debt service on currently outstanding City, TFA, and Conduit debt as well as future issuances in accordance with the 2023 through 2027 financing program (See Financing Program). Actual debt service payments in these years will be affected by the timing of bond sales and by market conditions. Estimates of City and TFA debt service costs on debt to be issued are based on estimates of the periods of probable usefulness of the capital assets for which the debt will be issued.

A Budget Stabilization Account has been established for the prepayment of future years' debt service costs. Funding of \$3.035 billion in 2023 has been provided for this purpose.

Below are the detailed estimates for debt service for 2023 through 2027 after prepayments:

(\$ in Millions)

	Long Term	Short Term	Lease Purchase	Budget Stabilization*	Total City and Lease	TFA	Prepayment Adjustment	Total City, Lease and TFA
2023	\$840	\$—	\$88	\$3,035	\$3,963	\$1,294	\$2,287	\$7,544
2024	3,532	—	121	—	\$3,653	1,127	3,035	\$7,815
2025	4,573	—	120	—	\$4,693	3,573	—	\$8,266
2026	4,827	—	119	—	\$4,946	4,088	—	\$9,034
2027	5,031	—	118	—	\$5,149	4,576	—	\$9,725

* Amounts in the Budget Stabilization Account are used to prepay the succeeding year's debt service.

EXHIBIT 2

**FISCAL YEAR 2024 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2025 THROUGH FISCAL YEAR 2027**

(\$ in thousands)

