

The City of New York
Executive Budget
Fiscal Year 2027

Zohran Kwame Mamdani, Mayor

Mayor's Office of Management and Budget
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Financial Plan Summary

THE FISCAL YEAR 2027

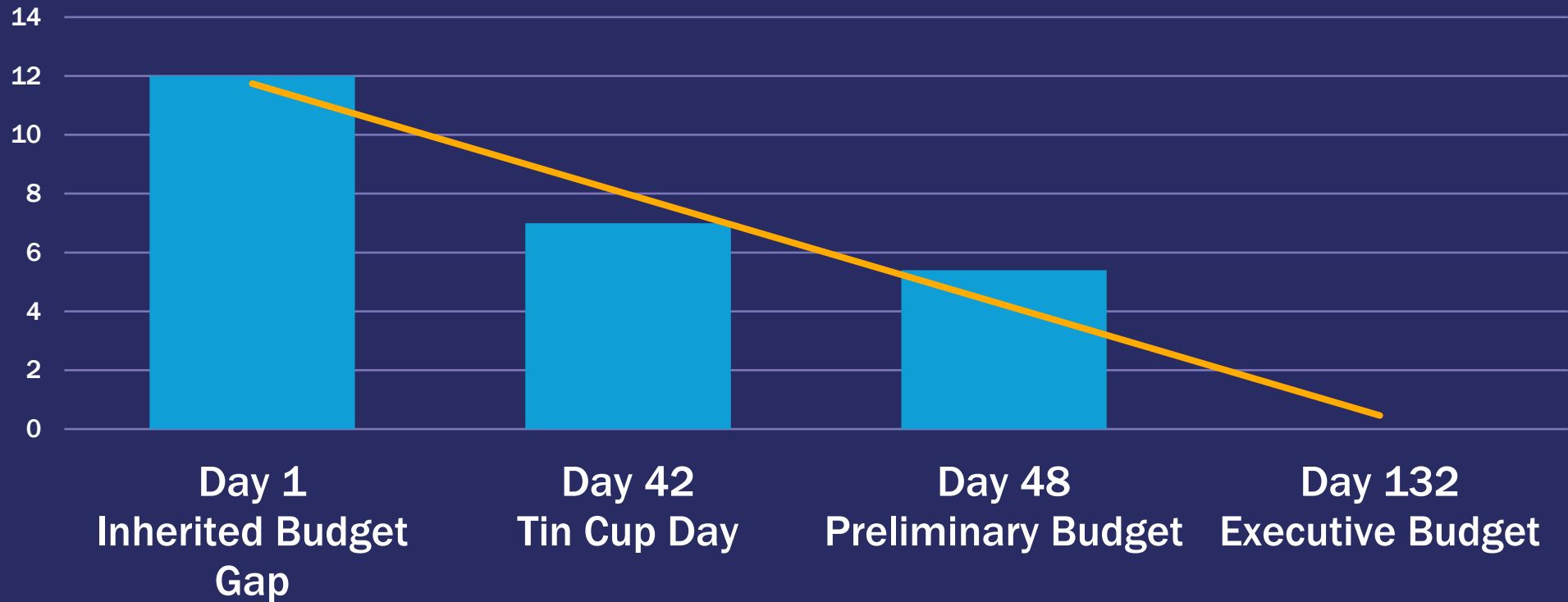
Executive Budget

Putting NYC on
Firm Financial Footing

Closing NYC's Budget Gap

Budget Gap

\$ IN BILLIONS



The Inherited Budget **Crisis**

Adams Left the Highest Budget Gaps in 12 Years

“We are facing the **largest budget gap** since the Great Recession”

CITY COMPTROLLER
MARK LEVINE



THE TRUTH

Largest Gaps Since the Great Recession

	OUTYEAR 1	OUTYEAR 2	OUTYEAR 3
Adams' Published gaps NOV 2025 FINANCIAL PLAN UPDATE	5.3%	6.8%	6.7%

	OUTYEAR 1	OUTYEAR 2	OUTYEAR 3
Pre-Covid 10 Year Average NOV 2010 - NOV 2019	3.5%	4.8%	5.0%
Great Recession 2009 PLAN	9.7%	11.0%	12.0%

