The City of New York
Executive Budget
Fiscal Year 2023

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, 2022

Message of the Mayor

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:

We are in the midst of the greatest financial recovery in this city's history. And the pathway to continued progress is clear. New York must be a safe place to work, live and raise a family. We must be good stewards of taxpayer dollars, make government work efficiently for the people, plan pragmatically and budget cautiously. Further, the recovery must be centered around equity and elevate working people who have been disproportionately impacted by the events of the last two years. The Fiscal Year 2023 (FY23) Executive Budget achieves these goals and will help shape a better and more prosperous future for ALL New Yorkers, across every community, neighborhood, and borough.

Thank you for taking the time to review the Mayor's Message, which is an accessible and transparent assessment of the Executive Budget. This publication summarizes current economic conditions and describes their impact on the city revenues that allow us to fund programs and services that benefit every New Yorker, especially the most vulnerable. We also analyze city agency budgets and the service impact of their initiatives, including social services and public safety, parks and libraries, mental health and resources for seniors, education and cultural affairs, and much more. We review the capital finance program that allows us to build and maintain schools, world-class parks, a drinking water system, affordable housing, and green infrastructure.

The $99.7 billion FY23 Executive Budget was crafted in the context of a growing national economy and an uneven local recovery. The national unemployment rate is at a generational low, but inflation is creeping upwards and may necessitate aggressive action by the Federal Reserve. Further, the Russian invasion of Ukraine and continued waves of Covid-19 may lead to a worldwide increase in food and energy prices, potentially stressing financial markets and risking global and national economic growth.

Locally, the City's economy continues to rebound. To date the city has recovered 74 percent of the 920,000 jobs lost at the height of the pandemic. Job growth rate has accelerated over the past year, and we now expect to reach pre-pandemic employment levels in 2024, two quarters earlier than previously projected. Employees are slowly returning to work, which helps businesses in neighborhoods that rely upon daytime consumer traffic for income. However, we still have a way to go as the City's office market continues to post record high vacancy rates.

The Executive Budget tax revenue forecast reflects additional resources compared to the previous estimates; an increase of $1.6 billion in Fiscal Year 2022 (FY22), and $392 million in FY23, driven by broad gains across the City's non-property tax base. However, growth is expected to weaken as the national economy decelerates.

Given the reality of mixed economic signals and a relatively slow revenue growth forecast throughout the financial plan, we must remain cautious and committed to strong fiscal management.

In the Executive Budget, Fiscal Years 2022 and 2023 remain balanced. The City faces manageable outyear gaps of $3.9 billion, $3.4 billion, and $3.7 billion in Fiscal Years 2024 through 2026, respectively. These gaps highlight the importance of remaining vigilant, acting cautiously, and staying focused on the efficient use of government resources.

Cautious planning includes maintaining reserves that serve as a buffer against unexpected challenges. In the Executive Budget we increased already record-level budget reserve levels by adding $200 million to the Rainy Day Fund, bringing them to a total of $6.3 billion -- by far the highest level in city history.

In the Preliminary Budget I implemented a Program to Eliminate the Gap (PEG) that was instrumental in closing a nearly $3 billion budget gap in FY23. We renewed our call for savings in the Executive budget, achieving $411 million over Fiscal Years 2022 and 2023 for total savings over those years of more than $2.4 billion.

Finally, we made important investments in this budget that will improve the lives of everyday New Yorkers. This includes funding to: bring safety to the subway, implement the B-HEARD program that deploys social workers and EMTs instead of police officers to non-violent mental health calls, maintain and improve our world-class parks, increase resources for Emergency Food Assistance, increase safety via the NYC Streets Plan, add 10,000 slots to the Summer Rising program so now 210,000 K-12 children will have access to enriching summer programming. However, this is just a small sample of new investments. Please review the agency summaries in this publication for descriptions of the numerous ways we have applied the city's resources in the Executive Budget help this city recover and prosper.

This introduction is just a very broad overview of the FY23 Executive budget. I trust this publication will help guide your understanding of the New York City budget, which is most effective tool we have to improve our community and chart a course for the future. Together we will use this tool to leverage a more prosperous and equitable New York City for generations to come.

Eric Adams

Mayor

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Printed on paper containing 30% post-consumer material.

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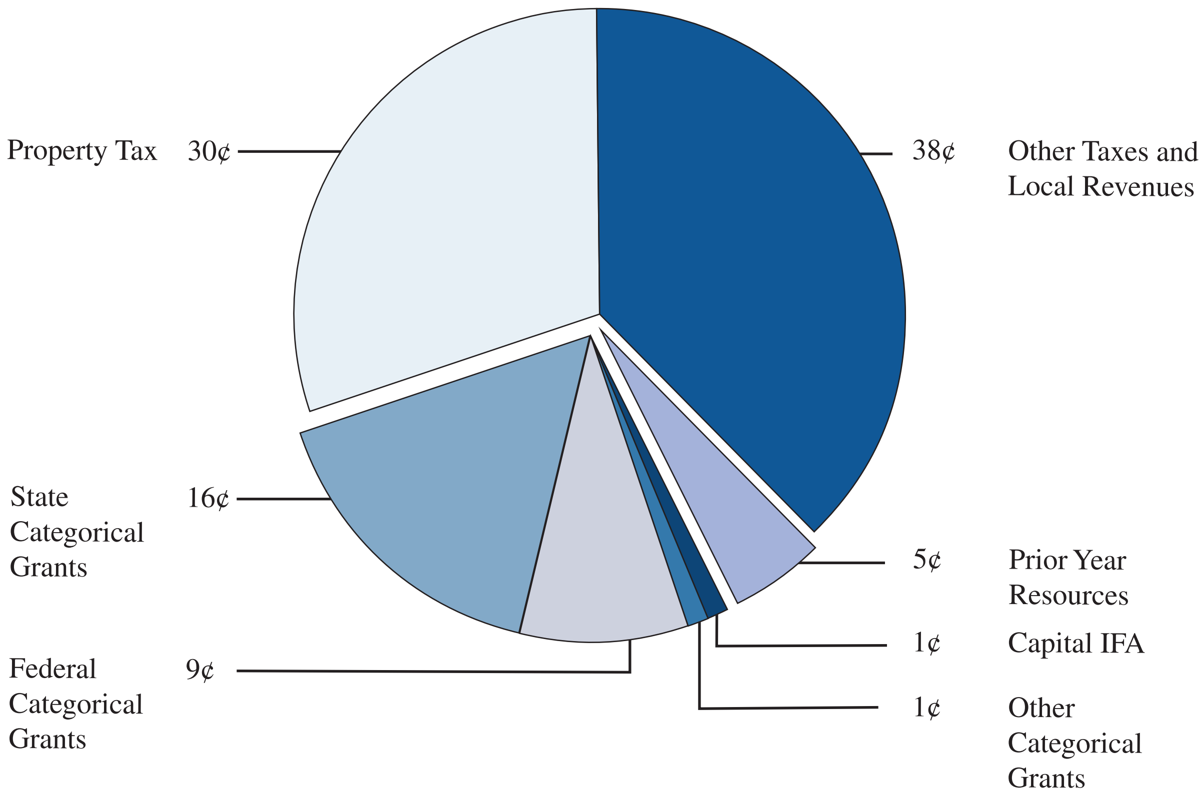
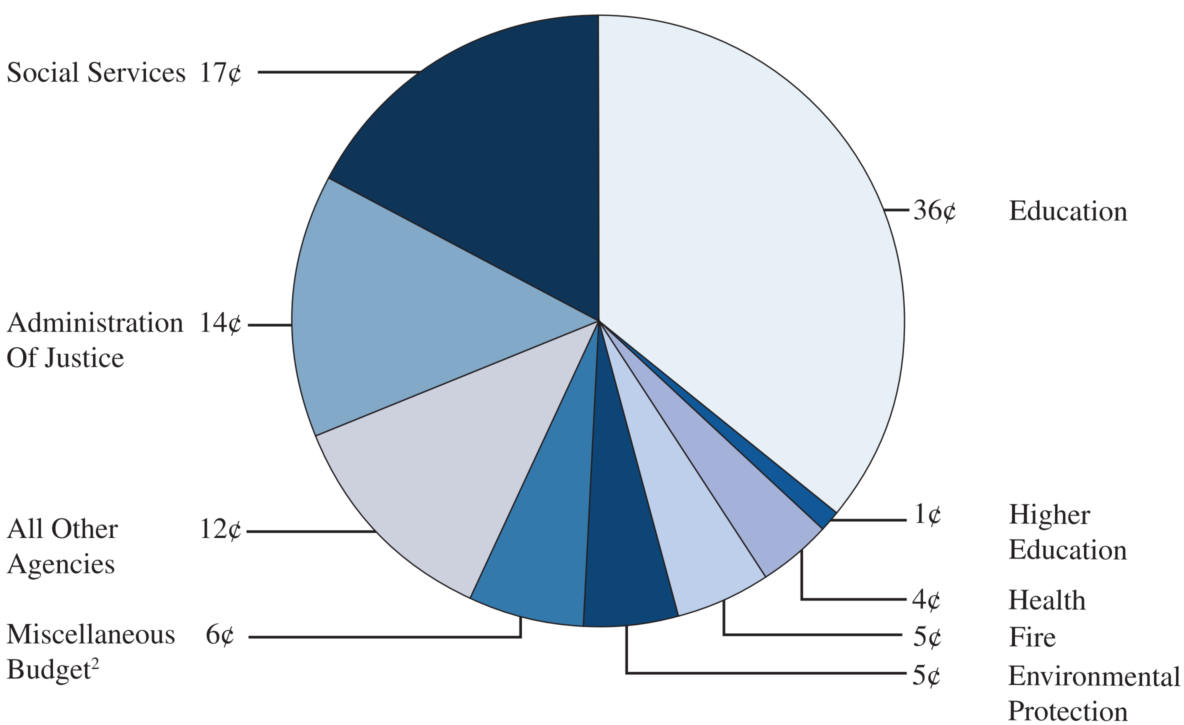
Where the 2023 Dollar Comes From



Where the 2023 Dollar Goes[1]



[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, 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 2022 through 2026.

The 2023 Executive Budget is $99.7 billion. This is the forty-third consecutive annual budget which is balanced under GAAP.

Major highlights of the Executive Budget and Financial Plan are:

- The 2023 budget is balanced using a prepayment of $5.3 billion from fiscal year 2022.
- Forecast revenues have increased by $1.4 billion, $789 million, $294 million, $129 million, and $458 million in fiscal years 2022 through 2026, respectively.
- Agency proposed gap closing actions which reduced spending totals by $208 million, $15 million, $15 million, $15 million, and $15 million in fiscal years 2022 through 2026, respectively. Debt Service savings totals $62 million, $126 million, $147 million, $173 million, and $190 million in fiscal years 2022 through 2026, respectively.
- Agency expense changes have increased by $179 million, $2.2 billion, $1.3 billion, $1.0 billion, and $908 million in fiscal years 2022 through 2026, respectively.
- The labor reserve has increased by $119 million, $238 million, $365 million, $445 million and $495 million in fiscal years 2022 through 2026, respectively.
- In fiscal year 2022, $200 million has been planned to be deposited to the Rainy-Day Fund, bringing it to $1.2 billion.
- The 2023 budget also includes a general reserve of $1.1 billion, while the 2022 budget provides for a general reserve of $50 million to offset any adverse changes, which may surface during the remainder of the fiscal year or during the audit of operating results.
- Revenues and expenditures are balanced for 2022 and 2023 and gaps of $3.9 billion, $3.4 billion, and $3.7 billion are projected for fiscal years 2024, 2025 and 2026, respectively.

The following tables detail the changes since the February 2022 Financial Plan and the revenues and expenditures for the five-year financial plan.