Dept. No.	Agency	Fiscal Year 2023				FY 2024 Executive Budget	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate
		FY 2022	8 Month		FY 2024				
		Actual Expenditures	Executive Budget	Actuals July - Feb.	Forecast				
002	Mayoralty.....	\$167,097	\$204,071	\$116,966	\$202,839	\$179,690	\$168,981	\$168,574	\$165,654
003	Board of Elections.....	222,207	136,749	153,930	245,731	137,888	137,888	137,888	137,888
004	Campaign Finance Board.....	45,076	80,021	19,938	77,529	73,129	12,642	12,750	12,750
008	Office of the Actuary.....	6,658	7,215	4,407	7,098	6,996	7,036	7,075	7,075
010	President,Borough of Manhattan.....	5,560	5,341	3,205	5,688	5,876	5,155	5,216	5,216
011	President,Borough of the Bronx.....	5,378	6,343	3,938	7,197	6,569	6,094	6,173	6,173
012	President,Borough of Brooklyn.....	8,596	7,322	4,247	8,438	7,463	6,634	6,682	6,682
013	President,Borough of Queens.....	7,076	5,907	3,767	7,538	6,149	5,383	5,463	5,463
014	President,Borough of S.I.....	5,608	4,779	2,161	5,411	4,966	4,724	4,773	4,773
015	Office of the Comptroller.....	100,117	114,251	61,761	115,577	116,743	116,725	117,323	117,323
017	Dept. of Emergency Management....	675,329	60,558	92,316	195,879	216,857	88,538	34,196	31,604
021	Office of Admin. Tax Appeals.....	5,938	5,985	3,798	6,190	6,180	6,257	6,334	6,334
025	Law Department.....	264,645	279,950	179,207	275,760	239,441	219,297	220,350	220,387
030	Department of City Planning.....	36,446	48,263	30,310	44,232	48,676	46,673	45,087	45,567
032	Department of Investigation.....	49,884	49,757	39,584	54,015	44,631	44,421	44,461	44,461
035	NY Public Library - Research.....	30,652	30,559	29,459	32,715	30,701	31,164	31,625	31,625
037	New York Public Library.....	159,892	153,484	162,617	174,515	157,670	159,930	162,185	162,185
038	Brooklyn Public Library.....	118,390	115,168	82,682	130,854	119,361	121,134	122,902	122,902
039	Queens Borough Public Library.....	122,091	119,873	82,577	133,451	123,278	125,075	126,868	126,868
040	Department of Education.....	31,558,010	30,952,943	19,636,356	31,521,225	30,562,559	30,652,182	30,847,769	31,048,173
042	City University.....	1,231,721	1,405,113	679,129	1,383,530	1,294,612	1,284,331	1,284,648	1,301,583
054	Civilian Complaint Review Bd.....	21,536	23,548	13,577	23,911	23,345	23,660	23,974	23,974
056	Police Department.....	5,881,306	5,588,747	3,897,435	5,826,986	5,310,810	5,358,015	5,395,765	5,441,320
057	Fire Department.....	2,486,019	2,288,563	1,679,666	2,598,477	2,297,048	2,261,629	2,264,141	2,260,897
063	Dept. of Veterans' Services.....	5,717	6,139	3,806	5,693	5,035	5,060	5,084	5,084
068	Admin. for Children Services.....	2,646,832	2,736,554	2,075,637	3,150,647	2,723,479	2,737,374	2,722,024	2,721,773
069	Department of Social Services.....	10,964,993	10,874,591	6,925,489	11,684,801	10,997,623	10,703,142	10,656,248	11,151,789
071	Dept. of Homeless Services.....	2,732,768	2,356,938	2,288,115	3,499,991	4,093,711	2,795,912	2,168,867	2,166,567
072	Department of Correction.....	1,391,828	1,302,735	875,048	1,362,024	1,165,696	1,155,175	1,186,322	1,186,322
073	Board of Correction.....	2,228	3,314	1,814	3,185	3,439	3,479	3,519	3,519
095	Citywide Pension Contributions.....	9,711,376	9,664,758	6,078,827	9,413,649	9,634,446	10,415,332	10,877,708	11,059,998
098	Miscellaneous.....	14,294,636	13,127,141	5,964,870	14,928,413	16,039,978	17,604,757	19,210,901	20,902,828
099	Debt Service.....	6,295,006	3,043,296	502,435	5,256,643	4,780,401	8,266,347	9,034,473	9,724,864
101	Public Advocate.....	4,728	4,935	2,957	5,394	4,939	4,939	4,939	4,939
102	City Council.....	73,954	100,000	60,732	100,027	100,000	85,000	85,000	85,000
103	City Clerk.....	5,740	5,870	3,869	6,086	5,339	5,372	5,435	5,435
125	Department for the Aging.....	502,584	479,240	404,093	541,926	469,026	473,702	393,068	392,976
126	Department of Cultural Affairs.....	229,803	155,032	162,840	250,170	157,647	159,395	161,138	161,138
127	Financial Info. Serv. Agency.....	114,973	112,694	91,312	119,919	116,290	117,443	118,593	118,593
131	Office of Payroll Admin.....	15,102	14,941	10,557	16,192	15,385	15,548	15,720	15,725
132	Independent Budget Office.....	4,834	6,560	3,344	6,641	6,765	6,719	6,679	6,314
133	Equal Employment Practices Com... ..	1,059	1,345	769	1,313	1,272	1,296	1,319	1,319
134	Civil Service Commission.....	969	1,162	668	1,146	1,077	1,082	1,088	1,088
136	Landmarks Preservation Comm..... ..	6,546	7,187	4,470	8,027	7,576	7,389	7,513	7,513
138	Districting Commission.....	163	811	836	1,058	—	—	—	—
156	Taxi & Limousine Commission..... ..	64,907	56,091	134,534	167,717	55,972	54,548	53,818	53,254

EXHIBIT 2

**FISCAL YEAR 2024 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2025 THROUGH FISCAL YEAR 2027**

(\$ in thousands)