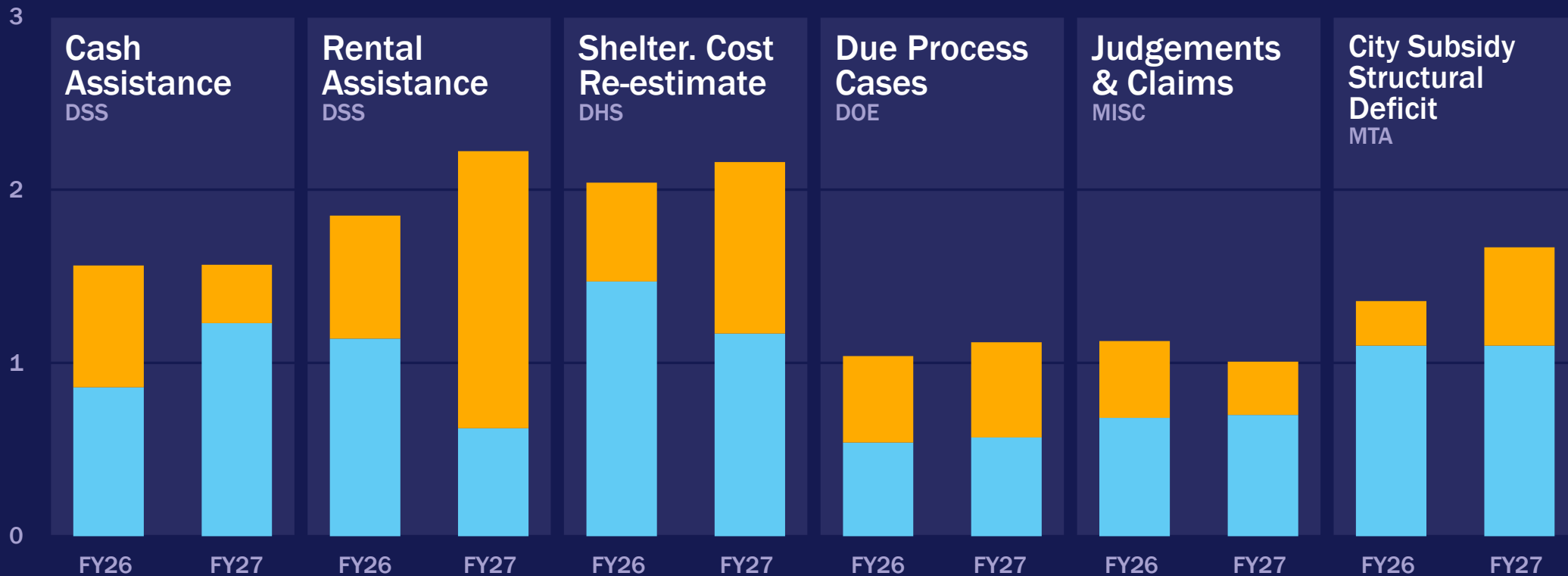
NYC Comptroller Updated Gaps	11.5%	14.2%	12.7%
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\$7.54 Billion to Fill Cliffs Across Six Major Unbudgeted Needs

City Tax Levy

\$ IN BILLIONS

■ Nov-25 ■ Preliminary Budget Add



THE WORK SINCE

Tackling NYC's Inherited Budget Gap

Chief Savings Officers

We appointed Chief Savings Officers (CSOs) at every agency for first time in City history

We gave CSOs a mandate to make government more efficient and improve service delivery

We gave CSOs aggressive savings targets of 1.5% in FY26 and 2.5% in FY27

We met our goal of **saving \$1.77 billion dollars** amidst a historic budget crisis

CSOs Saved \$1.77 Billion Over Two Years

	FY26	FY27
Agency Savings Initiatives	\$560M	\$910M
Reducing Vacancies	\$150M	\$157M
Total Saved	\$1.77 Billion	

\$1.47 Billion Savings Breakdown

\$94M	Pursuing better contract rates, and terminating contracts where city workers can do it better
\$28M	Modernizing city technology and software licenses
\$24M	Giving up unused space and consolidating agency leases
\$368M	Improving the efficiency of public services, managing overtime, and phasing out unused programs
\$947M	Improving our financial management, claiming revenue that the city is owed, and accurately estimating expenses

