

The City of New York  
Executive Budget  
Fiscal Year 2020

Bill de Blasio, Mayor

Mayor's Office of Management and Budget  
Melanie Hartzog, Director

# Budget Summary

# **THE FISCAL YEAR 2020 EXECUTIVE BUDGET**

**THE FISCAL YEAR 2020 EXECUTIVE  
BUDGET IS \$92.5 BILLION**

# FISCAL YEAR 2020 EXECUTIVE BUDGET

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- **\$916 million** in savings
  - Exceeds **\$750 million** target
- Helps fund **\$150 million** in additional critical needs since February

# HITS TO THE BUDGET

# HITS TO THE BUDGET

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- **More than \$300 million** in NYS budget cuts, cost shifts, and unfunded mandates to New York City in FY20 including:
  - **\$125 million:** financial assistance to families in need (TANF)
  - **\$96 million:** election reform mandates
  - **\$59 million:** vital health services for vulnerable New Yorkers
  - **\$25 million:** education funding shortfall

# HITS TO THE BUDGET

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Since coming up with our savings target, we identified over **\$150 million** in additional critical new needs

- **Special Education initiatives for DOE**
  - New and enhanced programs, hiring school psychologists and speech teachers to support evaluations of student needs
  - **\$33 million** in FY20
- **Additional mandated Charter School Costs**
  - **\$88 million** in FY20
- **State cut to Pre-Trial Mental Health Evaluations**
  - Costs were split with the state for years
  - **\$35 million** in FY20

# **OUR RESPONSE: PEG, SAVINGS, AND RESERVES**



# Our Response: PEG, Savings, and Reserves

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- Executive Budget savings target:
  - \$750 million
- Savings achieved in the Executive Budget:
  - \$916 million

# Our Response: PEG, Savings, and Reserves

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- **\$629 million in PEG Savings**
  - **\$104 million** in DOE funding, including eliminating extended learning time at Renewal and Rise schools
  - Modest cuts to subsidies for cultural institutions
  - Consolidate underused NYCHA Senior Clubs
  - Right-size afterschool slots

# Our Response: PEG, Savings, and Reserves

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- **Summary of savings**
  - **\$916 million total** in savings across FY19 and FY20 in the Executive Budget
    - Total of **\$2.5 billion** of savings in FY19 and FY20 since Adoption last June
  - This is in addition to healthcare savings of **\$1.6 billion** in FY20 and **\$1.9 billion** in FY21 and every year after

# Our Response: PEG, Savings, and Reserves

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- **Preserving historic levels of reserves**
  - **\$1.25 billion** each year of the financial plan
  - **\$4.47 billion** in the Retiree Health Benefits Trust Fund
    - **\$3.6 billion** due to our actions under this administration

# **CRITICAL INVESTMENTS**

# Critical Investments

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- **City building retrofits**
  - Part of NYC's Green New Deal
  - Increasing energy efficiency with green technology
  - **\$60 million** in FY20
- **Carter Cases**
  - Tuition payments for Special Education students
  - **\$100 million** in FY20

# Critical Investments

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- **Census 2020**
  - A fair and accurate count gives our city its fair share
  - Fund outreach staff and public awareness campaigns
  - **\$22 million** in FY20

# Critical Investments

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- **Expand ‘Fly Car’ program**
  - **\$15 million** to improve EMS response times in the Bronx
- **Bridging the Gap**
  - **\$12 million** annual investment to provide social services and academic support for students in shelters
- **Emergency repairs at NYCHA Community Centers**
  - **\$6 million** to refurbish pipes, air conditioning, and heating infrastructure



# **CAPITAL STRATEGY**

# Ten-Year Capital Strategy

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**Our Ten-Year Capital Strategy is \$116.9 billion**

- **\$16.4 billion:** Expand school capacity and enhance facilities
- **\$13.1 billion:** Repairs and safety improvements to roads and bridges
- **\$9.7 billion:** Build and preserve affordable housing
- **\$8.7 billion:** Build borough-based jails
- **\$6.5 billion:** Repair and expand our sewer and water infrastructure