Changes Since the February 2022 Financial Plan
City Funds ($ in Millions)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Gap to be Closed - February 2022 Financial Plan	**$—**	**$—**	**$(2,721)**	**$(2,234)**	**$(3,009)**
Revenue Changes:					
Tax Revenues	1,612	392	162	19	355
Non-Tax Revenues	3	145	132	110	103
Unrestricted Aid	(252)	252	—	—	—
Total Revenue Changes	**$1,363**	**$789**	**$294**	**$129**	**$458**
Expense Changes:					
Agency Expense Changes	179	2,232	1,307	1,024	908
Savings	(208)	(15)	(15)	(15)	(15)
Labor Reserves	119	238	365	445	495
Debt Service	(62)	(126)	(147)	(173)	(190)
Pensions	(205)	—	—	—	—
General Reserve	(200)	—	—	—	—
Deposit to the Rainy Day Fund	200	—	—	—	—
Total Expense Changes	**$(177)**	**$2,329**	**$1,510**	**$1,281**	**$1,198**
Gap to be Closed Before Prepayments	**$1,540**	**$(1,540)**	**$(3,937)**	**$(3,386)**	**$(3,749)**
FY 2022 Prepayment	(1,540)	1,540	—	—	—
Gap to be Closed - April 2022 Financial Plan	**$—**	**$—**	**$(3,937)**	**$(3,386)**	**$(3,749)**

Fiscal years 2022 and 2023 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 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues					
Taxes:					
General Property Tax	$29,427	$31,200	$31,692	$31,826	$31,836
Other Taxes	35,344	34,343	35,523	37,114	38,533
Tax Audit Revenue	871	722	722	722	721
Subtotal - Taxes	$65,642	$66,265	$67,937	$69,662	$71,090
Miscellaneous Revenues	7,354	7,246	7,258	7,265	7,285
Unrestricted Intergovernmental Aid	792	252	—	—	—
Less: Intra-City Revenues	(2,253)	(1,972)	(1,939)	(1,929)	(1,928)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal - City Funds	$71,520	$71,776	$73,241	$74,983	$76,432
Other Categorical Grants	1,173	1,029	1,016	1,015	1,012
Inter-Fund Revenues	686	735	731	730	730
Federal Categorical Grants	19,128	9,356	8,677	7,958	6,975
State Categorical Grants	16,462	16,757	16,891	17,136	17,189
Total Revenues	$108,969	$99,653	$100,556	$101,822	$102,338
Expenditures					
Personal Service:					
Salaries and Wages	$31,055	$31,276	$31,339	$31,623	$32,033
Pensions	9,727	9,665	9,048	8,176	7,561
Fringe Benefits [1,2]	12,238	12,652	13,762	14,728	15,446
Subtotal - Personal Service	$53,020	$53,593	$54,149	$54,527	$55,040
Other Than Personal Service:					
Medical Assistance	6,473	6,385	6,385	6,385	6,385
Public Assistance	1,651	1,650	1,650	1,650	1,650
All Other	43,478	36,148	34,879	34,695	34,283
Subtotal - Other Than Personal Service	$51,602	$44,183	$42,914	$42,730	$42,318
Debt Service [1,2]	6,685	7,816	8,119	8,630	9,407
FY 2021 Budget Stabilization & Discretionary Transfers [1]	(6,107)	—	—	—	—
FY 2022 Budget Stabilization & Discretionary Transfers [2]	5,272	(5,272)	—	—	—
Capital Stabilization Reserve	—	250	250	250	250
General Reserve	50	1,055	1,000	1,000	1,000
Deposit to the Rainy Day Fund	700	—	—	—	—
Less: Intra-City Expenses	(2,253)	(1,972)	(1,939)	(1,929)	(1,928)
Total Expenditures	$108,969	$99,653	$104,493	$105,208	$106,087
Gap To Be Closed	**$—**	**$—**	**$(3,937)**	**$(3,386)**	**$(3,749)**

[1] Fiscal Year 2021 Budget Stabilization and Discretionary Transfers total $6.107 billion, including GO of $3.000 billion, TFA-FTS of $2.682 billion and Retiree Health Benefits of $425 million.

[2] Fiscal Year 2022 Budget Stabilization and Discretionary Transfers total $5.272 billion, including GO of $2.768 billion, TFA-FTS of $1.964 billion, lease debt service of $40 million and Retiree Health Benefits of $500 million.

ECONOMIC OUTLOOK

Overview

The U.S. economy will likely slow in 2022 after growing at its fastest pace in nearly 40 years. Inflation has accelerated, driven by supply chain disruptions, tight labor markets, and the large fiscal stimulus aimed at mitigating damage from the COVID pandemic. Additional pressure is coming from the Russian invasion of Ukraine, which has pushed energy prices to their highest level in nearly 15 years and is threatening global food security. In response to escalating prices, the Federal Reserve (Fed) has been moving rapidly to remove monetary accommodation in an effort to cool off the economy. The Fed implemented its initial interest rate hike in March, the first increase since 2018, and is expected to continue raising its fed funds target through the end of 2023. In addition, the Fed will attempt to scale back its $9 trillion portfolio of Treasury and mortgage-backed securities – pivoting from quantitative easing to quantitative tightening – in the hopes of pushing longer-term rates higher. Elevated borrowing and mortgage rates will, in turn, restrain interest sensitive activities including home and auto buying. In addition, tighter reigns on liquidity will also moderate financial market activity.

Healthy household balance sheets helped support strong consumption spending, particularly on physical goods. Household net wealth swelled in 2021, due to windfalls from rising equity prices and real estate values. At the same time, low interest rates resulted in a wave of mortgage refinancing that helped push household debt service ratios to record lows. Moreover, the $1.9 trillion American Rescue Plan boosted personal incomes in the first half of 2021, much of which was saved. The interest rate rise that began last year in anticipation of tighter monetary policy is weakening many of these tailwinds. Housing prices dropped in the fourth quarter of 2021, and equity prices tumbled in the first quarter of this year as uncertainty climbed. In addition, real personal income has been shrinking as inflation outpaces wage growth. As a result, the pace of real consumption spending has slowed recently. With the saving rate dropping below pre-pandemic averages, consumers appear to be drawing down excess savings to support current expenditures. In addition, the pandemic-induced bias towards goods consumption is starting to unwind, with services spending growing faster than goods. Investment has also slowed, with core durable goods orders decelerating in early 2022. Likewise, residential investment was impaired by supply chain and labor shortages in 2021 and will be further weakened by the looming slowdown in the housing market.

Despite the easing of growth, labor markets have been resilient through the first quarter of the year and most indicators show little slack, due partly to a contraction of the labor force during the pandemic. The robust labor market has given the Fed room to aggressively tighten monetary policy in response to the highest inflation in nearly four decades, with seven interest rate hikes expected this year combined with the start of quantitative tightening in May. The Fed's only prior attempt at balance sheet normalization in 2018 was associated with heightened financial market volatility and credit market stress, resulting in the early termination of the program. The current tightening cycle has also seen choppy equity markets and heightened volatility in fixed income markets. Bond issuance has flagged, particularly for mortgage-related securities. In addition, the underwriting pace of initial public offerings and mergers and acquisitions has decelerated quickly in the first quarter of this year. As a result, after the second most profitable year in Wall Street history, earnings announcements from the largest banks signal a sharp slowdown in activity so far this year.

New York City's economy has improved substantially in the two years since the onset of the pandemic. Although the City's employment rebound has lagged the nation's, robust employment growth raised the percentage of recovered pandemic job losses to 74 percent through March. After growing at a record pace in 2021, total employment is expected to decelerate this year but still remain above-average for the next two years. Employment is now projected to reach its pre-pandemic peak in the third quarter of 2024, although hard-hit sectors that were vulnerable to COVID disruptions will likely take up to two years longer to fully recover. Strong hiring and wage growth will drive a double-digit gain in wage earnings in 2021. However, the weakening of Wall Street activity and the associated decline in bonuses are expected to result in a modest decline in 2022 earnings.

Residential housing markets rebounded strongly in 2021, driven by pent-up demand, low borrow rates, and a lack of inventory in suburban markets. Total transactions were up by nearly 30 percent over 2019 levels, with a record number of condo sales. However, like national trends, activity declined in the latter half of 2021 and is projected to further slow in 2022 as borrowing rates increase. By contrast, the commercial office market remained weak in 2021 as back-to-office efforts made slow progress. Although leasing for higher quality properties has been stable, demand for less desirable space has declined. In addition, many firms have either downsized or not renewed leases. This resulted in a drop in occupied inventory and a steady increase in the vacancy rate, crossing 20 percent at the end of 2021. Average asking rents fell last year and are projected to remain weak for the next two years before rebounding. Tourism is also making a slow recovery, with recent COVID waves impairing Broadway attendance and hotel demand. International travel has been slowed by home country restrictions so domestic travelers are the primary source of visitors. Due to the many challenges, the City's tourism sector is not expected to recover fully until the end of the forecast period.

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

THE U.S. ECONOMY

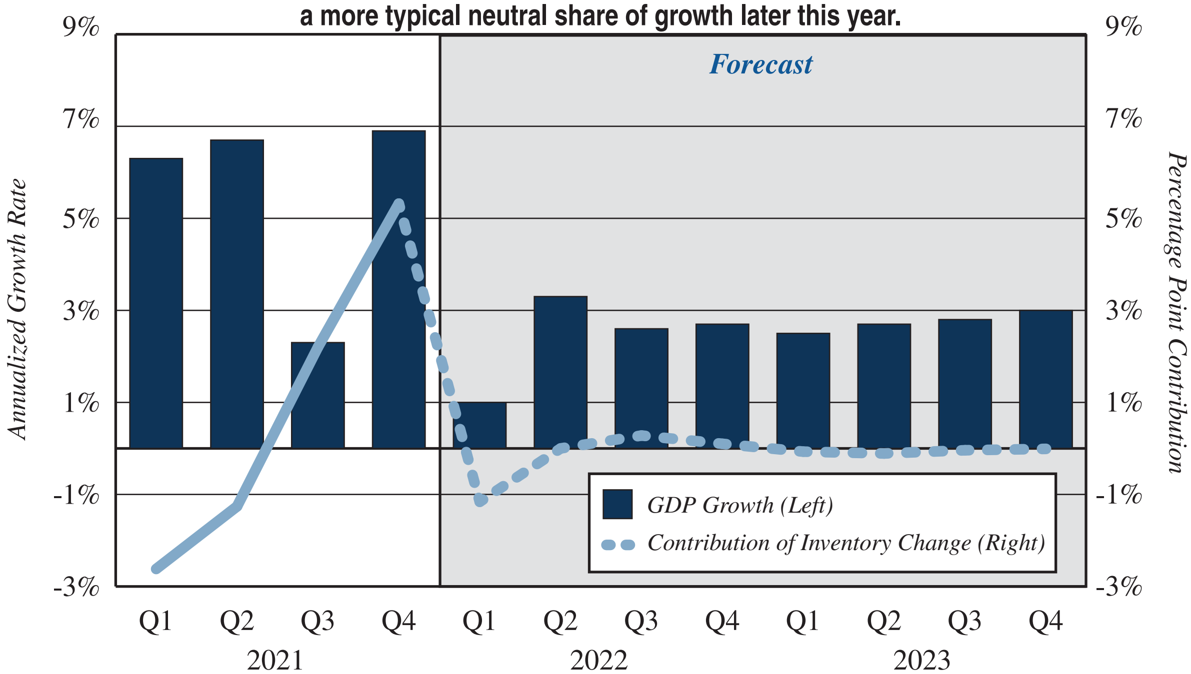
After growing at the fastest pace in nearly 40 years, the U.S. economy is facing challenging headwinds in 2022. Despite the periodic interruptions from the Delta and Omicron COVID waves, real GDP increased 5.7 percent in 2021, the fastest full-year growth since 1984. Likewise, labor markets recovered quickly from the pandemic – national payrolls expanded by 6.7 million in 2021, and through March, had recovered 93 percent of jobs lost in the first wave of the pandemic. However, inflation pressures emerged last year, driven on the demand side by $5 trillion of fiscal stimulus, and on the supply side by supply chain disruptions and tight labor markets. In turn, expectations that the Federal Reserve (Fed) would shift to a tighter monetary stance in 2022 were borne out in March by the Fed's first interest rate hike since 2018.

