

Briefing

March 8, 2022



NYC FY 2023 Preliminary Budget

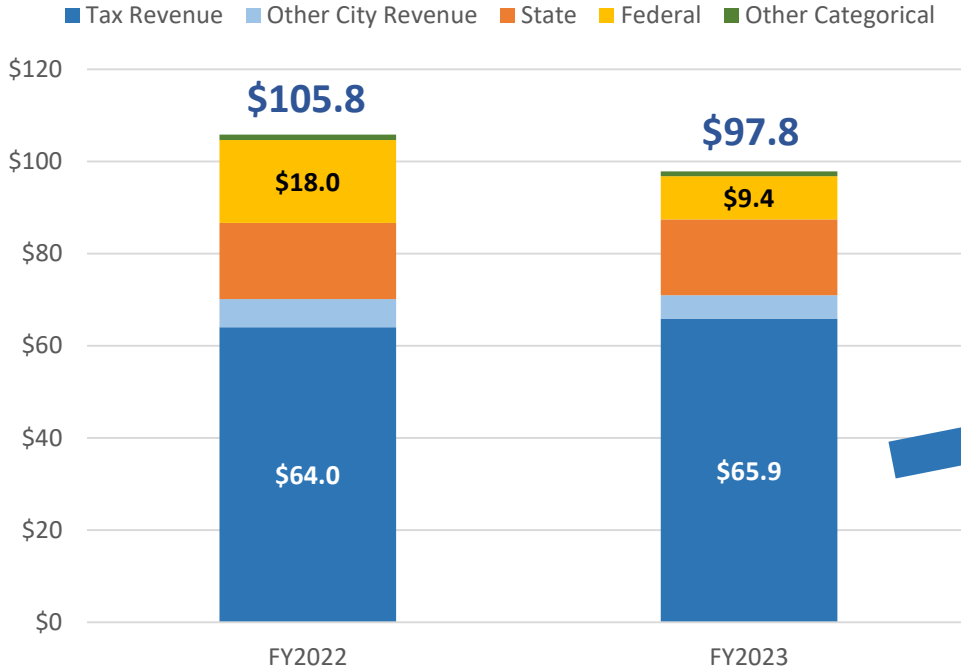
Ana Champeny
Deputy Research Director
Citizens Budget Commission

www.cbcny.org

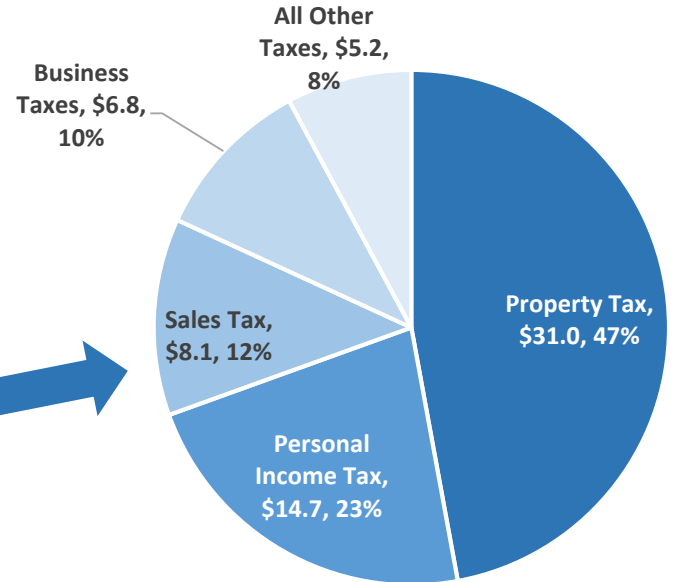
@cbcny

Fiscal Year 2022 and 2023 Revenues

NYC Revenues, Fiscal Years 2022 and 2023
(as of February 2022 Financial Plan, dollars in billions)