Dept. No.	Agency	Fiscal Year 2023				FY 2024 Executive Budget	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate
		FY 2022 Actual Expenditures	Executive Budget	8 Month Actuals July - Feb.	Forecast				
213	Office of Racial Equity.....	\$—	\$—	\$—	\$—	\$3,063	\$3,063	\$3,063	\$3,063
215	Commission on Racial Equity.....	—	—	—	—	1,300	1,695	1,695	1,695
226	Commission on Human Rights.....	11,213	15,207	6,857	11,675	14,057	14,196	14,333	14,333
260	Youth & Community Development..	971,568	959,852	935,198	1,184,683	1,151,393	1,095,006	1,079,066	1,079,066
312	Conflicts of Interest Board.....	2,464	2,707	1,698	2,642	2,496	2,505	2,514	2,514
313	Office of Collective Barg.....	2,357	2,461	1,671	2,468	2,426	2,428	2,430	2,430
499	Community Boards (All).....	17,525	19,577	11,116	20,887	20,529	20,428	20,595	20,595
781	Department of Probation.....	113,064	121,744	81,940	128,814	117,384	112,289	111,703	111,703
801	Dept. Small Business Services.....	513,200	253,878	177,005	433,468	197,449	185,654	149,477	146,374
806	Housing Preservation & Dev.....	1,194,414	1,188,589	1,018,252	1,494,789	1,355,352	1,265,511	1,237,124	1,245,369
810	Department of Buildings.....	196,424	230,633	129,548	193,851	217,091	190,964	188,035	188,035
816	Dept Health & Mental Hygiene.....	2,613,154	2,170,313	2,039,353	3,027,615	2,111,584	2,049,967	2,028,724	2,028,724
819	Health and Hospitals Corp.....	2,269,647	1,077,246	650,765	1,813,309	1,814,572	1,302,756	1,053,778	1,063,209
820	Office Admin Trials & Hearings.....	44,678	67,896	37,163	66,094	65,274	65,448	65,690	65,690
826	Dept of Environmental Prot.....	1,449,907	1,599,491	1,056,373	1,664,613	1,638,766	1,584,776	1,577,669	1,570,618
827	Department of Sanitation.....	2,040,331	1,833,853	1,399,078	1,921,041	1,856,641	1,853,350	1,846,684	1,858,788
829	Business Integrity Commission.....	8,739	9,321	5,666	9,207	8,378	8,480	8,582	8,582
836	Department of Finance.....	301,213	341,653	232,074	346,098	340,740	332,800	335,381	335,381
841	Department of Transportation.....	1,235,381	1,429,946	999,346	1,488,468	1,406,728	1,406,559	1,390,712	1,379,592
846	Dept of Parks and Recreation.....	588,191	601,412	374,864	647,312	610,360	611,540	622,595	622,565
850	Dept. of Design & Construction.....	201,551	182,695	158,611	289,653	155,466	154,208	156,284	156,284
856	Dept of Citywide Admin Srvces.....	1,532,712	1,498,959	1,275,259	1,711,846	1,624,527	1,600,383	1,602,012	1,596,712
858	D.O.I.T.T.....	924,479	716,532	614,414	903,919	747,967	731,343	685,727	685,727
860	Dept of Records & Info Serv.....	12,439	16,582	10,804	17,009	15,977	16,038	16,100	16,100
866	Dept. Cnsmr. & Wkr. Prot.....	59,423	69,462	44,743	68,536	66,682	67,202	67,720	67,720
901	District Attorney - N.Y.....	152,671	146,181	105,176	166,182	154,732	154,675	156,231	156,769
902	District Attorney - Bronx.....	97,710	98,250	68,073	107,128	102,549	103,507	104,462	104,462
903	District Attorney - Kings.....	124,677	127,706	91,928	136,867	133,877	135,196	136,066	136,066
904	District Attorney - Queens.....	84,283	85,529	59,997	92,023	88,395	88,962	89,529	89,529
905	District Attorney - Richmond.....	21,845	21,435	14,315	23,931	21,893	22,148	22,385	22,385
906	Off. of Prosec. & Spec. Narc.....	25,802	26,164	15,759	26,727	26,687	26,868	27,048	27,048
941	Public Administrator - N.Y.....	994	1,256	613	1,254	1,256	1,271	1,287	1,287
942	Public Administrator - Bronx.....	689	758	374	775	769	779	790	790
943	Public Administrator- Brooklyn.....	826	918	654	1,080	968	984	1,000	1,000
944	Public Administrator - Queens.....	605	675	343	675	700	709	718	718
945	Public Administrator - Richmond....	593	573	384	611	588	590	593	593
	Prior Payable Adjustment.....	(674,749)	—	—	(400,000)	—	—	—	—
	General Reserve.....	—	1,055,000	—	50,000	1,200,000	1,200,000	1,200,000	1,200,000
	Citywide Savings Initiatives.....	—	(105,148)	—	—	—	—	—	—
	Energy Adjustment.....	—	—	—	—	—	8,833	113,829	160,321
	Lease Adjustment.....	—	—	—	—	—	46,883	95,172	144,910
	OTPS Inflation Adjustment.....	—	—	—	—	—	55,519	111,038	166,557
LESS: INTRA-CITY EXPENDITURES...		2,219,811	1,971,860	448,816	2,361,391	1,995,776	1,986,530	1,988,832	1,986,242
NET TOTAL EXPENDITURES.....		\$106,206,187	\$99,653,290	\$63,750,653	\$108,909,307	\$106,688,574	\$110,051,562	\$112,140,687	\$115,609,977