# REVENUE AND EXPENSE CHANGES

# April 2019 Financial Plan

	City Funds (\$ in millions)				
	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
<b>Gap to be Closed - February 2019 Financial Plan</b>	\$ - - -	\$ - - -	(\$3,516)	(\$2,939)	(\$3,296)
<b><u>Revenue Changes:</u></b>					
Tax Revenues	\$201	\$209	\$253	\$299	\$225
Non-Tax Revenues	261	83	104	104	111
<b>Total Revenue Changes</b>	<b>\$462</b>	<b>\$292</b>	<b>\$357</b>	<b>\$403</b>	<b>\$336</b>
<b><u>Expense Changes:</u></b>					
Agency Expense Changes	\$636	\$829	\$746	\$741	\$740
Enacted State Budget	63	306	259	259	259
Pensions	86	- - -	(300)	(296)	(445)
Citywide Savings Program	(420)	(496)	(383)	(360)	(356)
General Reserve (FY19 from \$300M to \$50M)	(250)	- - -	- - -	- - -	- - -
<b>Total Expense Changes</b>	<b>\$115</b>	<b>\$639</b>	<b>\$322</b>	<b>\$344</b>	<b>\$198</b>
<b>Gap to be Closed Before Prepayments</b>	<b>\$347</b>	<b>(\$347)</b>	<b>(\$3,481)</b>	<b>(\$2,880)</b>	<b>(\$3,158)</b>
FY 2019 Prepayment of FY 2020 Expenses	(347)	347	- - -	- - -	- - -
<b>Gap to be Closed - April 2019 Financial Plan</b>	<b>\$ - - -</b>	<b>\$ - - -</b>	<b>(\$3,481)</b>	<b>(\$2,880)</b>	<b>(\$3,158)</b>

# Five Year Financial Plan Revenues and Expenditures

REVENUES	City Funds (\$ in millions)				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Taxes</b>					
General Property Tax	\$27,795	\$29,529	\$30,909	\$32,150	\$33,110
Other Taxes	32,030	32,597	33,391	34,358	35,289
Tax Audit Revenue	1,058	999	721	721	721
<b>Subtotal: Taxes</b>	<b>\$60,883</b>	<b>\$63,125</b>	<b>\$65,021</b>	<b>\$67,229</b>	<b>\$69,120</b>
Miscellaneous Revenues	8,065	6,955	6,911	6,884	6,879
Unrestricted Intergovernmental Aid	201	---	---	---	---
Less: Intra-City Revenue	(2,220)	(1,819)	(1,817)	(1,815)	(1,814)
Disallowances Against Categorical Grants	91	(15)	(15)	(15)	(15)
<b>Total City Funds</b>	<b>\$67,020</b>	<b>\$68,246</b>	<b>\$70,100</b>	<b>\$72,283</b>	<b>\$74,170</b>
<b>EXPENDITURES</b>					
Personal Service <sup>(1)</sup>	\$38,070	\$39,829	\$41,229	\$41,804	\$43,074
Other Than Personal Service <sup>(1)</sup>	23,560	23,675	23,700	24,012	24,148
Debt Service <sup>(1),(2)</sup>	6,400	7,008	7,402	8,097	8,856
FY 2018 Budget Stabilization and Discretionary Transfers <sup>(1)</sup>	(4,576)	---	---	---	---
FY 2019 Budget Stabilization <sup>(2)</sup>	3,516	(3,516)	---	---	---
Capital Stabilization Reserve	---	250	250	250	250
General Reserve	50	1,000	1,000	1,000	1,000
<b>Total Expenditures</b>	<b>\$67,020</b>	<b>\$68,246</b>	<b>\$73,581</b>	<b>\$75,163</b>	<b>\$77,328</b>
<b>Gap To Be Closed</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>(\$3,481)</b>	<b>(\$2,880)</b>	<b>(\$3,158)</b>

<sup>(1)</sup> Fiscal Year 2018 Budget Stabilization and Discretionary Transfers total \$4.576 billion, including GO of \$1.902 billion, TFA-FTS of \$2.174 billion, Retiree Health Benefits of \$300 million and subsidies of \$200 million.