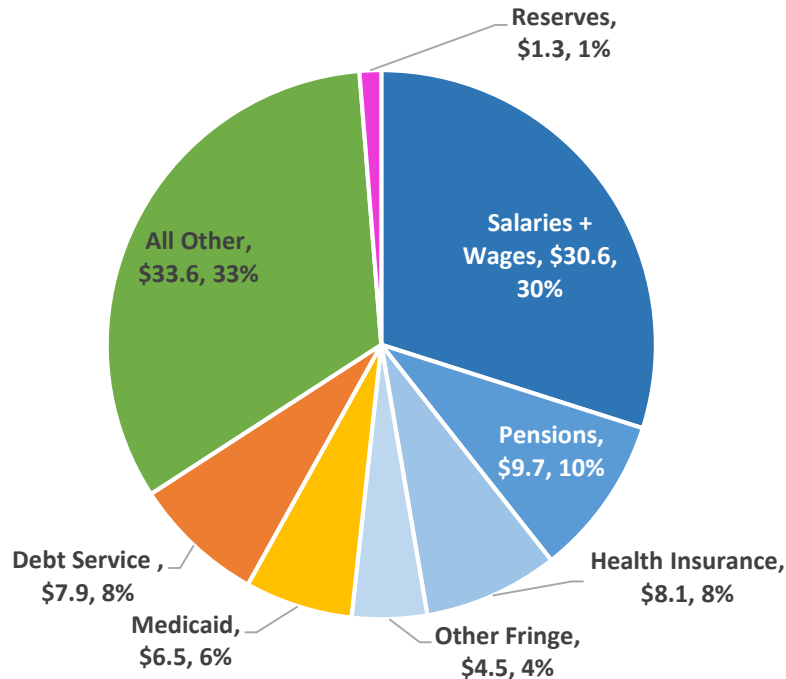


NYC Tax Revenues, Fiscal Year 2023
(as of February 2022 Financial Plan, dollars in billions)



Fiscal Year 2023 Expenditures

NYC Fiscal Year 2023 Expenditures By Object
(as of February 2022 Financial Plan, dollars in billions)

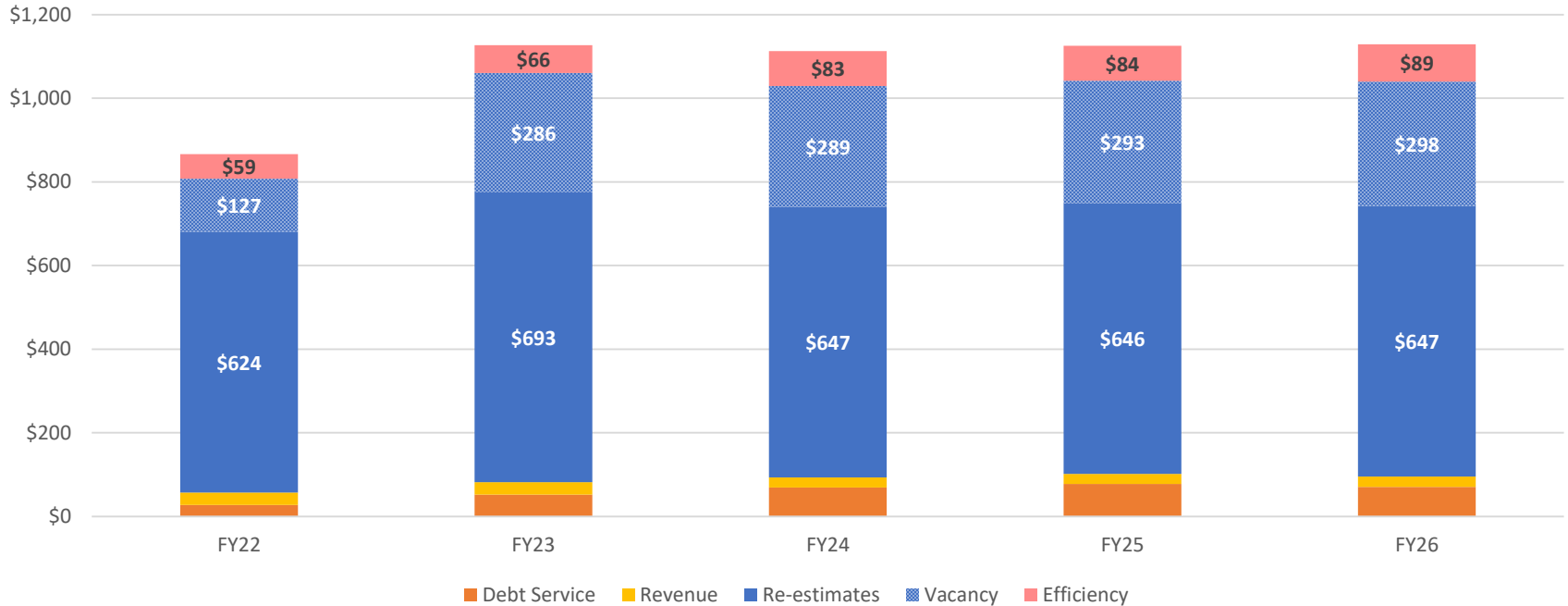


Fully Loaded Agency Spending, Top 16 Agencies, FY2023
(dollars in millions)