A host of factors are weighing on 2022 growth prospects. Fallout from the Russian invasion of Ukraine will add to price instability via energy and food markets and could be the nexus for financial market volatility as Russia struggles to repay its foreign debt. Although workers have enjoyed strong wage gains, high inflation is eroding their purchasing power. As a result, consumers are beginning to draw down reserves saved from pandemic stimulus programs and to cut back on spending. At the same time, the Fed is attempting to cool off the economy and subdue price pressures, while avoiding a recession and roiling financial markets – a so-called soft landing. Forward-looking credit markets are already pricing in the likely path of higher interest rates, with the benchmark 10-year Treasury yield up steeply this year. Real activity has begun to slow, with weakening mortgage refinancing activity and decelerating home sales.

Output in the fourth quarter of 2021 jumped to 6.9 percent annual growth, the second fastest pace since the tech boom of the late 1990's. The strongest quarterly increase occurred during the anomalous third quarter 2020 when the economy snapped back from the initial COVID wave. However, most of the growth in fourth quarter, 5.3 percentage points (ppt), came from inventory rebuilding as companies replenished diminished stocks. Final sales of domestic product, which removes the impact of inventory changes, grew

U.S. GDP GROWTH AND CONTRIBUTION FROM PRIVATE INVENTORY CHANGE

Inventory rebuilding accounted for over five percentage points of growth in the fourth quarter of 2021 as companies replenished diminished stocks. Its contribution is forecast to return to a more typical neutral share of growth later this year.



Source: U.S. Bureau of Economic Analysis, NYC OMB just 1.5 percent in the fourth quarter. The pandemic-induced dip in inventories will require several quarters yet to refill so this factor will continue to provide a modest boost of about three-quarters of a percentage point in 2022 before returning to a neutral position thereafter. Nevertheless, the emerging headwinds are expected to dominate and lower GDP growth to 3.3 percent in 2022, down from 4.1 percent in the February plan. The pace decelerates further to 2.7 percent in 2023.

Personal consumption expenditures accounted for an unusually low 26 percent of fourth quarter growth due to the unsustainably high contribution from private inventory investment. Consumption is expected to converge towards a more typical two-thirds share of growth in 2022 as spending normalizes and returns to trend growth rates while inventories stabilize. Through the end of 2021 household financial conditions were healthy due to strong asset price appreciation and low debt payments. Household net worth climbed 3.7 percent from the third to fourth quarter 2021, resulting in a full-year 2021 net worth surge of $19 trillion or 14.4 percent. Much of the windfall came from strong growth in equity and real estate values, which added $12 trillion in 2021, up 19 percent over 2020 levels. The household debt service ratio dropped to a record low in 2021 due to low interest rates. In addition, incomes were supported in 2021 by the $1.9 trillion American Rescue Plan (ARP), which brought the cumulative total of pandemic fiscal stimulus packages (including the $2.2 trillion CARES Act and the $900 billion Consolidated Appropriations Act of 2021) to over $5 trillion. Risk averse households saved a large portion of their stimulus payments, resulting in an estimated $2.5 trillion of excess savings.

All of these tailwinds are expected to wane or reverse in 2022. Most importantly, asset prices have weakened, which will pause wealth growth and slow the pace of consumption. After gains of 16 and 27 percent in 2020 and 2021, respectively, the S&P 500 index declined by five percent through the first three months of 2022 and was down as much as 12 percent year-to-date (YTD) in March. Home prices climbed at a steep pace through the third quarter of 2021, but sale prices declined in the fourth, the first drops since the COVID recession in 2020. Housing markets are expected to cool further, with 30-year mortgage rates rising from 3.1 percent at the end of 2021 to 4.7 percent at the end of the first quarter – a rise of over 1.5 percentage points and the steepest quarterly jump in forty years. Nearly all of the pandemic stimulus programs have ended and personal income growth has returned to a pre-pandemic pace. As a result, the saving rate has halved from a yearly average of 12 percent in 2021 to roughly six percent in the first two months of 2022, below the five-year (pre-pandemic) average of 7.4 percent. This implies that savers are starting to draw down some of their accumulated windfall. Accelerating inflation is likewise taking a toll on personal income. After growing at a monthly average of 0.2 percent in the first half of 2021, real disposable personal income declined at an average monthly pace of 0.2 percent in the second half as price increases outpaced income growth. This trend continued in early 2022, with real personal income dropping another 0.6% in January and February.

Consumption spending is reflecting these influences. Real personal consumption expenditures (PCE) grew at a monthly average of 1.1 percent in the first half of 2021 but flattened in the second, partly due to inflation pressures and partly due to the Omicron COVID wave at the end of the year. Monthly PCE data shows a rebound in January as infections declined, but a further drop in February. Another aspect of the transition of consumption to a more typical configuration is the rotation of demand back to services and away from physical goods consumption. Spending on goods rebounded quickly after the COVID recession and as of February was over 15 percent higher than pre-pandemic levels. In contrast, spending on services was still 0.3 percent below its prior peak. Although the PCE data has been choppy due to COVID interruptions, there is evidence that rebalancing is underway. In the second half of 2021, goods consumption dropped more than 4 percent, while spending on services increased by 2.2 percent.

The pattern of investment spending also reflects a softening trend. The contribution of nonresidential fixed (business) investment to growth dropped from 1.6 ppt in the first quarter 2021 to just 0.4 ppts in the fourth. This weakness is also evident in core durable goods data, which is a proxy for business investment. Core durable goods growth averaged 1.1 percent monthly in the first half of 2021 but dropped to 0.6 percent in the second half. Through the first two months of 2022, the measure declined further to 0.5 percent. One puzzle is why oil prices in excess of $100 per barrel have not encouraged a stronger investment response from the energy sector. As of February, The U.S. Energy Information Administration's drilling rig count rose to 574, an 88 percent jump from December 2020, just before the run up in oil prices. However, this is still short of the roughly 900 rigs that were active in 2018, when West Texas Intermediate averaged $65 per barrel. It appears that supply-chain and labor difficulties along with the tighter credit markets are constraining the expansion.

Residential fixed investment was also affected by production slowdowns, which began to ease at the end of 2021. As a result, residential investment was a drag on growth in the second and third quarters, before providing a small (0.1 ppt) positive contribution to growth in the fourth. This was reflected in new home sales which had been contracting on a quarterly basis since the end of 2020 before rebounding in the fourth quarter of 2021. However, monthly data reveals that seasonally adjusted new home sales dropped in January and February, likely subdued by higher mortgage rates and elevated asking prices. The effect of supply-side constraints was also evident in the pattern of new homes sold but waiting to start construction, a measure of construction backlogs. The number of new homes with a not-started status in U.S. Census data dropped 27 and 16 percent in the third and fourth quarter of 2021 as supply constraints relaxed. Existing home sales, which are less vulnerable to supply chain obstructions (and contribute less to residential investment figures), were higher in the latter half of 2021 but dropped 2.3 percent in the first quarter of 2022.

With the prospects of the administration's Build Back Better spending agenda stalled, the fiscal tailwinds are weakening. The two large COVID relief and stimulus packages – the CARES Act and the ARP Act – both resulted in significant spikes in the federal government's contribution to growth. The CARES Act pushed the federal contribution to 1.4 percentage points of GDP growth in the second quarter of 2020, while the ARP resulted in a 0.8 percentage point bump in first quarter 2021. While federal pandemic relief funds and the long-term infrastructure program are still supporting state and local government spending, the direct federal contribution is projected to be modest through the end of the forecast, averaging roughly 0.1 percentage point annually. The debt to GDP ratio surpassed 100 percent in 2020 and is projected to remain elevated due to non-discretionary spending. Significant pressure will come from the dwindling Social Security and Medicare trust funds and higher interest costs on federal debt. All of these rising expenses will constrain the scope of future fiscal accommodation.

While output and spending will likely slow in 2022, the national labor market has been resilient so far through the first quarter. Employment growth rebounded after a brief slowdown due to the Omicron wave that peaked in January but quickly waned. In the first quarter, monthly job gains averaged 562,000 positions matching the monthly pace for 2021 – which set a record for largest annual increase in nonfarm employment (6.2 million, Q4/Q4) in data going back to 1940. Through March, U.S. payrolls had recovered 20.4 million (93%) of the 22 million jobs lost at the onset of the pandemic. Sectors that have fully recovered include financial activities, professional & business services, retail trade, and construction. With most measures signaling a tight labor market near full recovery, employment growth is projected to slow to 4.4 million (Q4/Q4) in 2022 and 1.3 million in 2023.

A number of indicators are confirming that there is little slack in current labor markets. As of March, the unemployment rate had dropped to 3.6 percent, just a tenth of a percentage point above the pre-pandemic low. The number of job openings remained close to all-time highs in February and the number of unemployed workers stayed at prior lows. As a result, there were 1.8 openings per job seeker in February, just shy of the all-time record set in December. The quit rate – a proxy for worker confidence in the job market – was 2.9 percent, near the all-time high of three percent set in late 2021.

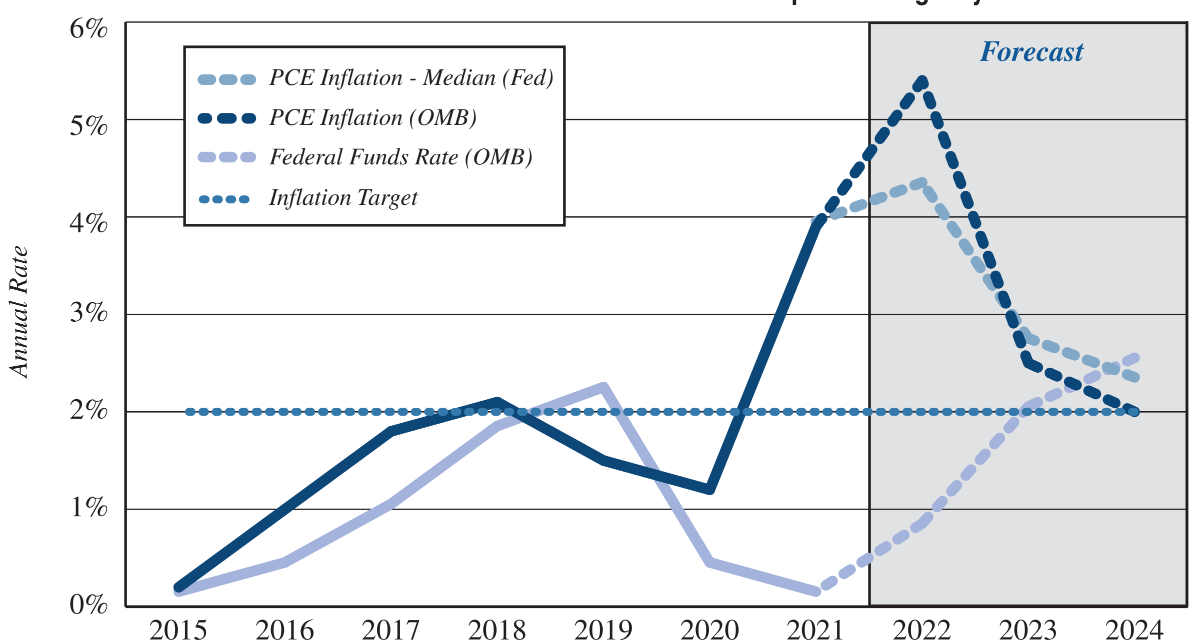
One of the major hurdles to faster growth is the labor force dislocation that occurred during the pandemic. The U.S. labor force declined by 8.3 million (down 5 percent) from December 2019 through April 2020 in the first COVD wave. From April 2020 through March 2022, 8.1 million potential workers have come off the sidelines, leaving the labor force about a quarter million (0.1 percent) below its pre-pandemic level. Despite this near recovery at the top level, some demographic groups are still lagging. The female labor force remains 855,000 participants (1.1 percent) below prior highs and the 55-year-and-older cohort is 430,000 (1.3 percent) short. The pandemic decline in this latter group was mainly due to early retirements so they may be reluctant to return to the labor market. Moreover, prior to the pandemic, the labor force was growing by an average of 1.5 million workers per year due to population increases. So even recovering to pre-pandemic levels is still roughly three million below the economy's potential had the pandemic not happened. According to the U.S. Census, COVID-19 significantly disrupted net international migration flows with just 247,000 new international residents in 2021, down from a high of over a million in 2016.[1] Since the labor force participation rates among foreign-born residents is high, a return to historical immigration patterns would help boost the economy's potential growth rate.