BEYOND CSOS

Saving \$1.2 Billion Across Programs

Supporting Special Education Students

For decades, special education students and their families have struggled to access the services they need

NYCPS has done important work over the past few years to change this

We're building on this by **investing more to improve access** to services

Due Process Cases Spending Growth

Due Process Spending

\$ IN BILLIONS



Addressing Due Process Cases

In addition to our investments, we're making changes to improve how the program is managed

This will reduce cases and **generate \$149 million in annual savings**

Bringing NYC into Class Size Compliance

Making additional investment of **\$122 million to hire 1,000 more teachers**

Adding \$1.5 billion for total of \$7.6 billion in SCA's 5-Year Capital Plan

Working with our partners in Albany and labor to implement this law on an aggressive but realistic timeline, which will generate approximately **\$500+ million in savings in FY27**

Strengthening CityFHEPS

CityFHEPS is an invaluable tool to help homeless New Yorkers

We must ensure CityFHEPS is **fiscally sound and sustainable** for the long-term

CityFHEPS Spending
\$ IN BILLIONS



FY20-25 actual spending, FY26 projected

CityFHEPS and Shelter Cost Containment

Curb expenditure growth in the CityFHEPS program by centralizing support functions, strengthening oversight and implementing administrative reform

Strengthen efforts to help current voucher holders increase incomes and reduce long-term usage of CityFHEPS

Reduce shelter costs by optimizing the use of other available prevention and housing relocation tools to help households in shelter find permanent housing and prevent additional households from entering shelter

Seek efficiencies in the shelter budget and improve the standard of care by reducing reliance on emergency hotels

\$519M FY27 Savings

Taxing the Rich

Grassroots New Yorkers and advocates from across the city rallied in support of higher taxes on the rich

\$500M

Tax Day with Governor Hochul, we announced the state's **first ever pied-à-terre tax**

\$68M

in NYC, we will work with Speaker Menin and the City Council on their proposal to reduce the UBT credit which **overwhelmingly benefits millionaires**

Thanks to Governor Hochul, Majority Leader Stewart-Cousins and Speaker Heastie, Albany has invested

\$352 million in direct aid

\$3.2 billion in state authorization

\$500 million in new revenue

to close the gap

Restorations Across FY26 & FY27

2009	Line of Duty Death Reimbursement, cost shifted to NYC
2017	Youth Programming, cost shifted to NYC
2019	Article 6 Public Health, cost shifted to NYC
2020	Restoring funds for sales tax intercepts, cost shifted to NYC

Historic Child Care Partnership

On the 8th day of our administration, we announced a historic partnership with Governor Hochul to make child care free and universal

Albany invested \$1.2 billion to help make NYC more affordable for working families

No Property Tax Increase

We balanced the budget:

Without a property tax increase

Without drawing down the Rainy Day Fund and Retiree Health Benefit Trust Fund

Without slashing services

Replenishing Our Reserves

Scoured budget for all possible savings and efficiency and identified \$1.2 billion available from prior payables to restore the Retiree Health Benefit Trust Fund.

Retiree Health
Benefit Trust

\$5.2B

RESTORED

Rainy Day
Fund

\$2B

RESTORED

OUR PENSION SYSTEMS

More Predictable Debt Payment Schedule

City Pension Funding Among Nation's Highest

Funded Ratios of Various Public Pension Systems



Restructuring Unfunded Pension Liability

The City pays nearly \$10 billion in pension contributions annually

We propose restructuring a portion of these contributions — the unfunded pension liability — to create consistent annual payments

This will result in a savings for years to come, including \$1.64 billion in FY27

This restructuring has no impact on retirees and their benefits or current employees and their future benefits