Agency Name	Operating Budget	Central Costs	Total Spending
Dept. of Education	\$30,729	\$5,735	\$36,465
Dept. of Social Services	\$10,746	\$677	\$11,423
Police Dept.	\$5,125	\$5,719	\$10,844
Fire Dept.	\$2,151	\$2,801	\$4,951
Admin. For Children Services	\$2,718	\$308	\$3,026
Dept. of Sanitation	\$1,774	\$1,161	\$2,935
Dept. of Transportation	\$1,327	\$1,444	\$2,771
Dept. of Correction	\$1,229	\$1,450	\$2,679
Dept. of Health & Mental Hygiene	\$2,057	\$457	\$2,514
Dept. of Homeless Services	\$2,144	\$95	\$2,239
Environmental Protection	\$1,479	\$408	\$1,887
Citywide Administrative Svcs	\$540	\$1,315	\$1,855
Housing Preservation and Development	\$1,044	\$772	\$1,815
City University of New York (CUNY)	\$1,340	\$172	\$1,512
Dept. of Parks & Recreation	\$495	\$740	\$1,235
Health and Hospitals Corporation	\$630	\$457	\$1,086
Top 16 Subtotal	\$65,527	\$23,711	\$89,238

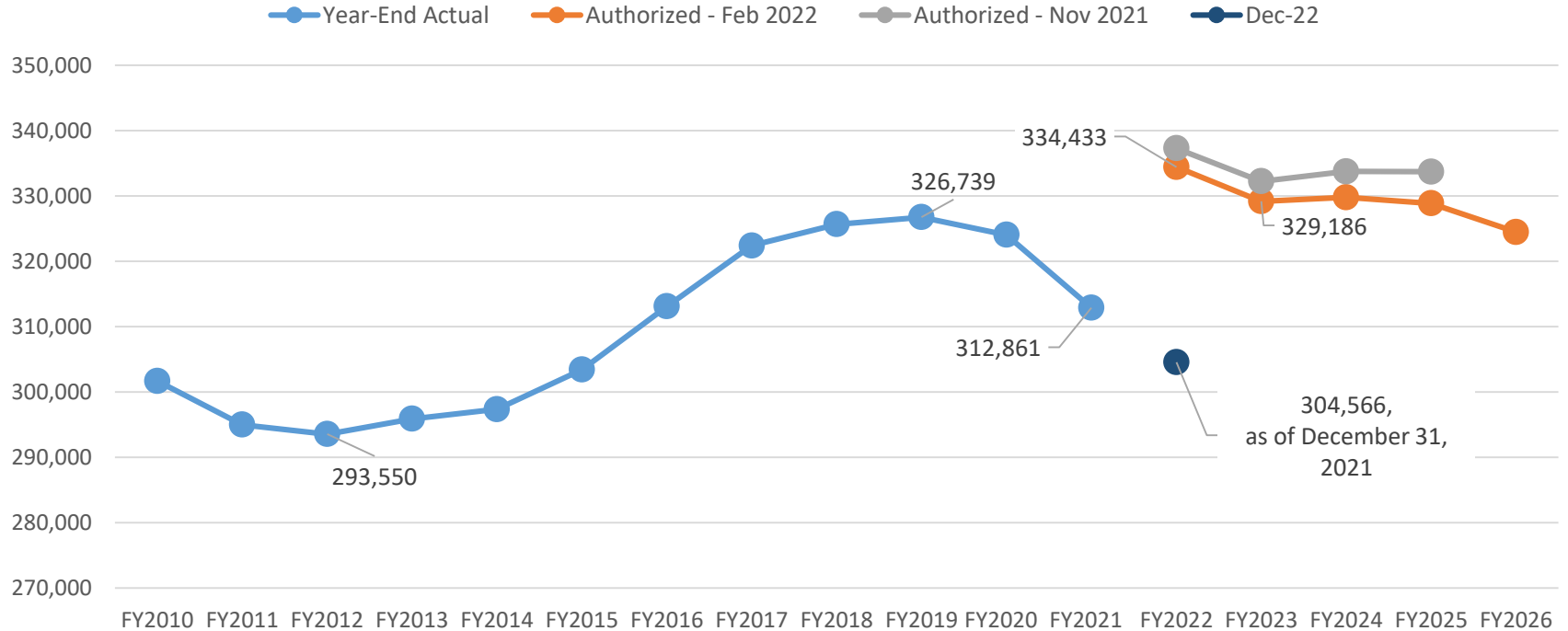
Program to Eliminate the Gap (PEG)