Tight labor markets have paved the way for the Fed to aggressively tighten monetary policy in the upcoming months in order to counteract rising inflation. Chairman Jerome Powell reiterated the Fed's commitment to achieving monetary policy goals of maximum employment and price stability at the Fed's meeting in March and promised to bring inflation back to the Fed's two percent target. However, strong demand coupled with ongoing supply chain strains continued to keep prices elevated, while Russia's invasion of Ukraine added additional pressure to energy prices in the near term. As a result, the Fed began to shift its policy toward alleviating inflation as the labor market continued to improve. In March, the Federal Open Market Committee (FOMC) raised the federal funds target rate for the first time since 2018 and revealed plans to reduce the size of its balance sheet in the near future.

As of early April, inflation remained elevated at a 40-year high, which reflects supply chain strains and strong consumer demand as job growth remained firm. According to March's Beige Book, a summary of current economic conditions across the 12 Federal Reserve districts, demand for the service-providing sector was robust as consumer spending shifted toward services. Notably, the ISM Non-Manufacturing Index, a measure of the U.S. service sector, accelerated in March, marking the 22nd consecutive month of gains. However, service-providing firms continued to struggle as COVID-19 infections dampened hiring and operating activities, which has made it difficult for firms to satisfy strong consumer demand. Employers also faced higher input prices and wages across districts as logistical challenges and tight labor market conditions continued to weigh on operating costs. Nevertheless, given robust demand, producers in 2022 were more comfortable passing on the higher costs of goods and services to consumers. Thus, on a year-over-year (YoY) basis, the core PCE price index (excluding volatile foods and energy costs) grew 5.4 percent in February 2022, up from 1.5 percent in February 2021 and the fastest pace since September 1983. In addition, Russia's invasion of Ukraine drove prices higher, especially energy. The headline PCE price index, which includes energy prices, rose 6.4 percent YoY in February following news of the invasion, up from 6.0 percent YoY in the prior month.

FEDERAL FUNDS RATE AND INFLATION

The Fed has begun to lift interest rates to tackle growing price pressures. Inflation is forecast to return to the Fed's two percent target by 2024.



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

1 Jason Schachter, Pete Borsella, and Anthony Knapp, "New Population Estimates Show COVID-19 Pandemic Significantly Disrupted Migration Across Borders," U.S. Census, December 21, 2021.

The Fed's median projection of the PCE inflation rate in March shows that inflation could remain above its two percent target until at least 2024. Consistent with the Fed's projection, OMB forecasts PCE price inflation to accelerate from 3.9 percent in 2021 to 5.4 percent in 2022, before falling to 2.0 percent in 2024.

In an attempt to curb inflation pressures and expectations, the FOMC voted to raise the target range for the federal funds rates by a quarter of a percentage point at its recent meeting in March. The decision had the full support of the FOMC apart from St. Louis Fed President James Bullard, who advocated for an even larger hike. As a result, the current target range now stands between 0.25 percent and 0.50 percent, and the effective federal funds rate (EFFR) was 0.33 percent as of mid-April 2022. Based on fed funds futures prices, the Chicago Mercantile Exchange (CME) projects with a 67 percent probability that the FOMC will raise the fed funds rate up to a target range between 2.75 to 3.00 percent by the end of 2022. OMB's forecast is less aggressive, with a total of seven rate hikes in 2022, which brings the fed funds rate to 1.8 percent by the end of 2022.

In addition to raising the fed funds policy rate, the Fed is also planning to reduce its holdings of Treasury securities and agency mortgage-backed securities (MBS) in the upcoming months. This quantitative tightening (QT) is expected to put upward pressure on longer yields. As of mid-April, the Fed's total balance sheet stood at nearly $9 trillion, of which $8.5 trillion are securities held outright. According to the minutes note from the March meeting, the Fed plans to allow some of its government-backed holdings to mature without reinvestment of the proceeds in order to pare down its balance sheet. Officials discussed establishment of a monthly cap of approximately $60 billion in Treasury securities and approximately $35 billion in mortgage-backed securities to roll off over a period of three or more months, if market conditions allow. Although no official decisions have been made to begin balance sheet normalization, all officials agreed on the QT plan and discussions suggested that it could be implemented as early as the May meeting. However, the Fed promised to monitor incoming data and, if new risks emerge, is prepared to adjust its monetary policy stance accordingly.

This major shift in monetary policy added significantly to financial market uncertainty. The Fed has been a major purchaser of Treasury and mortgage-backed securities for over a decade starting with the 2008 global financial crisis. The Fed has only attempted to reverse course once, from 2017 through 2019 when it rolled off about $700 billion of assets, while simultaneously hiking the fed funds target by 1.25 percentage points. This period coincided with elevated financial market volatility, with the S&P 500 suffering drops of 6.5 percent and 14 percent in the first and fourth quarters of 2018. For the full year 2018, the S&P shed 6.2 percent, the sharpest decline since the financial crisis. The Fed quickly returned to an accommodative policy in mid-2019 – partly in response to credit market stress – cutting rates and terminating its QT program two months before the scheduled end.

While history may not repeat itself, it certainly rhymes. The Fed is again beginning to remove monetary accommodation with an initial March increase in short term rates and a potential QT start in May. Predictably, volatility in equity and fixed income markets has begun to rise. After three strong years, the S&P 500 and Dow equity indexes stumbled in the first quarter of 2022, dropping 4.9 and 4.6 percent, respectively. Tech firms were particularly hard hit, with the tech-heavy Nasdaq index dropping 9.1 percent. All three indexes lost further ground through the first three weeks in April. The CBOE VIX measure of expected S&P volatility jumped in early March to 36, the highest reading in over a year and more than twice the pre-pandemic average of roughly 15. The trading-day ratio – the proportion of days in a month with absolute S&P price movements in excess of one percent – rose to 61 percent in March, the highest share since the onset of the pandemic. Even the typically sober Treasury market has been turbulent, with strong demand due to safe haven purchases in reaction to the events in Ukraine. The Merrill Lynch MOVE index, which functions like a VIX for Treasury prices, has climbed steadily from around 80 at the end of 2021 to over 120 in mid-April, levels last seen during the first wave of the pandemic.

With strong consumption spending supported in 2021 by the ARP, corporate profits grew strongly in the first half, accelerating to 10.5 percent annual growth in the second quarter. Since then, profits have slowed to just 0.7 percent in the fourth quarter, with higher inflation and wage growth eroding margins. Likewise, profits as a share of GDP hit a 70 year high in the second quarter but started to weaken in the second half of the year. Some of the softening in equity markets may be reflecting the sentiment that prolonged inflation will continue to lower profit margins. Another tailwind in 2021 for share prices was the strong pace of equity buybacks. Preliminary data from S&P Dow Jones show share repurchases jumping to $882 billion in 2021, eclipsing the prior record set in 2018 by 9.3 percent. The Biden administration has recently proposed new restrictions on buybacks in its annual budget, but whether this will get through a divided Congress is an open question.

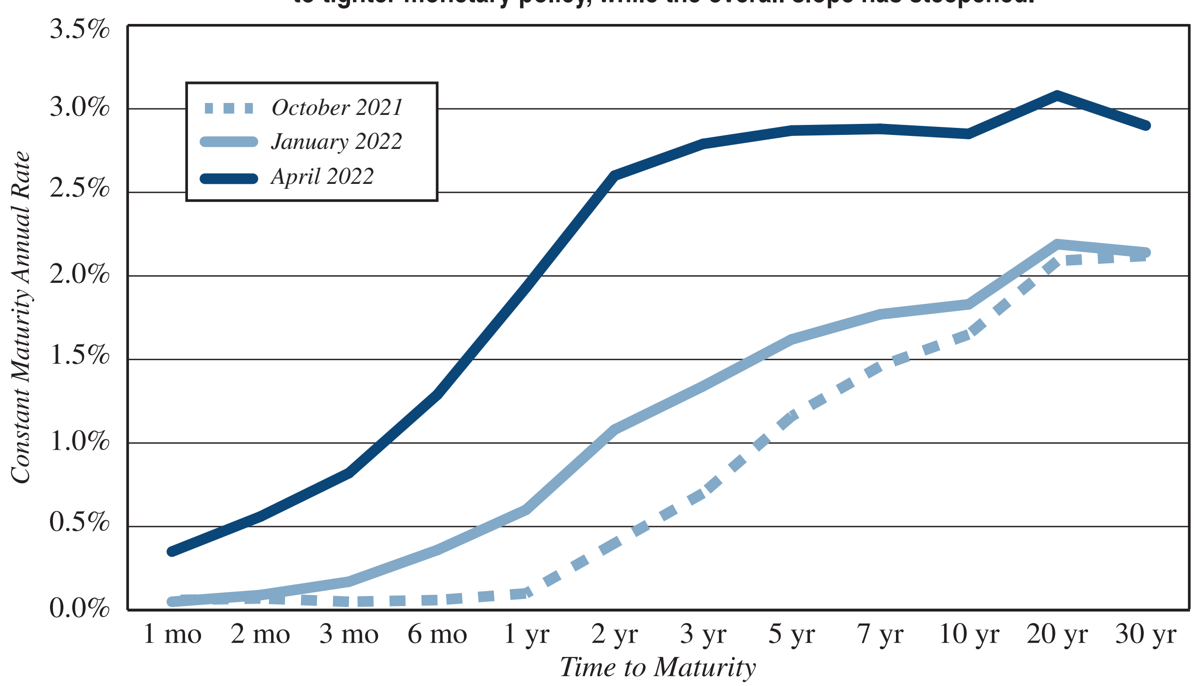
After a record issuance of $13.4 trillion of securities in 2021, fixed income markets are beginning to respond to tightening financial conditions and higher rates. Total bond underwriting in the first quarter 2022 was down nearly 25 percent YoY. Not surprisingly, the strongest drop in volume came in the mortgage bond category, which tumbled $545 billion or 41% YoY, reflecting a dwindling flow of mortgage originations. The Mortgage Bankers Association consolidated index of purchase and refinance applications dropped 37 percent YoY in the first quarter and rising interest rates will continue to suppress activity in the near term. Corporate debt underwriting was likewise down 14 percent YoY in the first quarter in reaction to higher borrowing costs. AAA corporate bond yields tracked by Moody's rose 78 basis points from December to March. Even Treasury issuance softened in the first quarter, dropping 11 percent. However, this was more a reflection of the extraordinary volume of federal borrowing in 2021 to fund the ARP distributions.

Typically, large equity market swings push retail investors towards safer assets such as Treasury bonds and associated mutual and exchange traded (ETF) bond funds. However, rapidly increasing interest rates have the potential to create capital losses for bond holders since prices move inversely to the yield. In the first quarter it appears that investors were more wary of the interest rate risks on fixed income assets than of stock market volatility. According to Investment Company Institute (ICI) data, investors withdrew $84 billion from mutual and EFT bond funds in the first quarter of 2022, the first quarterly outflow in two years. Over the same period, equity funds saw a net inflow of $109 billion, a 14 percent increase over the first quarter of 2021.