EXHIBIT 3
ACTUAL REVENUE
(\$ in Millions)

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Taxes:				
Real Property	\$27,885	\$29,816	\$31,464	\$29,582
Personal Income	13,344	13,551	15,101	16,698
General Corporation	4,269	4,547	5,129	5,681
Banking Corporation	(70)	(38)	(110)	1
Unincorporated Business	2,029	1,939	2,077	2,547
Sales and Use	7,810	7,372	6,553	8,544
Commercial Rent	907	864	869	876
Real Property Transfer	1,547	1,135	1,045	1,903
Mortgage Recording	1,097	975	897	1,336
Utility	369	356	356	396
Cigarette	30	25	22	19
Hotel	625	468	85	345
All Other	834	1,054	907	820
Tax Audit Revenue	818	1,026	1,139	849
Total Taxes	61,494	63,090	65,534	69,597
Miscellaneous Revenues:				
Licenses, Franchises, Etc.	802	699	625	651
Interest Income	226	137	15	16
Charges for Services	1,030	951	863	850
Water and Sewer Charges	1,470	1,615	1,687	1,575
Rental Income	273	258	233	249
Fines and Forfeitures	1,109	1,079	1,036	1,231
Miscellaneous	1,087	530	709	441
Intra-City Revenue	2,236	2,129	2,006	2,220
Total Miscellaneous	8,233	7,398	7,174	7,233
Unrestricted Intergovernmental Aid:				
Other Federal and State Aid	151	11	1	498
Total Unrestricted Intergovernmental Aid	151	11	1	498
Provision for Disallowance of Categorical Grants	113	(5)	(24)	(35)
Less Intra-City Revenue	(2,236)	(2,129)	(2,006)	(2,220)
Sub Total City Funds	67,755	68,365	70,679	75,073
Other Categorical Grants	1,340	1,105	1,177	885
Transfers from Capital Fund:				
Inter Fund Agreements	652	650	634	655
Total City Funds & Inter Fund & Other Categorical Revenues	69,747	70,120	72,490	76,613
Federal Grants and Contracts Categorical:				
Community Development	506	558	693	281
Social Services	3,553	2,918	3,232	2,426
Education	1,876	1,672	2,498	4,899
Other	1,784	4,433	6,197	7,595
Total Federal Grants and Contracts Categorical	7,719	9,581	12,620	15,201
State Grants and Contracts Categorical:				
Social Services	1,698	1,750	1,834	1,729
Education	11,185	11,493	10,633	11,943
Higher Education	263	246	231	238
Department of Health and Mental Hygiene	523	428	423	421
Other	1,301	1,417	1,476	1,516
Total State Grants and Contracts Categorical	14,970	15,334	14,597	15,847
Total Revenues	\$92,436	\$95,035	\$99,707	\$107,661

**EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)**

	Fiscal Year 2023 8 Months Actuals	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Taxes:						
Real Property	\$29,310	\$31,432	\$32,269	\$32,232	\$32,501	\$33,108
Personal Income	11,399	15,941	15,243	16,125	16,722	17,756
General Corporation	2,699	5,351	5,189	5,132	5,023	5,028
Banking Corporation	(48)	—	—	—	—	—
Unincorporated Business	1,288	2,489	2,531	2,613	2,703	2,798
Sale and Use	6,173	9,462	9,772	10,320	10,905	11,352
Commercial Rent	438	876	890	912	930	945
Real Property Transfer	896	1,270	1,343	1,432	1,503	1,607
Mortgage Recording	683	910	853	943	993	1,060
Utility	254	440	449	452	461	477
Cigarette	10	18	17	16	16	16
Cannabis Tax	—	—	12	20	30	38
Hotel	342	637	666	709	734	762
All Other	573	924	1,048	1,073	1,098	1,123
Tax Audit Revenue	992	1,200	721	721	721	721
State Tax Relief Program - STAR	138	138	136	134	132	130
Total Taxes	55,147	71,088	71,139	72,834	74,472	76,921
Miscellaneous Revenue:						
Licenses, Franchises, Etc.	449	753	694	705	712	693
Interest Income	222	385	436	318	237	225
Charges for Services	504	878	1,021	1,025	1,028	1,029
Water and Sewer Charges	1,785	1,826	1,842	1,815	1,813	1,806
Rental Income	175	255	257	260	258	258
Fines and Forfeitures	986	1,428	1,178	1,174	1,182	1,182
Miscellaneous	202	365	369	340	343	339
Intra-City Revenue	449	2,361	1,996	1,987	1,989	1,986
Total Miscellaneous	4,772	8,251	7,793	7,624	7,562	7,518
Unrestricted Intergovernmental Aid:						
Other Federal & State Aid	—	297	—	—	—	—
Total Unrestricted Intergovernmental Aid	—	297	—	—	—	—
Reserve for Disallowance of Categorical Grants	—	(15)	(15)	(15)	(15)	(15)
Less: Intra-City Revenue	(449)	(2,361)	(1,996)	(1,987)	(1,989)	(1,986)
Sub Total City Funds	59,470	77,260	76,921	78,456	80,030	82,438
Other Categorical Grants	236	1,109	1,082	1,075	1,070	1,070
Inter Fund Agreements	266	706	720	725	732	732
Total City Funds & Inter Fund & Other Categorical Revenues	\$59,972	\$79,075	\$78,723	\$80,256	\$81,832	\$84,240

EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)

	Fiscal Year 2023 8 Months Actuals	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Federal Grants and						
Contracts Categorical:						
Community Development.....	\$114	\$444	\$255	\$239	\$238	\$236
Social Services.....	1,178	3,679	3,435	3,445	3,438	3,436
Education	277	3,955	3,687	2,147	1,901	1,901
Other.....	694	3,643	3,034	2,229	1,475	1,453
Total Federal Grants and Contracts Categorical.....	2,263	11,721	10,411	8,060	7,052	7,026
State Grants and						
Contracts Categorical:						
Social Services.....	524	2,759	2,465	2,204	1,907	1,907
Education	3,186	12,602	12,695	12,887	12,888	12,888
Higher Education.....	57	276	276	276	276	276
Department of Health and Mental Hygiene.....	201	690	624	624	624	624
Other.....	150	1,786	1,495	1,549	1,609	1,672
Total State Grants and Contracts Categorical.....	4,118	18,113	17,555	17,540	17,304	17,367
TOTAL REVENUE	\$66,353	\$108,909	\$106,689	\$105,856	\$106,188	\$108,633

EXHIBIT 5
FULL-TIME and PART-TIME POSITIONS (FTEs)