Preliminary FY 2023 PEG By Category
(dollars in millions)



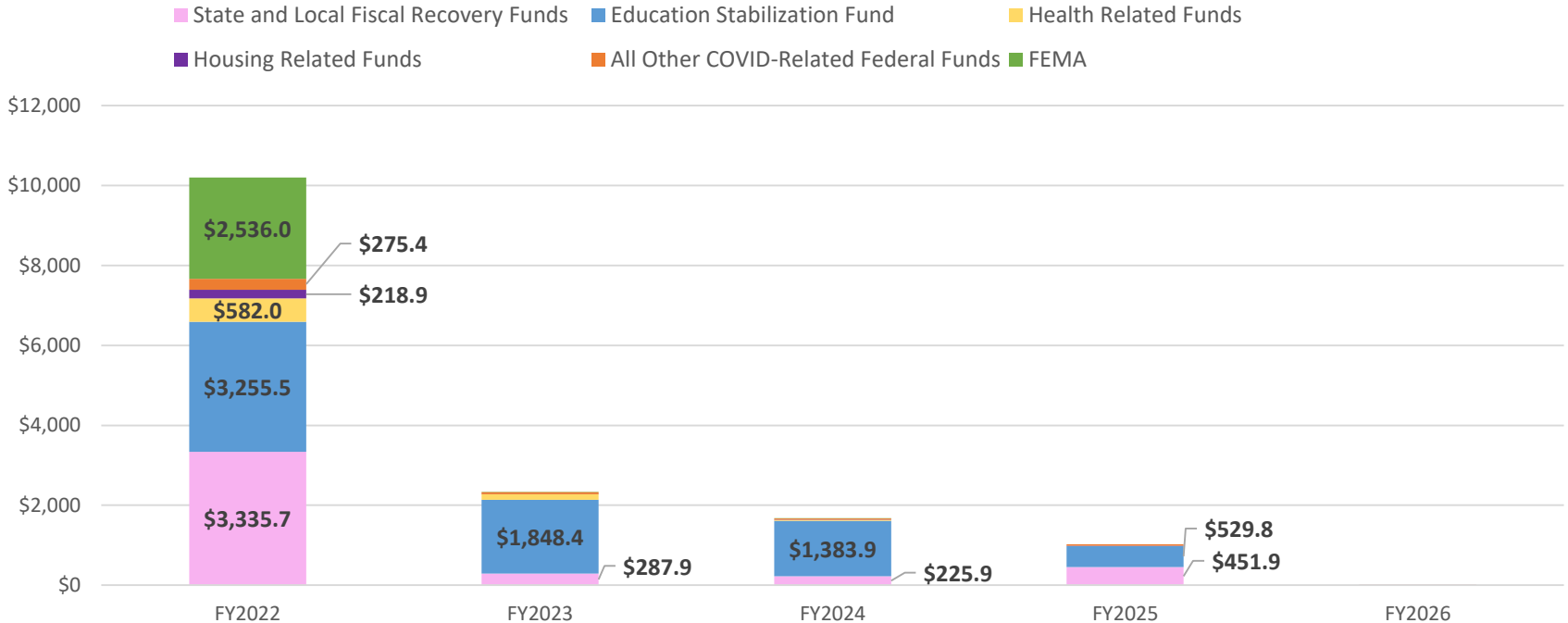
Headcount

NYC Actual and Authorized Full-Time and Full-Time Equivalent Headcount



COVID-Related Federal Aid

FY 2023 Preliminary Budget - Federal COVID-Related Funds
(dollars in millions)



Risks Facing NYC's Budget

- Economic Recovery
 - Commuters and Remote Work
 - Tourism and Business Travel
- Future Variants or Surges
- Labor Contracts for Municipal Workers
- City and Federal Fiscal Cliffs

Deeper Dive on Specific Agencies

- Police Department
- Department of Homeless Services
- Department of Sanitation

NYPD Budget and Changes

Police Department Budget (\$ in millions)				
	FY 2022	FY2023	FY2024	FY2025
November 2021	\$5,314.7	\$5,161.1	\$5,159.4	\$5,157.8
City Funds Changes	(\$533.1)	(\$36.5)	(\$13.3)	(\$13.3)
<i>PEG</i>	<i>(\$113.1)</i>	<i>(\$38.5)</i>	<i>(\$13.4)</i>	<i>(\$13.4)</i>
<i>Overtime</i>	<i>\$76.0</i>			
<i>COVID Funding Swap</i>	<i>(\$500.0)</i>			
<i>All Other</i>	<i>\$3.9</i>	<i>\$2.0</i>	<i>\$0.1</i>	<i>\$0.1</i>
Federal Funds Changes	\$558.3			
<i>COVID Funding Swap</i>	<i>\$500.0</i>			
<i>Other Federal Security Grants</i>	<i>\$56.0</i>			
All Other Changes	\$0.7			
February 2022	\$5,340.7	\$5,124.6	\$5,146.0	\$5,144.5
<i>year over year change</i>		<i>-4.0%</i>	<i>0.4%</i>	<i>0.0%</i>

