THE FISCAL YEAR 2022 PRELIMINARY BUDGET:
PUTTING NYC ON PATH TO RECOVERY
Pre-COVID: NYC IN STRONG ECONOMIC SHAPE

As recent as February:

• The economy and job market continued to expand

• Tourism at a record level
  – NYC welcomed 67 million visitors in 2019

• Tax revenues were strong

• Unemployment less than 4.0%
COVID-19 HIT OUR BUDGET HARD

• **New:** since the beginning of the pandemic, tax revenue for three years, FY20-22, has decreased by **$10.5 billion**

• **$5.9 billion** of unexpected, critical COVID-19 spending

• Unemployment hit over **20%** and remains at over **12.1%**

• Nearly **500,000** additional New Yorkers still unemployed since COVID hit
NEW REVENUE LOSS: PROPERTY TAXES

- New $1.5 billion revenue decline
  - Driven by $2.5 billion decline in property tax revenue

- Rich Got Richer: New loss partially offset by increase from income taxes

- Now closing a $5.25 billion gap in this budget
  - Previously: $3.75 billion budget gap in November
WHAT WE HAVE TO DO

• Put NYC on path to recovery

• Close larger budget gap

• MAKE SURE: Always put working people first
INVESTING IN RECOVERY

• New investments in what matters most:
  – COVID response
  – Closing the COVID Achievement Gap in our schools
  – Strengthening essential services strained by pandemic
INVESTING IN RECOVERY

- **STOP COVID with Test & Trace Corps and NYC Vaccine for All campaign:** $200M in FY21
- **HELP STUDENTS with social and emotional learning:** $35M in FY22
- **70,000 slots for Summer Youth Employment:** $132M in FY22
- **CARE FOR KIDS with Learning Bridges:** $62M in FY21
- **PREVENT HUNGER with GetFood NYC:** $52M in FY21
- **BROADBAND EQUITY with expanding WiFi in shelters:** $14M in FY21, $3M in FY22
- **KEEP HELP LINES OPEN with expanded 311 capacity:** $10M in FY21
OUR BUDGET PLAN TO CLOSE THE GAP

- **Strong Fiscal Management**
  - Aggressive $1.3 billion PEG program with agencies

- **Strict attrition and hiring management**
  - 3-out / 1-in. That’s the rule

- **FIGHT for a REAL stimulus**
  - Direct local aid is a MUST
  - Best way to speed the recovery

- **STOP state cuts**
MAKING TOUGH CHOICES

• New $1.3 billion in PEG savings over FY21 and FY22
  – That includes my office: 13% cut compared to last year at Prelim

• $2.2 billion in Citywide savings across FY21 and FY22 in the Preliminary Budget

• Total of $3.6 billion of savings in FY21 and FY22 since June
NOTABLE PEGS

• Fair Student Funding: $150 million in FY22
  – Does not impact the ~800 schools at the floor
  – Funding restored if receive federal stimulus or money owed from state

• Delay of 3K expansion: $44 million in FY22
STRICT RULES: HIRING AND ATTRITION

• Hiring Rule: We now have a 3-to-1 hiring plan

• Since Jan 2020: reduced headcount by 7,000

• Now in this plan: Reduce headcount by 5,000 MORE
  – Saves $349 million over Fiscal Years 2021 and 2022

• Total: 12,000 headcount reduction
CONTINUED LABOR SAVINGS

• Plan contains labor savings
  – $1 billion in FY22

• Need continued savings from our labor partners
STRONGER PENSION SYSTEM

• New proposal from City Actuary:
  – Add savings now
  – Reduce long-term risk

• Will save $430 million in FY21 and $300 million in FY22
RISK: STATE CUTS

• State may try to cut aid to localities by up to $8 billion
  – This will mean up to $4 billion in cuts to NYC

• INSTEAD State should tax the wealthy!
  – During pandemic: 120 NY billionaires grew their net worth by $77 billion
  – Averts cuts to localities, supports working families