BY THE NUMBERS

Fiscal Year 2027 Executive Budget

The Fiscal Year 2027 Executive Budget is Balanced at \$124.7B

All Funds
FY2027

\$124.7B

\$94.7B

Agency
Budgets

\$30B

Pensions,
debt service

DOE
40%

**Social
Services**
25%

DSS: 15%
DHS: 4%
ACS: 4%
DYCD: 2%

**Uniformed
agencies**
12%

NYPD: 7%
FDNY: 3%
DSNY: 2%

**All
Other**
9%

Health
5%

DOHMH: 3%
H+H: 2%

DCAS
2%

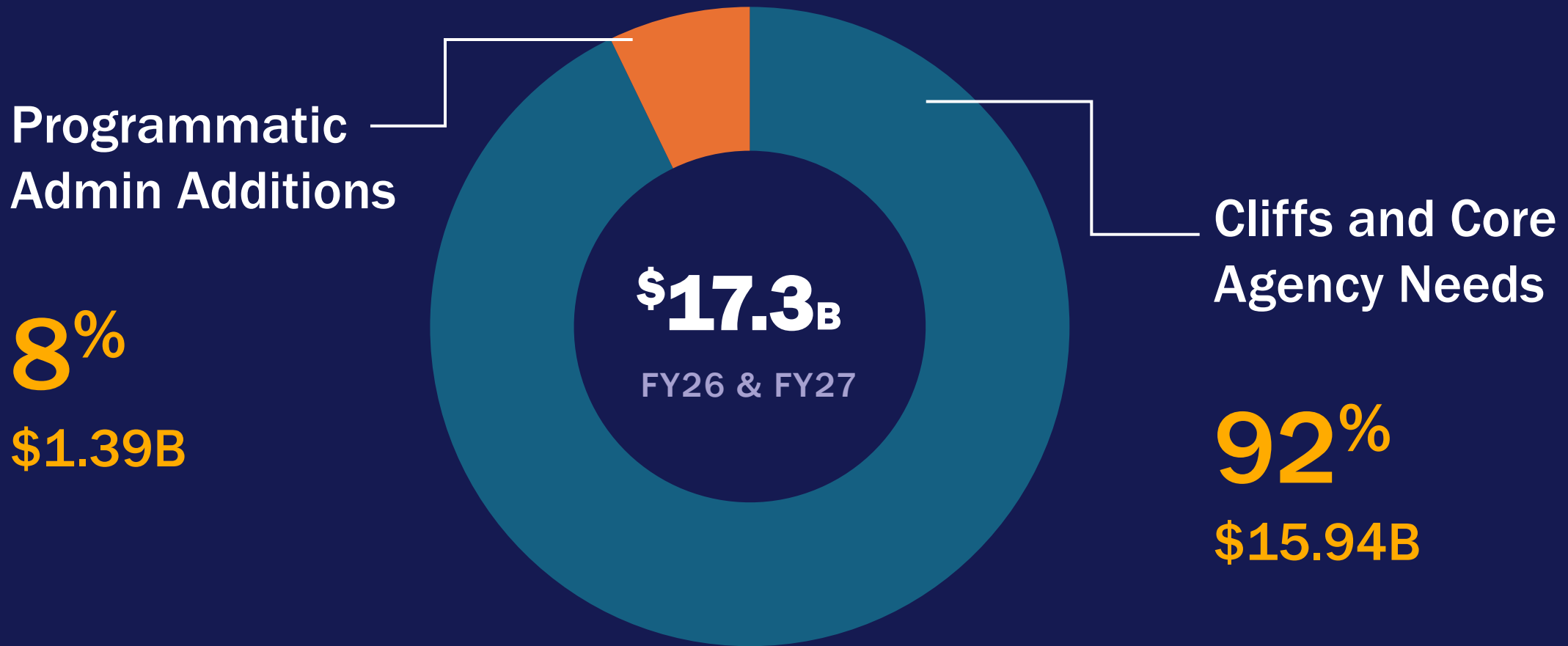
DEP
2%

DOT
2%

HOUSING
2%

CUNY
2%

Just 8% of New Spending Supports Admin Programmatic Investments



Key Investments To Tackle Rising Costs

We are tackling the historic deficit and agency expenses by making critical investments in New Yorkers

Our focus: retaining our tax base, taking preventative measures to save money down the line and spending more efficiently to deliver faster results for New Yorkers