- \$500M of federal COVID-related funds provide fiscal relief, meaning they support services usually funded with City dollars
- PEG savings were modest in FY22 and even lower in FY23 to FY25
- Overtime costs higher than budgeted
 - Likely to exceed even after \$76M increase

DHS Budget and Changes

Homeless Services Budget (\$ in millions)				
	FY 2022	FY2023	FY2024	FY2025
November 2021	\$2,309.9	\$2,074.6	\$2,074.6	\$2,074.6
City Funds Changes	\$86.8	\$69.3	\$69.3	\$69.3
<i>Hotel Shelter PEG</i>	<i>(\$33.4)</i>	<i>(\$49.4)</i>	<i>(\$49.4)</i>	<i>(\$49.4)</i>
<i>Other PEGS</i>	<i>(\$12.3)</i>	<i>(\$13.3)</i>	<i>(\$13.3)</i>	<i>(\$13.3)</i>
<i>Shelter Re-estimate</i>	<i>\$132.0</i>	<i>\$132.0</i>	<i>\$132.0</i>	<i>\$132.0</i>
<i>All Other</i>	<i>\$0.5</i>	<i>\$0.0</i>	<i>\$0.0</i>	<i>\$0.0</i>
Federal Funds Changes	\$362.1	\$0.0	\$0.0	\$0.0
<i>Emergency Shelter Grant</i>	<i>\$154.2</i>			
<i>Other Federal Aid Changes</i>	<i>\$207.9</i>			
February 2022	\$2,758.8	\$2,143.9	\$2,143.9	\$2,143.9
<i>year over year change</i>		<i>-22.3%</i>	<i>0.0%</i>	<i>0.0%</i>

- Total budget up this year: increased funding for Tier II shelters exceeded PEG savings for vacancy reduction and hotel shelter savings
 - Despite increase, IBO estimates shelter costs could be \$61M more in FY23 and \$126M more annually starting in FY24
 - Significant increase in federal aid in FY22
- DHS faces \$210M fiscal cliff starting in FY23 – programs funded in FY22 that are not funded starting next year
 - \$134M in City funds and \$77M in federal funds
- DHS received significant temporary federal COVID-related aid for homeless services in FY22

DSNY Budget and Changes

Sanitation Department Budget (\$ in millions)				
	FY 2022	FY2023	FY2024	FY2025
November 2021	\$1,865.6	\$1,818.9	\$1,819.9	\$1,828.3
City Funds Changes	\$45.5	(\$45.2)	(\$43.7)	(\$43.9)
<i>Efficiency PEGs</i>	<i>(\$6.0)</i>	<i>(\$9.0)</i>	<i>(\$9.3)</i>	<i>(\$9.6)</i>
<i>Cancel Organics Expansion</i>	<i>(\$9.4)</i>	<i>(\$18.2)</i>	<i>(\$21.4)</i>	<i>(\$21.3)</i>
<i>Other PEGs</i>	<i>(\$21.9)</i>	<i>(\$20.5)</i>	<i>(\$15.5)</i>	<i>(\$15.5)</i>
<i>Overtime</i>	<i>\$50.0</i>			
<i>All Other</i>	<i>\$32.8</i>	<i>\$2.6</i>	<i>\$2.6</i>	<i>\$2.6</i>
Federal Funds Changes	\$0.2	\$0.0	\$0.0	\$0.0
All Other Changes	\$1.1			
February 2022	\$1,912.4	\$1,773.7	\$1,776.2	\$1,784.4
<i>year over year change</i>		<i>-7.3%</i>	<i>0.1%</i>	<i>0.5%</i>

- Some PEG savings from efficiency through attrition, but rest from cancelling organics expansion and vacancy reduction
- Higher overtime spending in FY22
- 7% decrease from FY22 to FY23
 - Some programs are not funded in the baseline: City funds fiscal cliff of at least \$13M
 - Lower overtime budget
 - Less funding for COVID food programs that were run through DSNY



Question & Answer

Ana Champeny achampeny@cbcny.org