<sup>(2)</sup> Fiscal Year 2019 Budget Stabilization totals \$3.516 billion, including GO of \$1.197 billion and TFA-FTS of \$2.319 billion.

# Five Year Financial Plan Revenues and Expenditures

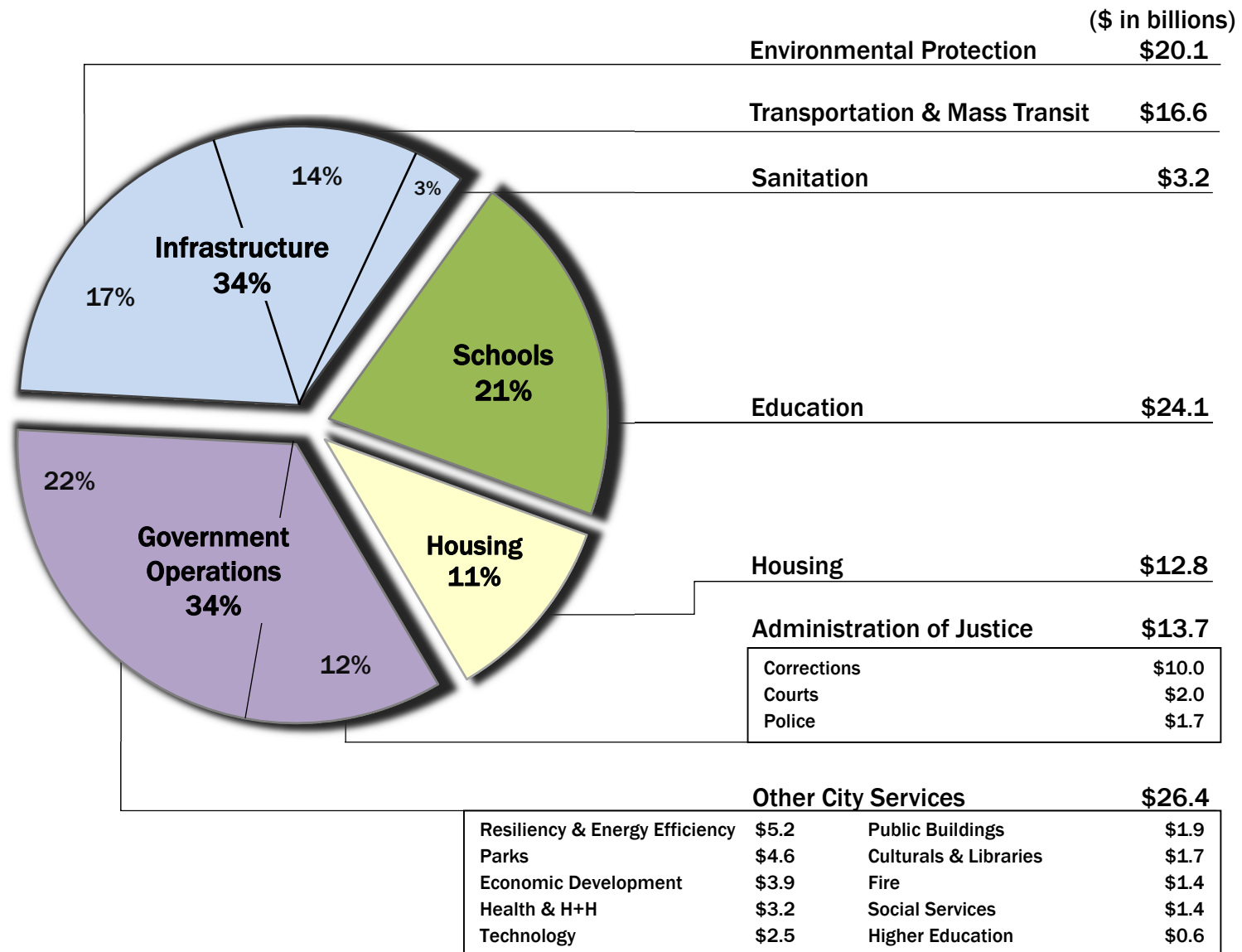
REVENUES	All Funds (\$ in millions)				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Taxes					
General Property Tax	\$27,795	\$29,529	\$30,909	\$32,150	\$33,110
Other Taxes	32,030	32,597	33,391	34,358	35,289
Tax Audit Revenue	1,058	999	721	721	721
<b>Subtotal: Taxes</b>	<b>\$60,883</b>	<b>\$63,125</b>	<b>\$65,021</b>	<b>\$67,229</b>	<b>\$69,120</b>
Miscellaneous Revenues	8,065	6,955	6,911	6,884	6,879
Unrestricted Intergovernmental Aid	201	---	---	---	---
Less: Intra-City Revenue	(2,220)	(1,819)	(1,817)	(1,815)	(1,814)
Disallowances Against Categorical Grants	91	(15)	(15)	(15)	(15)
<b>Subtotal: City Funds</b>	<b>\$67,020</b>	<b>\$68,246</b>	<b>\$70,100</b>	<b>\$72,283</b>	<b>\$74,170</b>
Other Categorical Grants	1,207	928	870	863	863
Inter-Fund Revenues	657	735	672	672	672
Federal Categorical Grants	8,494	7,226	7,069	6,998	6,966
State Categorical Grants	15,473	15,333	15,719	16,186	16,693
<b>Total Revenues</b>	<b>\$92,851</b>	<b>\$92,468</b>	<b>\$94,430</b>	<b>\$97,002</b>	<b>\$99,364</b>
<b>EXPENDITURES</b>					
Personal Service					
Salaries and Wages	\$29,051	\$29,978	\$30,905	\$30,757	\$31,645
Pensions	9,936	9,951	10,118	10,564	10,620
Fringe Benefits <sup>(1)</sup>	10,642	11,394	11,853	12,527	13,228