Baselining Annual Investments

\$31.7M

TO LIBRARIES

\$15M

TO PARKS

\$25M

TO FAIR FARES

\$10M

TO CULTURAL ORGANIZATIONS

\$15M

TO CUNY

Child Care For All & Supporting K-12

Increase Provider Rates

\$40M in FY27

Expanding NYC Reads and Solves

\$17.3M in FY27

The Little Apple, First Ever Municipal Daycare

\$2.3M in FY27, \$2M annually as of FY28

A Safer New York

Office of Community Safety

\$40.9M in FY27,
\$40.2M annually as of FY28

Counsel for Vulnerable New Yorkers

\$22M in FY26

Office of Hate Crime Prevention

\$26M annually as of FY27

Supervised Release Intensive Case Management Pilot

\$7.7M in FY27, \$5.7M in FY28, \$1.2M in FY29

Right to Counsel

\$14.3M in FY27,
\$40M annually as of FY28

20 Civilian Complaint Review Board Staff

\$3.2M annually as of FY27

84 New FDNY Civilian Staff

\$0.8M in FY26
\$9M annually as of FY27

Safe & Clean Streets

Making Our Streets Safe

Safer, World-Class Streets & Sammy's Law

\$34.9M in FY27 growing to \$65.1M in FY30

DCAS Pedestrian Alerts

\$0.9M annually between FY27 and FY29

Keeping Our City Clean

Waste Containerization

\$14.8M in FY27 growing to \$162.2M in FY30

Economic Justice & Worker Protections

Commercial Lease Legal Assistance

\$4M in FY27 and FY28

Expanded Capacity for DCWP

\$4.3M in FY27 growing to \$18M annually in FY29

Medallion Loan Guarantee (MLG) Need

\$12.6M in FY27

Supporting Street Vendors

\$20.5M in FY27

Improving New Yorkers' Health & Wellbeing

Supporting Survivors

\$16.7M in FY27

Supporting Seniors

\$3.4M in FY27

Disease Testing and Surveillance Capacity

\$11.3M annually as of FY27

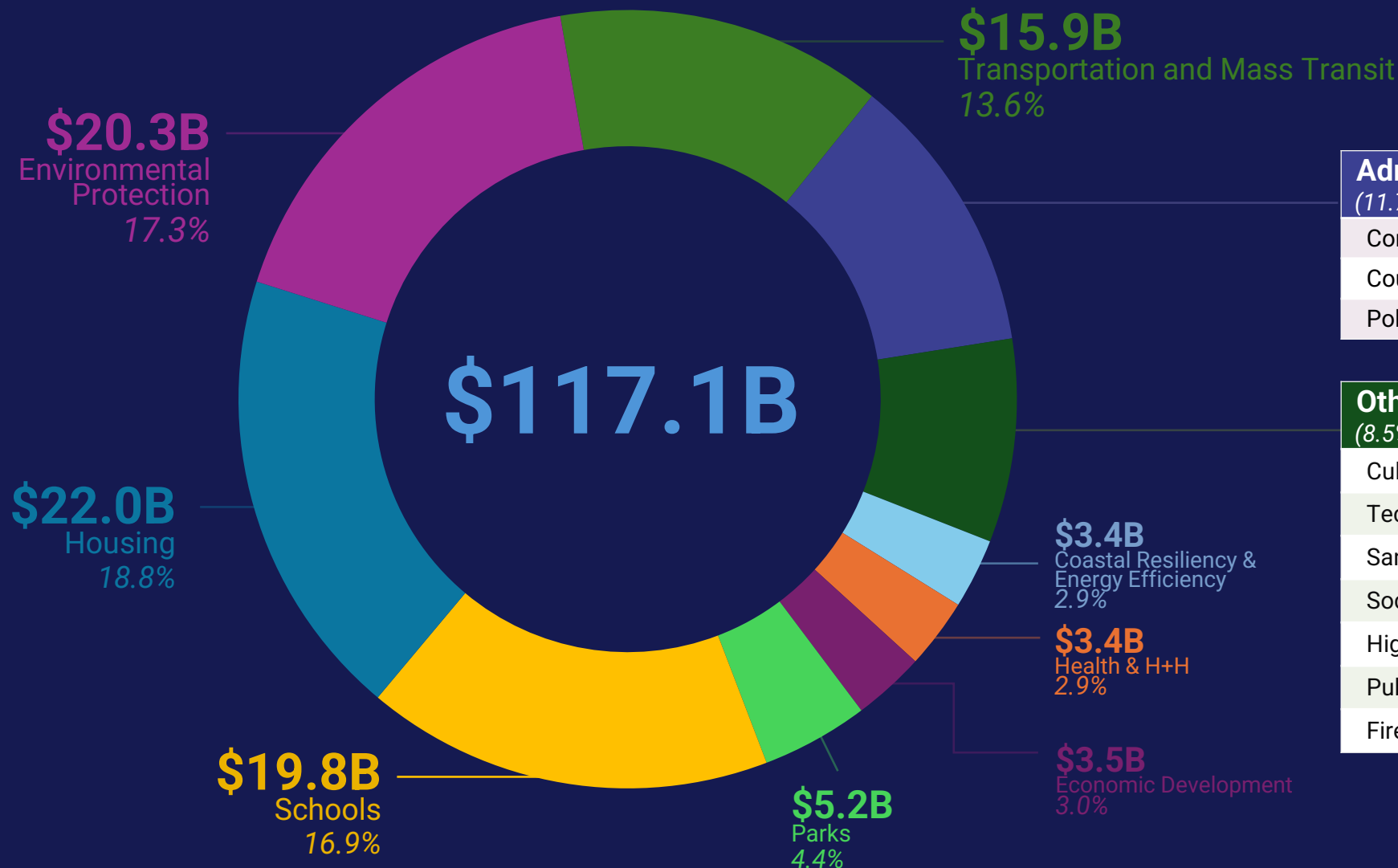
Access to Mental Health Care

\$47.3M annually as of FY27

FY27 Executive Capital Plan and Investment Highlights

FY 2027 Executive Five-Year Capital Plan

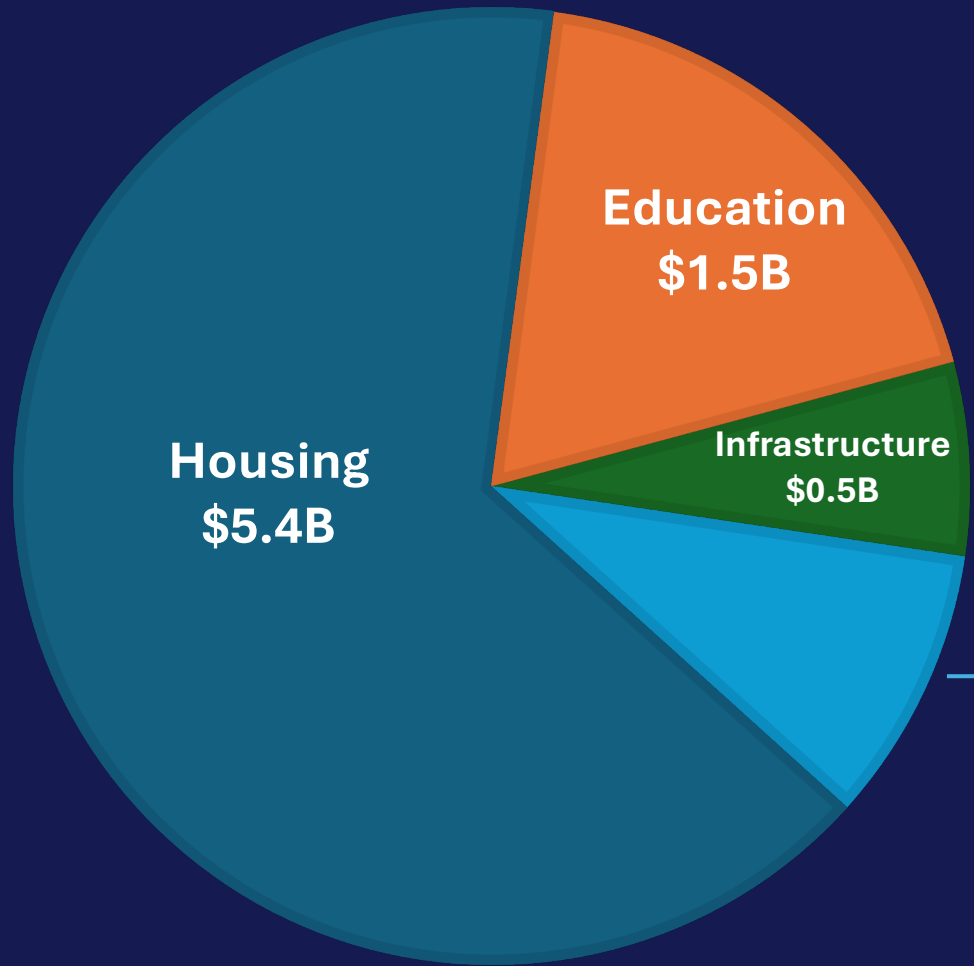
Totals \$117.1B in All Funds



Administration of Justice (11.7%)	\$13.7B
Correction	\$11.8B
Courts	\$1.0B
Police	\$0.9B