Over the fourth quarter of 2021, the S&P and Dow rose 10.6 and 7.4 percent, respectively, with increasing volatility in December. The relatively favorable conditions allowed the securities industry to continue their extraordinary dealmaking flow through the end of the year. In the fourth quarter 329 initial public offerings

YIELD CURVE

Intermediate-term yields have risen fastest in reaction to the Fed's pivot to tighter monetary policy, while the overall slope has steepened.



Source: U.S. Treasury

(IPO) were booked, down slightly from the average of 350 deals in the second and third. Even the formation of Special Purpose Acquisition Companies (SPAC), which were thought to be fading, rose modestly in the fourth quarter to 109 deals, up from 81 in the prior quarter. Merger and acquisition (M&A) activity was also higher with 6,400 contracts, a 43 percent YoY rise. As a consequence, NYSE member-firm banks booked profits of $13.5 billion in the last quarter of 2021 bringing full-year profits to $58.4 billion, nearly 15 percent higher than 2020 and the second strongest year in 40 years of data. Revenue was primarily generated by the traditional investment bank business lines such as underwriting and advisory fees. Due to the relatively tranquil conditions, trading revenue was down in 2021.

By the first quarter of 2022, it was recognized that the Fed would likely act forcefully to tamp down inflation pressures that were further exacerbated by COVID shutdowns in China and the Russian invasion of Ukraine. As financial market conditions deteriorated, dealmaking flagged. Over the first three months of the year there were only 107 IPO's, a decline of 87 percent YoY. M&A volume was less affected at 5,700, but the aggregate value of the deals was down 57 percent YoY. While the NYSE first quarter data has not yet been published, the major banks have completed their earnings announcements. Pretax earnings of the investment banking units at the five largest banks dropped nearly 33 percent YoY with net revenue declining 10.4 percent.[2] While portions of the yield curve flattened, the spread between 3-month and 10-year Treasury yields actually widened in the first quarter. As a result, net interest income earned by the major banks increased 4.6 percent YoY.

2 Bank of America, Citigroup, Goldman Sachs, JPMorgan, and Morgan Stanley

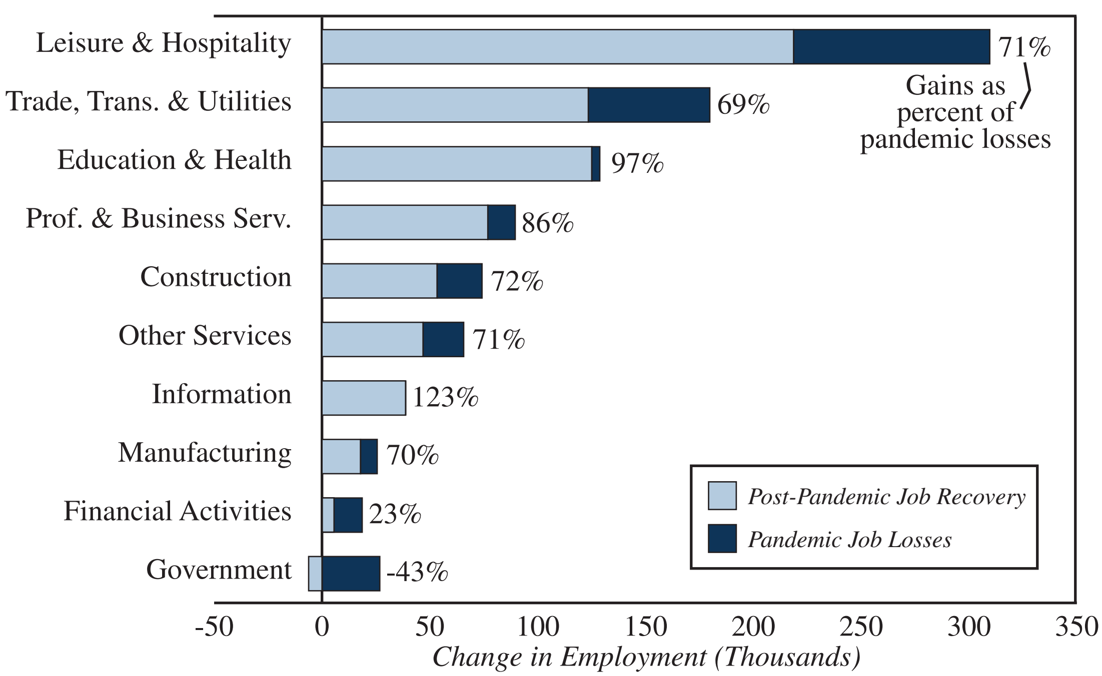
THE NEW YORK CITY ECONOMY

The New York City economy has improved considerably in the two years since the COVID-19 pandemic recession. Employment growth has been robust as the City recouped pandemic job losses. However, the pace of recovery has been uneven across sectors. Strong demand elevated residential real estate market activity, while the ongoing popularity of remote work weakened the commercial market. Tourism numbers are growing, driven mostly by the return of domestic travelers. Overall, the city's economy is expected to continue recovering throughout the forecast horizon.

The New York City labor market continues to exhibit strong job growth as it recovers from the COVID-19 pandemic. From fourth quarter 2020 to fourth quarter 2021, total city employment expanded by 5.8 percent, the fastest annual pace in over 70 years of data.[1] While public sector hiring was erratic, the private sector added on average 25,000 jobs per month in 2021. Sectors that contracted severely during the pandemic's onset generally grew at a rapid pace as they recouped job losses. In March of 2022, the New York State Department of Labor (NYS DOL) conducted its annual data benchmark revision which raised the employment levels for 2020 and 2021 by 18,000 and 60,000, respectively. As a result, the percentage of pandemic job losses recovered through December 2021 jumped from 55 percent pre-benchmark to 66 percent post-benchmark. Continued payroll growth raised this to 74 percent by March. Total employment is projected to accelerate by three percent in 2022 and then slow to 1.9 percent growth by the end of the forecast horizon. The City's employment level is expected to reach its pre-pandemic peak in the third quarter of 2024, two quarters earlier than forecasted in the February preliminary budget.

NYC EMPLOYMENT RECOVERY BY SECTOR

Total employment in NYC fell by 920 thousand jobs in March and April 2020.
Nearly three-fourths of job losses have been recovered through March 2022.



Source: New York State Department of Labor, NYC OMB

1 Annual employment growth rates are given on a Q4/Q4 basis, unless otherwise indicated.

Sectors that rely on in-person interactions (leisure & hospitality, construction, manufacturing, other services and trade, transportation & utilities) each shed over a quarter of their jobs in March and April 2020. These sectors were also sensitive to last winter's spike in COVID cases, losing 32,000 positions from October 2020 to January 2021. With the aid of widespread vaccination and other public health measures, these industries have become more resilient to spikes in COVID-19 cases. Employment in this group as a whole did not decline during the Omicron wave despite a record number of cases. In 2021, sector employment advanced by 11.8 percent and, as of March 2022, 70 percent of pandemic job losses have been recovered. This group is expected to grow at a rate above five percent in 2022 and 2023 before slowing in subsequent years. Because of the magnitude of pandemic losses, jobs within this group are not projected to return to pre-pandemic levels until the first half of 2026.

The leisure & hospitality sector, which lost nearly two-thirds of industry jobs at the onset of the pandemic, expanded rapidly as restrictions were relaxed. In 2021, the sector grew by 38.5 percent, the fastest of all major sectors. The accommodation & food services component advanced 37.6 percent last year. Growth was primarily driven by the restaurant industry, which expanded payrolls by 69,000 jobs in 2021. Meanwhile, the hotel industry added just 6,000 jobs as hotel employment was hampered by sluggish tourism numbers. The arts, entertainment & recreation component advanced by 42.4 percent in 2021. Job growth was especially robust from May to October 2021, when the subsector added 18,000 jobs (a 34 percent increase) as Broadway and other performance venues prepared for their fall reopening. As of March 2022, the leisure & hospitality sector as a whole has recovered 71 percent of pandemic-related job losses. The sector is expected to sustain elevated growth, with 12.4 percent and 12.8 percent growth projected in 2022 and 2023, respectively. Leisure & hospitality employment is expected to return to pre-pandemic levels in early 2025.

The trade, transportation & utilities sector lost 180,000 jobs (a 28 percent decline) in March and April 2020. From April to December 2020, the sector recouped 78,000 positions as in-person activities resumed. Job growth has since moderated, with the sector adding 44,000 positions in 2021. As of March 2022, the sector has recovered 69 percent of its pandemic losses. The trade, transportation, & utilities sector, which grew by 5.8 percent in 2021, is expected to increase by a moderate 2.4 percent in 2022. The sector is not expected to recover its losses by the end of the forecast horizon.

New York City Job Growth Forecast

		Forecast	
	2021	2022	2023
NYC Employment (Thousands)	**Level**	**Level Change**	**Level Change**
Total	4,238	200	128
Private	3,664	197	127
Financial Activities	465	6	7
Securities	180	1	2
Professional & Business Services	723	33	16
Information	222	16	4
Education	241	4	3
Health & Social Services	798	25	21
Leisure & Hospitality	301	83	49
Wholesale & Retail Trade	416	15	12
Transportation & Utilities	135	13	6
Construction	141	0	7
Manufacturing	54	0	-4
Other Services	167	8	6
Government	**574**	**2**	**2**

Source: NYC OMB

Note: Level change is change in annual average level. Totals may not add up due to rounding.

Prior to the pandemic, retail trade employment growth was weak, and the sector actually contracted by 1.2 percent in 2019. After losing almost a third of its positions in March and April 2020, the sector grew 4.6 percent in 2021 as it began to recover. Employment growth is expected to decelerate this year, increasing 2.4 percent in 2022. As of March 2022, the retail sector has regained 65 percent of pandemic losses, and is not projected to return to pre-pandemic levels by the end of the forecast horizon.

After losing 74,000 positions in March and April 2020, the construction industry was able to recover 56,000 jobs by the end of the year as the industry was designated an essential service under the New York State on PAUSE executive order. However, unlike most major industries which grew last year as they recovered pandemic job losses, construction employment fell by 2.6 percent in 2021. The sector faced many challenges last year, such as skilled labor and material shortages, which stalled projects. It is expected that the sector will resume positive growth in 2022, at a rate of 4.1 percent, eventually returning to pre-pandemic levels in the last quarter of 2025.

About a third of all workers in New York City are employed in office-using sectors (professional & business services, financial activities and information). Since these industries were able to quickly adopt work-from-home arrangements, less than 10 percent of office-using employees lost their jobs at the onset of the pandemic. In 2021, employment in this group grew by 5.7 percent. As of March 2022, 84 percent of pandemic losses have been recovered. Office-using employment is projected to return to its pre-pandemic peak in the first half of 2023 and then expand by around two percent in the subsequent years.

Within the office using sectors, job growth was robust in the professional & business services sector, which added jobs every month and grew by 7.9 percent in 2021. Annual job growth was strongest in subcomponents that were hit hardest by the pandemic. The administrative services subsector and its employment services subcomponent, which is primarily comprised of temporary positions, each lost a fifth of their positions at the start of the pandemic. In 2021, administrative services and employment services both experienced job growth above 10 percent, advancing 12.2 percent and 25.2 percent, respectively. In October 2021, jobs in the employment services subcomponent exceeded pre-pandemic levels. Non-administrative sectors, which contracted by just eight percent in the spring of 2020, grew by 5.9 percent in 2021. As of March 2022, the professional & business services sector as a whole has recouped 86 percent of pandemic losses. Job growth is projected to soften, expanding at a rate below 3 percent for the next few years. Professional & business services employment is expected to return to pre-pandemic levels in early 2024.

The information sector was the first major sector in New York City to recover from the pandemic, surpassing pre-pandemic levels in September 2021. In 2021, the sector grew by a robust 10.8 percent. As of March 2022, information sector employment is 3.2 percent above February 2020 levels. Since information employment has recovered all losses, its growth rate is forecasted to converge towards long-term trends, advancing at a rate of 2.8 percent in 2022 and 1.5 percent in 2023.