<b>Subtotal: Personal Service</b>	<b>\$49,629</b>	<b>\$51,323</b>	<b>\$52,876</b>	<b>\$53,848</b>	<b>\$55,493</b>
Other Than Personal Service					
Medical Assistance	\$5,915	\$5,915	\$5,915	\$5,915	\$5,915
Public Assistance	1,595	1,651	1,651	1,651	1,650
All Other <sup>(1)</sup>	32,312	30,426	30,411	30,718	30,958
<b>Subtotal: Other Than Personal Service</b>	<b>\$39,822</b>	<b>\$37,992</b>	<b>\$37,977</b>	<b>\$38,284</b>	<b>\$38,523</b>
Debt Service <sup>(1),(2)</sup>	6,630	7,238	7,625	8,315	9,070
FY 2018 Budget Stabilization and Discretionary Transfers <sup>(1)</sup>	(4,576)	---	---	---	---
FY 2019 Budget Stabilization <sup>(2)</sup>	3,516	(3,516)	---	---	---
Capital Stabilization Reserve	---	250	250	250	250
General Reserve	50	1,000	1,000	1,000	1,000
Less: Intra-City Expenses	(2,220)	(1,819)	(1,817)	(1,815)	(1,814)
<b>Total Expenditures</b>	<b>\$92,851</b>	<b>\$92,468</b>	<b>\$97,911</b>	<b>\$99,882</b>	<b>\$102,522</b>
<b>Gap To Be Closed</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ (3,481)</b>	<b>\$ (2,880)</b>	<b>\$ (3,158)</b>

<sup>(1)</sup> Fiscal Year 2018 Budget Stabilization and Discretionary Transfers total \$4.576 billion, including GO of \$1.902 billion, TFA-FTS of \$2.174 billion, Retiree Health Benefits of \$300 million and subsidies of \$200 million.

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# TEN-YEAR CAPITAL STRATEGY

# The 2020–2029 Ten-Year Capital Strategy Totals \$116.9 Billion in All Funds





# Debt Service as a Percentage of Tax Revenues