Other City Services (8.5%)	\$9.9B
Culturals & Libraries	\$2.2
Technology	\$1.8
Sanitation	\$1.5
Social Services	\$1.3
Higher Education	\$1.2
Public Buildings	\$1.0
Fire	\$0.9

Mamdani Administration 5-Year Capital Plan Growth



Government Operations & Other City Services	\$769.5M
Health and H + H	\$126.5M
Parks	\$117.8M
Police	\$104.2M
Social Services	\$96.8M
Sanitation	\$96.0M
Municipal Grocery Stores	\$70.0M
Culturals & Libraries	\$60.9M
Higher Education (CUNY)	\$55.8M
Technology	\$26.6M
Fire	\$8.9M
Public Buildings	\$6.0M

Building the Affordable Housing New Yorkers Need

Building and preserving affordable housing across the five boroughs will be critical to achieving our affordability agenda

That is why we've put forth **\$4 billion in HPD capital funds** in the five-year plan, plus an additional **\$500 million** in FY31 – one of the largest capital additions across the entire budget and a testament to our understanding of the severity of our city's housing crisis

This funding will create the deeply affordable housing that low-income New Yorkers need most

Investing in Livable Housing for NYCHA Residents

Our investment of an additional \$500 million in FY28 for comprehensive renovations at NYCHA, when paired with existing funds and investments made at FY27 Preliminary Plan, will allow NYCHA to rehabilitate and modernize thousands of homes across FY27 and FY28.

We are investing \$256 million over FY26-28 — in addition to funds in the expense budget — to restore vacant units so they can be rented out to new tenants, which is **the most City capital funding that has ever been dedicated to vacant unit turnover.**

Historic Levels of Investment in NYCHA

With a total of \$5.6 billion in the 5-Year Capital Plan across existing funds, investments made at the Preliminary Plan, and new additions, we are dedicating the most City capital to NYCHA in recent history

Revenue & Expense Changes

May 2026 Financial Plan

City Funds - (\$ in Millions)

	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Gap to be Closed - February 2026 Financial Plan	\$ ---	\$ ---	(\$6,662)	(\$6,754)	(\$7,109)
Revenue Changes:					
Tax Revenues	(\$25)	(\$50)	\$ ---	\$ ---	\$ ---
Tax Audit	100	50	---	---	---
Unincorporated Business Tax	---	68	69	71	74
Property Tax Increase Prelim Budget Reversal	---	(3,700)	(3,601)	(3,707)	(3,814)
Pied-a-Terre	---	500	500	500	500
Unrestricted Aid	117	161	161	161	161
Non-Tax Revenue	256	166	98	94	92
Total Revenue Changes	\$448	(\$2,805)	(\$2,773)	(\$2,881)	(\$2,987)
Expense Changes:					
Agency Expense Changes	\$1,268	\$2,052	\$2,065	\$2,122	\$2,230
Pension	5	(240)	(85)	(162)	(168)
Restructuring City Pension Liabilities	(652)	(1,644)	(1,704)	(1,529)	(1,644)
Citywide Fringe Savings	(200)	(315)	(315)	(315)	(315)
Cost Containment Strategies	---	(1,176)	(1,140)	(818)	(666)
H+H Reimbursement for City Debt Service	(205)	(250)	---	---	---
State Budget - Pension Enhancement Costs	---	110	110	110	110
State Budget Impact	(101)	(362)	(162)	(162)	(162)
Debt Service	(213)	16	78	196	271
General Reserve	(50)	---	---	---	---
Retiree Health Benefit Trust Fund Reversal*	816	393	(1,209)	---	---
Re-estimate of Prior Years' Expenses and Receivables	(1,209)	(400)	---	---	---
Total Expense Changes	(\$541)	(\$1,816)	(\$2,362)	(\$558)	(\$344)
Gap to be Closed	\$989	(\$989)	(\$7,073)	(\$9,077)	(\$9,752)
FY 2026 Prepayment	(\$989)	\$989	\$ ---	\$ ---	\$ ---
Gap to be Closed - May 2026 Financial Plan	\$ ---	\$ ---	(\$7,073)	(\$9,077)	(\$9,752)

* The Rainy Day fund was reversed and replaced with the Retiree Health Benefits Trust Fund in a Budget Modification after the Preliminary Budget.