Prior to the annual benchmark revision, data indicated that the finance & insurance sector was unexpectedly weak given the near-record profits on Wall Street. The revision elevated finance & insurance employment in 2020 (up 700 positions) and 2021 (up 4,300 positions) implying that the sector was stronger than preliminary data suggested. As of March 2022, the finance sector has recouped 24 percent of its pandemic losses and the highly-compensated securities subcomponent has recovered 61 percent of its losses. Finance & insurance employment growth is expected to be modest in the coming years, advancing by 1.3 percent in 2022 and 1.4 percent in 2023. Employment in the finance sector and the securities subcomponent are projected to return to pre-pandemic levels at the end of 2023.

Real estate employment fell by 10 percent at the pandemic's onset. The relatively small decline coupled with a weak commercial market contributed to sector employment growing by just 1.1 percent in 2021. Growth is expected to remain moderate in the next few years, growing at 1.5 percent in 2022 and two percent in 2023. As of March 2022, the sector has recovered 29 percent of pandemic losses and it is not projected to return to pre-pandemic levels until the end of 2025.

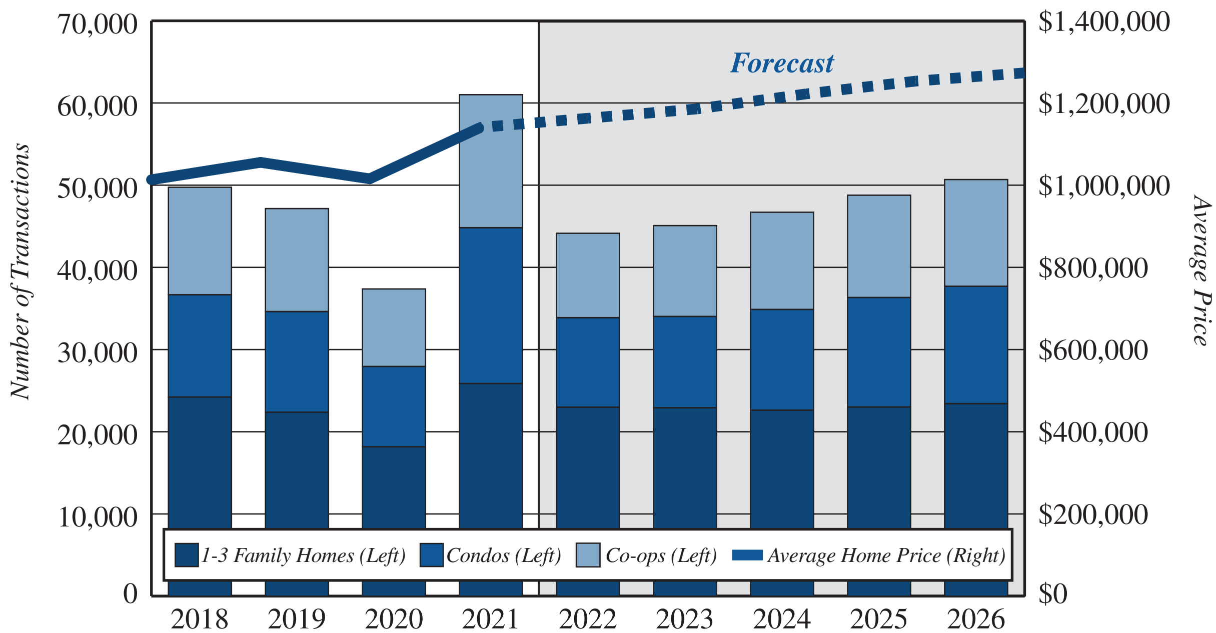
The education & health sector, the largest private employment sector in the city, accounts for over a fifth of total employment. The sector, which contracted by 12 percent at the beginning of the pandemic, grew by three percent in 2021. As of March 2022, 97 percent of pandemic losses have been recovered. The sector is projected to increase 2.5 percent in 2022, returning to pre-pandemic levels in the second half of the year. Thereafter, the sector is expected to grow at a rate below 2 percent on an annual basis as it returns to trend growth rates. The health subsector, despite some months of job loss during spikes of COVID-19 infections, has recovered all of its pandemic-related losses. As of March 2022, employment within the health subsector is 1.4 percent above February 2020 levels. Due to choppy data, education subsector employment contracted by 0.5 percent in 2021. Recovery in the education subsector is expected to lag behind that of the health subsector, not returning to pre-pandemic levels until the first half of 2025.

Average and total wages rose on a year-over-year basis in the third quarter of 2021. Overall, third quarter earnings and average wages were up 12.3 and 5.9 percent YoY, respectively, as workers benefitted from a tight labor market. Total wage earnings are estimated to have grown by 13.3 percent in 2021. However, earnings are expected to decline by 0.9 percent in 2022 due to weaker Wall Street compensation before rebounding in the following years. Average wages are expected to expand 6.4 percent in 2021 and then contract 3.5 percent in 2022. The decline in average and total wages in 2022 is largely caused by an expected slowdown in financial market activity as the Fed tightens monetary policy.

Mirroring the labor market, the New York City residential real estate market rebounded strongly in 2021 as deferred demand, low borrowing rates, and a lack of inventory in nearby suburban markets boosted activity. According to data provided by the NYC Department of Finance (DOF), the total number of transactions in 2021 was 29.4 percent higher than full-year 2019. Sales gains were led by condos, which registered a record number of transactions in 2021 (in data going back to 2000), growing 54.8 percent from 2019 levels. Meanwhile, co-op and single-family home sales gained 29.2 and 15.6 percent, respectively, compared to 2019. However, amid declining inventories, rising prices, and rising mortgage rates, the market slowed in the final months of 2021. The pace of transactions decelerated from a YoY increase of 119.5 percent in the third quarter to 32.4 percent in the fourth quarter. Condos and co-ops drove the slowdown, with the number of transactions falling 15.6 and 15 percent, respectively, from the third to the fourth quarter of last year. The sales pace for single-family homes, however, was steady over the same period, registering about 6,900 transactions each quarter. The deceleration in the sales market is expected to continue, with the total number of transactions expected to fall 27.3 percent in 2022 before making modest gains during the rest of the forecast horizon.

SALES VOLUME BY HOUSING TYPE AND AVERAGE OVERALL PRICES

Transactions are projected to contract sharply in 2022, causing price growth to moderate. Sales are expected to return to 2019 levels by 2025, while prices are expected to average 2.2% annual growth from 2022 to 2026, less than half of the 10-year average.



Source: NYC Department of Finance, NYC OMB

The flurry of transactions in the first three quarters of 2021 caused prices to rise and housing inventories to fall. According to DOF data, average prices gained 12.1 percent in 2021 after falling 3.8 percent in 2020. Compared to 2019, average prices were 7.9 percent higher in 2021, with single-family homes leading the way, increasing by 16 percent relative to 2019. Meanwhile, co-ops were 6.6 percent above the average 2019 price, while condos were 5.7 percent below. Recently, in the face of rapidly rising prices and mortgage rates, demand has begun to weaken, and as typical seasonality returns to the sales market, the collapse in inventories has begun to wane. According to Douglas Elliman, listing inventory in Manhattan, Brooklyn, and the Bronx increased from a YoY decline of 18 percent in the fourth quarter of 2021 to a YoY decline of 6.4 percent in the first quarter of 2022. Moreover, more homes were listed for sale on StreetEasy in February than any other February in StreetEasy's records. As rising mortgage rates and sales prices continue to suppress demand and as supply normalizes, some of the upward pressure on prices should abate. Therefore, average home price appreciation is expected to taper in 2022 and 2023, gaining two percent each year before rising to 3.1 percent in 2024.

The Manhattan sales market has been performing similarly to New York City as a whole. According to the Douglas Elliman market report, rapid declines in sales inventory and robust gains in home sales have both begun to slow, although sales levels remain elevated. In the first quarter, Manhattan listing inventory was down only 4.4 percent YoY, up from a 25 percent YoY decline in the previous quarter. Similarly, first quarter home sales in Manhattan were 40.1 percent above the ten-year pre-pandemic average for the first quarter, down from second quarter 2021 when Manhattan home sales were 105 percent above the ten-year average. Although Manhattan's inventories and home sales began to normalize, average prices continued to accelerate in the first quarter, growing 19.3 percent YoY. While sales prices are clearly accelerating, StreetEasy's Manhattan repeat sales index, which controls for price variations due to composition shifts, shows they are increasing at far slower rates than what the Elliman report suggests. In February, the Manhattan price index grew 5.1 percent YoY, up from 4.5 percent YoY in January, suggesting that the strong gain reported by Elliman is partly due to a shift in the types of properties covered by the Elliman report.

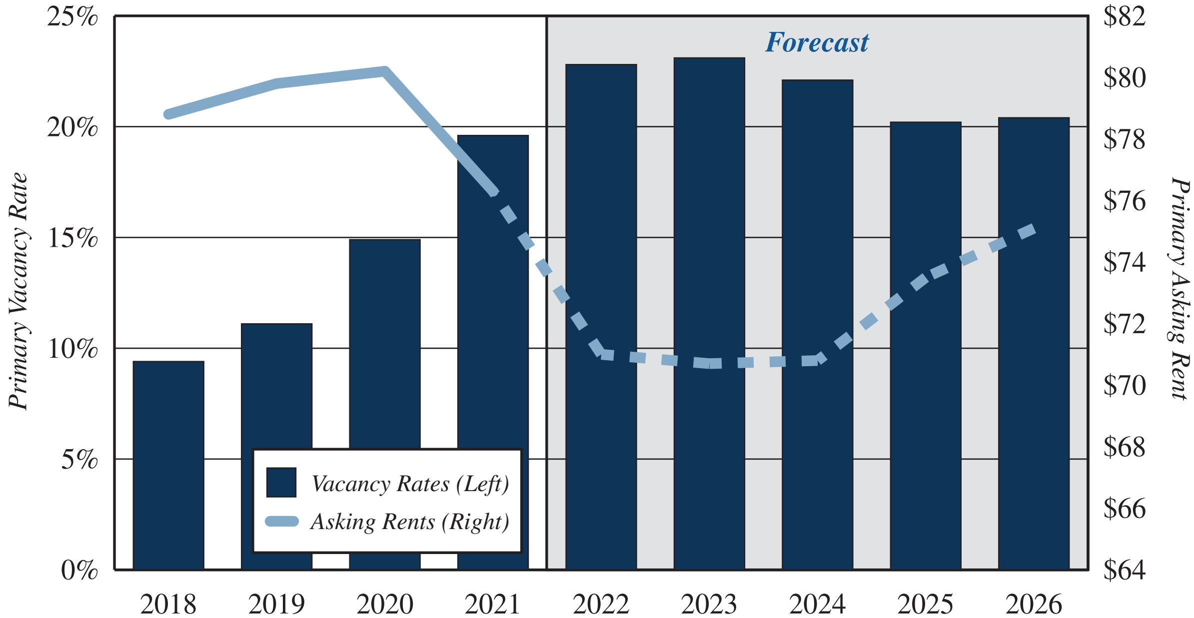
After a slow start to 2021, the rentals market gained strength through the end of the year. The StreetEasy Rent Index, which tracks repeat-rentals in Manhattan, Brooklyn, and Queens, declined 4.6 percent over the year. However, the decline was due to the weak first quarter, as price growth has improved on an annual basis beginning in April 2021. As of February 2022, StreetEasy's NYC Rent Index was up 20 percent YoY and was 3.9 percent higher than February 2020. The Brooklyn Rent Index increased the most in February compared to two years before, gaining 4.4 percent, followed by Manhattan (four percent) and Queens (two percent). Rent increases are largely due to declining inventories, which according to StreetEasy have fallen on an annual basis every month since June 2021. However, YoY declines in Manhattan rental inventories have started to improve, whereas rental inventories in Brooklyn and Queens were each within five percent of two-year-ago values in February.