	6/30/2024		6/30/2025		6/30/2026		6/30/2027	
	Total	City	Total	City	Total	City	Total	City
MAYORAL AGENCIES AND ELECTED OFFICIALS:								
<i>Uniformed Forces:</i>								
Police	-Uniform	35,001	35,001	35,001	35,001	35,001	35,001	35,001
	-Civilian	16,165	16,145	16,197	16,177	16,230	16,210	16,230
Fire	-Uniform	10,954	10,942	10,954	10,942	10,954	10,942	10,942
	-Civilian	6,473	6,313	6,464	6,304	6,464	6,304	6,304
Correction	-Uniform	7,060	7,060	7,060	7,060	7,060	7,060	7,060
	-Civilian	1,801	1,797	1,802	1,798	1,799	1,799	1,799
Sanitation	-Uniform	7,878	7,819	7,914	7,914	7,916	7,916	7,916
	-Civilian	2,230	2,172	2,237	2,179	2,240	2,182	2,240
	<i>Subtotal</i>	<u>87,562</u>	<u>87,249</u>	<u>87,629</u>	<u>87,375</u>	<u>87,664</u>	<u>87,414</u>	<u>87,664</u>
<i>Health and Welfare:</i>								
Admin. for Children's Services		7,120	6,954	7,120	6,954	7,120	6,954	7,120
Social Services		12,139	9,530	12,010	9,388	11,997	9,388	11,997
Homeless Services		1,925	1,907	1,910	1,892	1,893	1,893	1,893
Health & Mental Hygiene		7,049	4,747	6,815	5,383	6,769	5,337	6,769
	<i>Subtotal</i>	<u>28,233</u>	<u>23,138</u>	<u>27,855</u>	<u>23,617</u>	<u>27,779</u>	<u>23,572</u>	<u>27,779</u>
<i>Other Agencies:</i>								
Housing Preservation and Development		2,695	803	2,693	803	2,693	803	2,693
Environmental Protection		6,494	295	6,501	297	6,508	299	6,508
Finance		1,930	1,918	1,930	1,918	1,930	1,918	1,930
Transportation		6,120	2,723	6,159	2,767	6,168	2,776	6,166
Parks		7,786	7,156	7,788	7,159	7,787	7,159	7,787
Citywide Administrative Services		2,564	1,856	2,562	1,854	2,561	1,853	2,561
All Other		21,876	19,135	21,537	18,937	21,550	18,966	21,546
	<i>Subtotal</i>	<u>49,465</u>	<u>33,886</u>	<u>49,170</u>	<u>33,735</u>	<u>49,197</u>	<u>33,774</u>	<u>49,191</u>
<i>Education:</i>								
Dept. of Education	-Pedagogical	126,932	91,382	126,043	91,382	124,224	91,382	124,224
	-Civilian	25,981	22,118	25,974	22,111	25,427	22,111	25,427
City University	-Pedagogical	6,302	6,302	6,302	6,302	6,302	6,302	6,302
	-Civilian	3,473	3,473	3,473	3,473	3,473	3,473	3,473
	<i>Subtotal</i>	<u>162,688</u>	<u>123,275</u>	<u>161,792</u>	<u>123,268</u>	<u>159,426</u>	<u>123,268</u>	<u>159,426</u>
Total - Mayoral Agencies and Elected Officials		<u><u>327,948</u></u>	<u><u>267,548</u></u>	<u><u>326,446</u></u>	<u><u>267,995</u></u>	<u><u>324,066</u></u>	<u><u>268,028</u></u>	<u><u>324,060</u></u>
COVERED ORGANIZATIONS¹:								
Health + Hospitals		37,272	37,272	37,272	37,272	37,272	37,272	37,272
Housing Authority		12,213	-	11,493	-	10,902	-	10,630
Libraries		4,111	4,111	4,154	4,154	4,154	4,154	4,154
Cultural Institutions ²		1,288	1,288	1,288	1,288	1,288	1,288	1,288
School Construction Authority		1,059	1,059	1,059	1,059	1,059	1,059	1,059
New York City Employees Retirement System		545	545	545	545	545	545	545
Economic Development Corporation		520	520	520	520	520	520	520
Teachers Retirement System		376	376	400	400	400	400	400
Police Pension Fund		149	149	149	149	149	149	149
Fire Pension Fund		53	53	53	53	53	53	53
All Other ³		301	297	302	298	303	299	304
Total - Covered Organizations		<u><u>57,887</u></u>	<u><u>45,670</u></u>	<u><u>57,235</u></u>	<u><u>45,738</u></u>	<u><u>56,645</u></u>	<u><u>45,739</u></u>	<u><u>56,374</u></u>
Grand Total		<u><u>385,835</u></u>	<u><u>313,218</u></u>	<u><u>383,681</u></u>	<u><u>313,733</u></u>	<u><u>380,711</u></u>	<u><u>313,767</u></u>	<u><u>380,434</u></u>