• We will FIGHT CUTS that hurt New Yorkers, especially
  – Cuts to their kids’ schools
  – Cuts to their health care
RISK: WAITING ON STATE FOR OUR FED $$

• Last federal COVID relief package: $4 billion in K-12 education to NYS
  – Our share: $2.3 billion

• Our students, our schools need EVERY PENNY!
  – Substantial reopening costs
  – Must invest to close COVID Achievement Gap
  – Restore painful cuts we have had to make

• Also, must prevent supplantation
BREAKING: LIEN REAUTHORIZATION AGREEMENT

• We have an agreement after working with City Council and advocates:
  − Fair payment plans for middle-income homeowners
  − Ensures homeowners impacted by COVID are protected
  − 1 year Reauthorization; Task Force to explore more changes
  − Increasing the threshold for eligibility
  − $1 million for grassroots orgs to do outreach

• $1 billion a year at stake

• Deal protects City services while making deepest reforms EVER

• Will continue to go through Council process and pass by end of month
PROTECTING HOMEOWNERS

• Keeping our commitment to not raise property tax rates

• Low-income homeowners hit hard
  – Following State Law, assessed value of 1-3 family homes increased during hard times

• PROPOSAL: Use stimulus funds to create new rebate to help them out
  – Help families who own and live in a 1-3 family home with a market value of less than $500,000
  – Only possible with fed stimulus funds to help up to 293,000 families
THE FISCAL YEAR 2022 PRELIMINARY BUDGET IS $92.28 BILLION
SUMMARY: BALANCED BUDGET

• In November the FY22 Gap was $3.75 billion
  – Since then, we’ve lost $1.5 billion in revenue
  – Bringing total Gap to $5.25 billion

• Gap Closing Summary actions include:
  – $5.25 billion in combined savings actions to address the gap (agency PEG program, pension, reduction in expenses, debt service, and increased revenue, labor savings)
CAPITAL BUDGET
TEN-YEAR CAPITAL STRATEGY

• Our Preliminary Ten-Year Capital Strategy is $118.8 billion

• Build affordable housing

• Safer streets for pedestrians and cyclists

• Repair roads and bridges

• Maintain clean water

• Prevent damage from climate change and severe weather
A NEW REALITY IN WASHINGTON D.C.

• Good news! Leader Schumer says President-elect Biden already helping NYC
  – He will announce tonight to lift FEMA’s reimbursement rate from 75% to 100%
  – NYC will recover $1 billion

• President-elect Biden + Dem Majorities: The fight for direct local aid is in good hands
  – Must GO BIG, move quickly and prioritize
RECOVERY

• This budget puts us on a path to recovery

• We can build a fairer, more just and equitable NYC for all

• Need support of the federal and state governments
REVENUE AND EXPENSE CHANGES
# JANUARY 2021 FINANCIAL PLAN

## CITY FUNDS - ($ IN MILLIONS)

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
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<tbody>
<tr>
<td><strong>Gap to be Closed - November 2020 Financial Plan</strong></td>
<td>$- - -</td>
<td>($3,752)</td>
<td>($2,966)</td>
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<td><strong>Revenue Changes:</strong></td>
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<td>Tax Revenues</td>
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<td>Non-Tax Revenues</td>
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<td>Savings Program - Revenue</td>
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<td>Health + Hospitals Reimbursement</td>
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<td><strong>Total Revenue Changes</strong></td>
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<td>($1,582)</td>
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<td><strong>Expense Changes:</strong></td>
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<td>Agency Expense Changes</td>
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<td>Hiring and Attrition Management</td>
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<td>General Reserve</td>
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<td>Capital Stabilization Reserve</td>
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<td>Re-estimate of Prior Years' Expenses and Receivables</td>
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<td><strong>Gap to be Closed Before Prepayments</strong></td>
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<td><strong>FY 2021 Prepayment of FY 2022 Expenses</strong></td>
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<td><strong>Gap to be Closed - January 2021 Financial Plan</strong></td>
<td>$- - -</td>
<td>$- - -</td>
<td>($4,311)</td>
<td>($4,193)</td>
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## FIVE YEAR FINANCIAL PLAN REVENUE AND EXPENDITURES
### ALL FUNDS - ($ IN MILLIONS)