According to the U.S. Census Bureau, New York City building permit filings led to the authorization of 19,953 new residential units in 2021, a 1.7 percent increase from the year before. Brooklyn and the Bronx were the primary drivers of these new developments, accounting for 62 percent of the permits in 2021. Since then, issuance has declined, with only 2,678 registered in the first two months of 2022, a drop of 34.2 percent from the same period a year ago. Building permits are projected to contract by 1.7 percent in 2022 and another 0.6 percent in 2023 before rebounding in 2024.

Unlike the residential market, the New York City commercial real estate market remained weak in 2021, largely due to the City's slow progress with return-to-office plans. Office-using employment in New York City has recovered 84 percent of its pandemic-related losses, while the United States has recouped nearly 130 percent. Additionally, according to Kastle Systems' most recently available office turnstile data, the New York City return-to-office continues to lag other large cities, with average office occupancy in New York City at only 37 percent of its pre-pandemic baseline, compared to an average of 43 percent for Kastle's 10-city Back to Work Barometer. Moreover, office occupancy for the legal profession, which has been in-office at far greater rates than other industries since the pandemic began, is currently at 65 percent of its baseline in New York City, nearly 6 percentage points below Kastle's seven-city average.

COMMERCIAL VACANCY RATES AND ASKING RENTS

Primary asking rents are expected to continue falling through 2023 as new development and weak demand push vacancy rates higher. Vacancy rates and asking rents do not return to pre-pandemic levels by the end of the forecast horizon.



Source: Cushman & Wakefield, NYC OMB

Despite low occupancy of currently leased properties, new leasing activity has improved, particularly for higher quality properties. In the first quarter, new leasing activity was 1.6 percent higher than the ten-year first-quarter average. New leasing in the primary market was 13.1 percent above the ten-year pre-pandemic average, while the secondary and tertiary markets were 16 and 28.6 percent below their respective values. Furthermore, since the pandemic began, primary market leasing activity has accounted for 72.2 percent of average quarterly leasing, compared to 65.5 percent in the ten years preceding the pandemic.

The technology, advertising, media, and information (TAMI) and financial services sectors dominated market activity in 2021. According to Cushman & Wakefield, TAMI accounted for 33.4 percent of new leases at or above 10,000 square feet (sf) in the fourth quarter of last year, while financial services was not far behind at 29.9 percent. More recently, Google purchased 1.3 million square feet (msf) of space at St. John's terminal for $2.1 billion as it seeks to expand its New York workforce. The purchase was the largest commercial real estate transaction since the pandemic began. Other notable office market transactions include IBM's 357,000 sf lease at One Madison Ave and Mutual of America's 252,000 sf lease at 320 Park Avenue. Considering the ability for most employees in both the TAMI and financial services sectors to work remotely, the leasing activity in these two sectors, as well as Google's renewed commitment to the City, is a promising sign for the City's commercial real estate recovery.

While new leasing activity is above average, the net demand for office space is less sanguine as many employers have downsized or chosen not to renew their leases. Primary market occupied inventory fell by 8.7 msf in 2021 and is expected to decline by another 1.1 msf in 2022 before turning positive in 2023. In addition, the primary market's total inventory level increased by 4.6 msf in 2021 due to new development. As a result, the primary market vacancy rate increased by 4.7 pp in 2021 to end the year at 19.6 percent before rising another 0.9 pp in the first quarter of 2022. With occupied inventory expected to continue falling in 2022 and total inventories projected to gain nearly 10 msf in both 2022 and 2023, the primary market vacancy rate is projected to rise to 22.8 percent in 2022 and peak at 23.1 percent in 2023. Since all of the nearly 10 msf of new office space in 2022 will open in Midtown, Midtown's vacancy rate is expected to increase by 3.9 ppt this year to 23 percent, while Downtown's vacancy rate is expected to increase by 0.7 ppt to 22 percent. Because remote work is likely to remain prominent going forward, coupled with the addition of new inventory, the office vacancy rate is expected to remain above 20 percent at least through 2026.

With the primary market vacancy rate setting new record highs in each of the last six months of 2021, asking rents fell 4.9 percent in full-year 2021. The decline was fueled by both the Midtown and Downtown submarkets, which saw asking rents fall 4.6 and 3.9 percent, respectively. Midtown and Downtown primary asking rents are expected to decline another 8.2 and 4.8 percent, respectively, in 2022. For all of Manhattan, primary market asking rents are expected to drop 6.9 percent in 2022 and 0.5 percent in 2023, before rebounding in 2024.

COVID-19 continues to dictate the pace of recovery for the New York City tourism industry. NYC & Co projects an estimated 56.4 million visitors this year – a 71 percent increase from 2021 and around 85 percent of 2019's peak. This forecast suggests a complete recovery may take another two years as international travel remains weak. Despite the end of U.S. travel restrictions last year for vaccinated foreign travelers, the return of international visitors remains lackluster due to home country restrictions. The latest data from the Port Authority of New York and New Jersey shows that total air passenger traffic in February 2022 was still 25 percent below its February 2020 pre-pandemic level. International travel is still 41 percent below its two-year-ago level, while domestic air passenger volume has recovered to 18 percent below 2020 level. Tourists from Canada and Europe have been returning, whereas the number of visitors from countries like China remains weak as COVID-19 lockdowns bar these visitors from traveling.

Broadway's attendance is rebounding but show cancellations due to COVID-19 remain an impediment. Broadway reported a total of 225,000 attendees in the first full week of April 2022, lower than the pre-pandemic level of 315,000 patrons in April 2019 but stronger than the 100,000 attendees in the last week of December 2021 when the Omicron surge caused widespread cancellations. However, strong demand for Broadway shows boosted ticket prices and kept grosses steady in the week ending April 10, with Broadway bringing in more than $28 million – almost the same as the prior week but higher than the last week of December ($14 million). The path of recovery continues to depend on the course of the pandemic. However, Broadway productions are expected to grow in the upcoming months as more visitors return to the city.

The return of visitors is a key factor in the recovery of the City's hotel industry. According to NYC & Co, hotel development remains robust in early 2022. Hotel supply is projected to expand, adding at least another 9,200 rooms by year-end to the 120,000 rooms currently available as of early 2022. This suggests an increase of more than 10,000 rooms from last year's total of 118,000. The increase in hotel rooms is expected to outpace demand growth. As a result, hotel occupancy rates are projected to remain under 80 percent for the next few years. Moreover, hotel room rates are projected to rebound to more than $200 this year but will remain below 2019 pre-pandemic levels through the end of the forecast horizon.

Overall, the New York City economy continues to improve but the recovery remains uneven. Employment is projected to continue expanding in 2022 and to reach pre-pandemic levels by the third quarter of 2024. Wage earnings are expected to fall in 2022 amid lower Wall Street profits. Residential real estate is projected to soften in 2022 and 2023 as rising prices and mortgage rates diminish demand and inventory returns to the market. Meanwhile, commercial office vacancy rates are expected to peak in 2023, and asking rents are forecasted to decline through 2023. New York City's tourism sector continues to improve but is not expected to recover to its pre-pandemic levels until the end of the forecast period.

Risk to the Forecast

The three immediate risks to the forecast remain the uncertainty surrounding the COVID-19 pandemic, the impact of Russia's invasion of Ukraine, and the ability of the Federal Reserve to combat inflation without disrupting the economic recovery. The potential of a new wave of COVID-19 infections or an escalation of the current Russian invasion of Ukraine could lead to slower global economic growth, more supply disruptions, and higher prices for energy and commodities. Notably, China's strict COVID-19 lockdowns and travel restrictions could continue to disrupt global supply chains into the near future. Inflation has already reached a 40-year high in March as supply chains continue to be challenged by the pandemic and the Russian invasion. Moreover, the Fed's aggressive monetary policy tightening to keep inflation under control could slow the economy and stall the recovery.

Forecasts of Selected Economic Indicators for the United States and New York City
Calendar Year 2021-2026

	2021	2022	2023	2024	2025	2026	1979-2020*
NATIONAL ECONOMY							
Real GDP							
Billions of 2012 Dollars	$19,428	$20,078	$20,620	$21,209	$21,799	$22,337	
Percent Change	5.7	3.3	2.7	2.9	2.8	2.5	2.5%
Non-Agricultural Employment							
Millions of Jobs	146.1	151.8	153.8	155.1	156.3	157.5	
Level Change	4.0	5.7	2.0	1.2	1.3	1.2	
Percent Change	2.8	3.9	1.3	0.8	0.8	0.8	1.1%
Consumer Price Index							
All Urban (1982-84=100)	271.0	287.7	295.2	301.5	307.9	314.8	
Percent Change	4.7	6.2	2.6	2.1	2.1	2.2	3.1%
Wage Rate							
Dollars Per Year	70,682	74,567	78,083	81,498	85,003	88,587	
Percent Change	6.4	5.5	4.7	4.4	4.3	4.2	3.9%
Personal Income							
Billions of Dollars	21,077	21,538	22,799	24,075	25,398	26,709	
Percent Change	7.4	2.2	5.9	5.6	5.5	5.2	5.6%
Before-Tax Corporate Profits							
Billions of Dollars	2,978	3,025	3,023	3,202	3,461	3,703	
Percent Change	36.3	1.6	0.0	5.9	8.1	7.0	5.0%
Unemployment Rate							
Percent	5.4	3.6	3.6	3.7	3.7	3.6	6.2% avg
10-Year Treasury Note							
Percent	1.4	2.1	2.8	3.1	3.1	3.1	6.0% avg
Federal Funds Rate							
Percent	0.1	0.8	2.0	2.5	2.6	2.6	4.7% avg
NEW YORK CITY ECONOMY							
Real Gross City Product**							
Billions of 2012 Dollars	$890.3	$937.1	$967.9	$998.8	$1,029.6	$1,057.9	
Percent Change	7.6	5.3	3.3	3.2	3.1	2.7	2.2%
Non-Agricultural Employment***							
Thousands of Jobs	4,238	4,438	4,566	4,665	4,760	4,854	
Level Change	86.6	199.6	128.4	99.1	94.9	93.5	
Percent Change	2.1	4.7	2.9	2.2	2.0	2.0	0.6%
Consumer Price Index							
All Urban (1982-84=100)	292.3	306.8	313.9	320.5	327.6	335.1	
Percent Change	3.3	5.0	2.3	2.1	2.2	2.3	3.3%
Wage Rate							
Dollars Per Year	113,784	115,768	117,167	119,308	122,763	125,930	
Percent Change	7.0	1.7	1.2	1.8	2.9	2.6	4.8%
Personal Income							
Billions of Dollars	714.7	716.8	751.8	789.6	830.4	870.4	
Percent Change	5.5	0.3	4.9	5.0	5.2	4.8	5.6%
NEW YORK CITY REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate****							
Dollars per Square Feet	$76.3	$71.0	$70.7	$70.8	$73.5	$75.1	
Percent Change	-4.9	-6.9	-0.5	0.2	3.9	2.1	2.3%
Vacancy Rate****							
Percent	19.6	22.8	23.1	22.1	20.2	20.4	10.6% avg

* *Compound annual growth rates for 1979-2020. Compound growth rate for Real Gross City Product covers the period 1990-2020.*

** *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 1985-2021 data published by Cushman & Wakefield.*

STATE AND FEDERAL AGENDA

STATE

The State Fiscal Year 2022-2023 Executive Budget proposal included $474 million in cuts and cost shifts, with $123 million of these cuts for FY22 and $351 million for FY23. The largest of these cost shifts were the permanent extension of the Distressed Hospitals Fund sales tax intercept, which would permit the State to intercept $200 million of the City's tax revenue annually, and the mandate to pay full Maximum State Aid Rates for foster care, KinGAP, and adoption subsidies, which would cost the City $117 million annually. The Executive Budget also maintained the full phase-in of the Campaign for Fiscal Equity, increasing support for schools to $1.1 billion statewide over the course of three years.