1. Includes non-city employees substantially paid by city subsidies.

2. Includes only those employees of the Cultural Institutions Group paid by city fund subsidies.

3. Includes Housing Development Corporation, Education Construction Fund, City University Construction Fund, Rent Guidelines Board and Water Finance Authority.

EXHIBIT 6
FY 2024 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - 5 YEAR VALUE
(City \$ in 000's)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Uniformed Forces:					
Police.....	\$73,081	\$316,211	\$287,565	\$259,427	\$213,880
Fire.....	59,610	96,212	94,422	92,010	91,010
Correction.....	64,348	125,795	125,400	125,400	125,400
Sanitation.....	71,868	58,146	60,374	64,317	64,863
Health and Welfare:					
Admin. for Children's Services.....	132,887	75,262	75,265	75,221	75,221
Social Services.....	217,232	90,172	81,112	83,194	83,194
Homeless Services.....	2,202	33,590	153,190	153,190	155,490
Aging.....	18,620	28,676	27,239	27,232	27,232
Youth and Community Dev.....	27,940	48,828	48,556	48,535	48,535
Health and Mental Hygiene.....	55,599	85,238	90,040	88,947	88,947
Health + Hospitals.....	214,094	35,216	37,100	35,646	35,646
Other Agencies:					
Housing Preservation and Dev.....	24,723	31,616	33,505	30,196	22,924
Finance.....	14,028	40,506	40,712	40,656	40,656
Transportation.....	32,008	88,002	87,468	89,706	89,715
Parks and Recreation.....	18,098	35,160	35,060	34,260	34,260
Citywide Administrative Services.....	45,350	21,482	24,067	20,840	21,140
All Other Agencies.....	149,802	218,585	232,110	225,486	224,540
Education:					
Education.....	175,821	1,124,820	945,974	955,448	957,612
City University.....	18,483	41,330	41,306	41,334	41,363
Other:					
Miscellaneous.....	52,885	95,510	103,909	109,703	114,510
Debt Service.....	194,615	255,546	316,802	327,407	397,579
Procurement Savings.....	—	55,519	55,519	55,519	55,519
Total Program to Eliminate the Gap.....	\$1,663,294	\$3,001,422	\$2,996,695	\$2,983,674	\$3,009,236

Note: Includes initiatives from the April 26, 2023 Executive Budget, the January 12, 2023 Preliminary Budget and the November 15, 2022 Financial Plan. Amounts include current year restorations.