<table>
<thead>
<tr>
<th></th>
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<th>FY 2024</th>
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<tr>
<td><strong>REVENUES</strong></td>
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<td><strong>Taxes</strong></td>
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<td>General Property Tax</td>
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<td>Miscellaneous Revenues</td>
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<td>Unrestricted Intergovernmental Aid</td>
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<td>Less: Intra-City Revenue</td>
<td>(2,061)</td>
<td>(1,811)</td>
<td>(1,807)</td>
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<td>Disallowances Against Categorical Grants</td>
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<td><strong>Subtotal: City Funds</strong></td>
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<td>Other Categorical Grants</td>
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<td>Inter-Fund Revenues</td>
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<td><strong>Total Revenues</strong></td>
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<td><strong>$92,285</strong></td>
<td><strong>$95,114</strong></td>
<td><strong>$97,085</strong></td>
<td><strong>$98,911</strong></td>
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<td><strong>EXPENDITURES</strong></td>
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<td><strong>Personal Service</strong></td>
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<tr>
<td>Salaries and Wages</td>
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<td>$29,684</td>
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<td>Fringe Benefits</td>
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<td>Retiree Health Benefits Trust</td>
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<td><strong>Subtotal: Personal Service</strong></td>
<td><strong>$48,212</strong></td>
<td><strong>$51,526</strong></td>
<td><strong>$52,727</strong></td>
<td><strong>$53,993</strong></td>
<td><strong>$55,167</strong></td>
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<td>Other Than Personal Service</td>
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<tr>
<td>Medical Assistance</td>
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<td>All Other</td>
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<td><strong>Subtotal: Other Than Personal Service</strong></td>
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<td>FY 2020 Budget Stabilization</td>
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<td>FY 2021 Budget Stabilization</td>
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<tr>
<td>Capital Stabilization Reserve</td>
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<td>250</td>
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<tr>
<td>General Reserve</td>
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<td>100</td>
<td>1,000</td>
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<td><strong>Total Expenditures</strong></td>
<td><strong>$95,053</strong></td>
<td><strong>$92,285</strong></td>
<td><strong>$99,425</strong></td>
<td><strong>$101,278</strong></td>
<td><strong>$103,189</strong></td>
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<td><strong>Gap To Be Closed</strong></td>
<td>$--</td>
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<td>($4,311)</td>
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</tr>
</tbody>
</table>

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1 Fiscal Year 2020 Budget Stabilization totals $3.819 billion, including GO of $1.269 billion and TFA-FTS of $2.550 billion.
2 Fiscal Year 2021 Budget Stabilization totals $3.358 billion, including GO of $676 million and TFA-FTS of $2.682 billion.
PRELIMINARY TEN-YEAR CAPITAL STRATEGY
THE PRELIMINARY 2022–2031 TEN-YEAR CAPITAL STRATEGY TOTALS $118.8 BILLION IN ALL FUNDS

- Infrastructure: $20.8 billion (36%)
- Schools: $21.0 billion (18%)
- Housing: $12.9 billion (11%)
- Government Operations: $12.9 billion (35%)
- Administration of Justice: $12.9 billion (17%)
- Transportation & Mass Transit: $18.9 billion (24%)
- Sanitation: $3.3 billion (3%)
- Resiliency & Energy Efficiency: $2.0 billion
- Parks: $2.0 billion
- Public Buildings: $1.7 billion
- Fire: $1.4 billion
- Social Services: $1.4 billion
- Higher Education: $0.7 billion
- Other City Services: $29.0 billion

($ in Billions)