Five Year Financial Plan Revenue And Expenditures

All Funds - (\$ in Millions)

REVENUES	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Taxes					
General Property Tax	\$35,536	\$37,200	\$37,882	\$39,057	\$40,440
Other Taxes	47,679	49,591	50,706	51,156	52,380
Tax Audit Revenue	1,059	929	879	879	879
Tax Programs	147	654	611	493	492
Subtotal: Taxes	\$84,421	\$88,374	\$90,078	\$91,585	\$94,191
Miscellaneous Revenues	9,053	8,565	8,454	8,493	8,517
Unrestricted Intergovernmental Aid	619	161	161	161	161
Less: Intra-City Revenue	(2,385)	(2,195)	(2,137)	(2,129)	(2,127)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$91,693	\$94,890	\$96,541	\$98,095	\$100,727
Other Categorical Grants	1,192	1,131	867	864	864
Inter-Fund Revenues	805	814	810	813	814
Federal Categorical Grants	9,900	7,281	7,121	7,096	7,083
State Categorical Grants	20,804	20,584	20,983	20,612	20,682
Total Revenues	\$124,394	\$124,700	\$126,322	\$127,480	\$130,170
EXPENDITURES					
Personal Service					
Salaries and Wages	\$35,085	\$35,946	\$37,581	\$38,755	\$39,833
Pensions	9,848	8,759	9,841	9,403	8,822
Fringe Benefits	15,465	16,006	16,793	17,526	18,371
Subtotal: Personal Service	\$60,398	\$60,711	\$64,215	\$65,684	\$67,026
Other Than Personal Service					
Medical Assistance	\$6,762	\$6,790	\$6,940	\$7,090	\$7,240
Public Assistance	2,762	2,708	2,707	2,707	2,707
All Other	51,299	48,114	49,588	50,035	51,084
Subtotal: Other Than Personal Service	\$60,823	\$57,612	\$59,235	\$59,832	\$61,031
Debt Service ^{1,2}	8,282	9,535	10,632	11,720	12,542
FY 2025 Budget Stabilization ¹	(3,787)	---	---	---	---
FY 2026 Budget Stabilization ²	1,063	(1,063)	---	---	---
Capital Stabilization Reserve	---	---	250	250	250
General Reserve	---	100	1,200	1,200	1,200
Less: Intra-City Expenses	(2,385)	(2,195)	(2,137)	(2,129)	(2,127)
Total Expenditures	\$124,394	\$124,700	\$133,395	\$136,557	\$139,922
Gap To Be Closed	\$ ---	\$ ---	(\$7,073)	(\$9,077)	(\$9,752)

Five Year Financial Plan Revenue And Expenditures

City Funds - (\$ in Millions)

REVENUES	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Taxes					
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Less: Intra-City Revenue	(2,385)	(2,195)	(2,137)	(2,129)	(2,127)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Total City Funds	\$91,693	\$94,890	\$96,541	\$98,095	\$100,727
EXPENDITURES					
Personal Service	\$46,872	\$46,799	\$50,322	\$51,797	\$53,141
Other Than Personal Service	39,566	39,857	41,278	42,269	43,410
Debt Service ^{1,2}	7,979	9,197	10,564	11,656	12,478
FY 2025 Budget Stabilization ¹	(3,787)	---	---	---	---
FY 2026 Budget Stabilization ²	1,063	(1,063)	---	---	---
Capital Stabilization Reserve	---	---	250	250	250
General Reserve	---	100	1,200	1,200	1,200
Total Expenditures	\$91,693	\$94,890	\$103,614	\$107,172	\$110,479
Gap To Be Closed	\$---	\$---	(\$7,073)	(\$9,077)	(\$9,752)

¹ Fiscal Year 2025 Budget Stabilization total \$3.787 billion, including GO of \$1.443 billion and TFA-FTS of \$2.344 billion.

² Fiscal Year 2026 Budget Stabilization totals \$1.063 billion.