EXHIBIT 6
FY 2024 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - 5 YEAR VALUE
(City \$ in 000's)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Other Agencies:					
Mayoralty	\$10,994	\$15,776	\$16,283	\$16,273	\$16,273
Campaign Finance Board	3,161	2,738	2,738	2,738	2,738
Actuary	239	681	681	681	681
Emergency Management	1,204	5,299	3,851	2,947	2,947
Administrative Tax Appeals	194	551	551	551	551
Law	12,029	34,714	24,814	24,850	24,814
City Planning	4,601	2,504	1,504	1,661	804
Investigation	4,948	6,129	6,129	6,129	6,129
New York Research Libraries	951	1,452	1,452	1,452	1,452
New York Public Library	4,976	7,504	7,504	7,504	7,504
Brooklyn Public Library	3,758	5,678	5,678	5,678	5,678
Queens Borough Public Library	3,900	5,872	5,872	5,872	5,872
Civilian Complaint Review Board	702	1,186	1,186	1,186	1,186
Veterans' Services	526	1,174	1,174	1,174	1,174
Board of Correction	257	43	43	43	43
City Clerk	324	680	710	710	710
Cultural Affairs	1,500	1	1	1	1
Financial Info. Services Agency	6	1,049	1,374	1,374	1,374
Payroll Admin.	402	226	176	116	61
Equal Employment Practices	104	140	140	140	140
Civil Service	35	100	100	100	100
Landmarks Preservation	311	795	795	795	795
Taxi and Limousine	8,569	8,475	8,475	8,475	8,475
Human Rights	3,976	2,879	2,879	2,879	2,879
Conflicts of Interest Board	93	204	204	204	204
Collective Bargaining	—	41	41	41	41
Probation	9,310	8,643	9,317	9,317	9,317
Small Business Services	7,106	10,617	42,863	9,909	9,911
Buildings	19,786	29,367	29,067	28,975	28,975
Administrative Trials and Hearings	3,130	7,934	7,946	7,946	7,946
Environmental Protection	1,465	5,071	4,878	4,917	4,917
Business Integrity	573	1,268	1,268	1,268	1,268
Design and Construction	4,539	1,010	1,864	1,864	1,864
DOITT	30,083	41,510	33,278	60,442	60,442
Records and Info. Services	700	1,902	1,902	1,902	1,902
Consumer and Worker Protection	3,713	5,215	5,215	5,215	5,215
PA - Manhattan	60	30	30	30	30
PA - Bronx	23	12	12	12	12
PA - Brooklyn	—	35	35	35	35
PA - Queens	32	28	28	28	28
PA - Staten Island	6	—	—	—	—
Subtotal	148,286	218,533	232,058	225,434	224,488
Elected Officials:					
BP - Manhattan	1	4	4	4	4
BP - Bronx	1	4	4	4	4
BP - Brooklyn	1	4	4	4	4
Comptroller	1,513	40	40	40	40
Subtotal	1,516	52	52	52	52
Total All Other Agencies	\$149,802	\$218,585	\$232,110	\$225,486	\$224,540

EXHIBIT 6A
FY 2024 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - BY EXPENSE AND REVENUE
(City \$ in 000's)

	Expense	Revenue	Total
Uniformed Forces:			
Police	\$285,211	\$31,000	\$316,211
Fire	92,962	3,250	96,212
Correction.....	125,795	—	125,795
Sanitation	43,296	14,850	58,146
Health and Welfare:			
Admin. for Children's Services	75,262	—	75,262
Social Services	90,172	—	90,172
Homeless Services	33,590	—	33,590
Aging.....	28,676	—	28,676
Youth and Community Dev.	48,828	—	48,828
Health and Mental Hygiene	85,238	—	85,238
Health + Hospitals	35,216	—	35,216
Other Agencies:			
Housing Preservation and Dev.....	30,616	1,000	31,616
Finance	9,006	31,500	40,506
Transportation	58,879	29,123	88,002
Parks and Recreation	35,160	—	35,160
Citywide Administrative Services	10,642	10,840	21,482
All Other Agencies.....	179,031	39,554	218,585
Education:			
Education	1,124,820	—	1,124,820
City University.....	41,330	—	41,330
Other:			
Miscellaneous.....	95,510	—	95,510
Debt Service	255,546	—	255,546
Procurement Savings	55,519	—	55,519
Total Program to Eliminate the Gap	<u>\$2,840,305</u>	<u>\$161,117</u>	<u>\$3,001,422</u>

Note: Includes initiatives from the April 26, 2023 Executive Budget, the January 12, 2023 Preliminary Budget and the November 15, 2022 Financial Plan. Amounts include current year restorations.