As a result of budget discussions, the State Fiscal Year 2022-2023 Enacted Budget reduces cuts to the City to $321 million, with $62 million in FY22 and $259 million in FY23. Notably, the Enacted Budget included the Maximum State Aid Rate proposal, but also decreases the Distressed Hospitals Fund sales tax intercept from $200 million for New York City to $150 million and limits the intercept to three years.

The Enacted Budget contains several of the City's priorities. These include the authority to expand the City's Earned Income Tax Credit and a one-year state-funded supplemental payment worth 25 percent of the State's Earned Income Tax Credit federal credit; authorization for the City to provide a tax abatement and tax credit to help address child care deserts; extension of the design-build program for an additional five years and expansion of the program to include the New York City Department of Citywide Administrative Services; and adoption of a pass-through entity tax to reduce federal tax liability for partnerships and S-corporations.

In Education, the Enacted Budget accepted the Governor's proposal to continue the full phase-in of the Campaign for Fiscal Equity over three years.

For Transportation, the Enacted Budget increases funding for the Staten Island Ferry by $1.3 million in FY22 and $5.2 million in FY23. The Enacted Budget also increases support for the City's subsidies to the MTA Bus by $9.1 million in FY22 and $36.3 million in FY23.

In Taxes and Finance, in addition to modifying the Distressed Hospitals Fund intercept, the Enacted Budget also increases the Small Business Subtraction Modification from 5% to 15% and expands eligibility, decreasing revenue to the City by $10M in FY22 and $20M in FY23.

In Pensions, the Enacted Budget lowers the required service for a vested benefit or service retirement benefit from ten years to five years, costing the City $24.5 million dollars annually. The Enacted Budget also reforms Tier 6 Basic Membership Contribution rate calculations to exclude pensionable earnings above annual base wages made by public servants during the COVID-19 pandemic, costing the City $0.8 million annually starting in FY23.

FEDERAL

In March 2022, the Federal government approved an omnibus funding bill for Federal Fiscal Year (FFY) 2022. The measure provided a total of $1.5 trillion in discretionary spending for FFY22 — including $782 billion for defense and $730 billion for non-defense programs and activities. For the programs of interest to New York City, most were level-funded or contained modest changes. Of note, New York City's estimated share of the Community Development Block Grant is expected to decrease by $8.1 million.

Shortly after passage of the FFY22 budget, President Biden released his proposed budget for FFY23 which begins on October 1, 2022, totaling $5.8 trillion in mandatory and discretionary spending. His budget sought $1.7 trillion in discretionary appropriations, a more than ten percent increase over the current year. The discretionary request seeks $829.2 billion in nondefense funding and $813.3 billion in defense funding. That represents a nearly 14 percent increase for nondefense spending from the $730 billion enacted in FFY22 and a four percent increase for defense spending from $782 billion. The proposed budget seeks notable increases that the City would support, such as increases to the Child Care Development Block Grant, the Housing Choice Voucher program, various early care and education programs, and law enforcement and crime prevention resources.

Congress has not yet set spending levels for FFY23 but has indicated that it intends to do so in a timely manner so as to avoid the delay that was seen in the passage of the FFY22 budget. However, the Federal appropriations process is a multi-step one that involves not only the President's budget, but also hearings by the House and Senate Appropriations Committees and Subcommittees and the drafting of twelve spending bills. In the past, Congress has rarely passed the Federal budget by the October 1 deadline and instead uses continuing resolutions to extend funding for agencies at current-year levels until a new budget is passed. We continue to monitor Congressional action on the FFY23 budget.

In the current City fiscal year, Congress approved a significant infrastructure funding bill. On November 15, 2021, President Biden signed the Bipartisan Infrastructure Law (BIL) which included $1.2 trillion for infrastructure improvements across the country. Of this, $650 billion was reauthorizations and $550 billion was new spending. A portion of this funding will ultimately benefit the greater metropolitan area, but without flowing through the City's budget directly. For example, some of the BIL funding will go directly to New York State as formula grants. Additional portions are earmarked directly for the Metropolitan Transportation Authority, airports, and ports. The City is actively pursuing competitive grant opportunities and advocating for distribution of additional formula funding received by the State. Once that funding is awarded or received it will be reflected in the financial plan.

As response and recovery operations from the COVID-19 pandemic continues, the Executive Budget reflects additional adjustments to Federal funding supporting these efforts. The City continues to pursue reimbursement from the Federal Emergency Management Agency (FEMA) for activities conducted prior to June 30, 2022, at the 100 percent reimbursement level. For activities conducted after July 1, 2022, FEMA will reduce reimbursement of eligible costs to 90 percent. Additional funding for incurred costs is anticipated to be added in future plans as the City's emergency response to the COVID-19 pandemic remains ongoing.

The American Rescue Plan Act (ARPA), enacted on March 11, 2021, provided $1.9 trillion in Federal stimulus relief in several areas, including $130 billion in direct aid to local governments. New York City was awarded $5.879 billion in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) over two years. The FY22 Adopted Budget and associated financial plans reflected the City's ARPA SLFRF allocation and nearly all ARPA SLFRF funding has been fully budgeted. In the FY23 Executive Budget, the ARPA SLFRF program continues to be adjusted based on projected needs. The City received its initial ARPA SLFRF cash payment in FY21 and expects to receive its final cash payment soon.

The Executive Plan also reflects $100 million from the new Emergency Connectivity Fund, a program funded through ARPA and administered through the Federal Communications Commission, to cover expenses for devices for students to facilitate remote learning as a result of the pandemic.

In total, the FY23 Executive Budget includes $9.36 billion in federal funds.

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 2023 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 2023 budget.

Register of Community Board Budget Requests for the Executive Budget, Fiscal Year 2023 – 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 2023 – 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 2022 current modified budget and budgeted headcount data.

Executive Capital Budget for Fiscal Year 2023 – 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 2023 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.

TAX REVENUE [1]

Tax Revenue Summary

Total tax revenue, including audits is forecast to grow 0.2 percent in 2022 and 0.9 percent in 2023.

It has been over two years now since the City, along with the nation, faced an emerging global pandemic. The economy came to a standstill as the City responded by closing all in-person activities other than essential services. The City lost over 900,000 jobs just in a couple of months as the economy contracted. The outlook was bleak until a vaccine was made widely available a year later. A substantial fiscal and monetary stimulus from the federal government helped the City's economy to recover. Wall Street profits surged to record highs and residential real estate sales rebounded strongly. By March 2022, the City gained back 74 percent of the jobs lost during the pandemic. Tourism and hotel occupancy are showing steady recovery. Subway ridership and office occupancy have also improved, but slowly, from the pandemic lows.

However, with the Russian invasion of Ukraine and continued waves of the COVID-19 variants, this nascent economic recovery is now facing a serious risk. High headline inflation is expected to trigger the Federal Reserve to aggressively tighten monetary policy, to prevent the economy from overheating, dampening Wall Street profits and the City's economic recovery.

Forecast Summary for 2022

The tax revenue outlook improved considerably for 2022. Total tax revenue is now estimated at $65.6 billion, $1.6 billion above the February 2022 Plan. The improved outlook reflects broad gains across the non-property tax base. The property tax revenue forecast has remained essentially unchanged since the February 2022 Plan. **Property tax** revenue is expected to be $29.4 billion, a decline of 6.0 percent from 2021. Non-property tax revenues accounts for most of the change since the February 2022 Plan.

The biggest gains in non-property revenue came from both personal income tax and sales tax. Wall Street profits exceeded expectations with record profits for a second year in a row. Profits in calendar year 2021 came in at $58 billion, which is better than the profits recorded in 2020 at $51 billion. Financial sector bonuses as well as corporate tax payments improved significantly.

The **personal income tax** is forecast at $14.7 billion, an increase of $534 million compared to the February 2022 Plan, while **corporate business** taxes are forecast at $4.9 billion, an increase of $264 million from the February 2022 Plan. The **unincorporated business tax** is projected at nearly $2.2 billion, an increase of $60 million from the February 2022 Plan.

Consumption based taxes continue to outperform other taxes with the improving local economy and return of tourists. **Sales tax** fueled by consumer spending and a robust local economy, is expected to grow to $8.1 billion, an astounding 24.1 percent over last year, exceeding the pre-pandemic levels. **Hotel tax** collections are forecast at $285 million for the year, growth of 236.6 percent from last year's low levels. Though improving, this is still down nearly 46 percent from pre-pandemic levels.

The **real property transfer tax** is forecast at $1.6 billion, growth of 55.5 percent over the prior year. Strong residential activity, which has exceeded pre-pandemic levels, has been driven by pent-up demand. Commercial activity remains strong as well. **Mortgage recording tax** revenue reflects similar trends and is forecast at $1.2 billion, growth of 31.0 percent over the prior year. With worsening office vacancy rates, the **commercial rent tax** is forecast to be $860 million, a decline of 1.0 percent compared to 2021.

Forecast Summary for 2023

Total taxes are forecast at $66.3 billion in 2023, $392 million more than projected in the February 2022 Plan, growth of 0.9 percent over 2022. Growth is led by a 6.0 percent rebound in property tax, offset by a 2.8 percent decline in non-property taxes.

The outlook for 2023 is dominated by a rebound in property taxes. 2023 property values are based on the valuation in January 2022, the first property tax roll since the City reopened fully after the pandemic-related restrictions in March 2020. The tentative roll released in January saw a significant rebound in the value of properties throughout the City, particularly in Class 4 commercial properties. After adjusting for the estimated tentative-to-final reductions, property taxes are forecast at $31.2 billion in 2023, growth of 6.0 percent over 2022.

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

Other property-related taxes were revised up slightly compared to February 2022 Plan outlook. Transaction taxes (the real property transfer tax and the mortgage recording tax) are forecast at $2.4 billion, up $102 million above the February Plan, but reflecting a 15.8 percent year-over-year decline, as the residential market is expected to slow with the increase in mortgage interest rates and lower inventory, while the commercial market transactions are forecast to grow only at a modest pace.

Income-related taxes remain mostly unchanged from the February 2022 Plan reflecting the uncertainties caused by recent geopolitical events, the high inflation outlook and lower Wall Street profit. With the Fed tightening its monetary policy, Wall Street profits are expected to drop back to the historical average of about $19 billion in the forecast period. Personal income and Pass-through Entity taxes remain relatively flat, corporate business taxes decline by 12.0 percent, and the unincorporated business tax declines by 2.5 percent.

Consumption taxes, both hotel and sales tax, are forecast to continue to grow. Sales tax grows at 3.0 percent to reach a level of $8.4 billion and hotel tax reaches $430 million, growth of 50.9 percent over 2022.

Overall revenue growth is forecast to average 2.4 percent per year in the outyears. Property tax growth remains flat as uncertainty remains on the future of the office market, which contributes more than one fifth of the property tax levy. The office vacancy rate, which is currently over 20 percent, is expected to peak in 2023 while the asking rent continues to weaken. Non-property taxes are forecast to grow at an annual average rate of 3.9 percent.

2022 and 2023 Tax Revenue Forecast
($ in Millions)

Tax	2022	2023	Increase/(Decrease) From 2022 to 2023 Amount	Increase/(Decrease) From 2022 to 2023 Percent Change
Real Property	$29,427	$31,200	$1,773	6.0%
Personal Income[1]	14,716	14,491	(225)	(1.5%)
Business Corporation[2]	4,873	4,287	(586)	(12.0%)
Unincorporated Business	2,234	2,178	(56)	(2.5%)
Sales and Use	8,129	8,375	246	3.0%
Real Property Transfer	1,625	1,395	(230)	(14.2%)
Mortgage Recording	1,174	961	(213)	(18.1%)
Commercial Rent	860	862	2	0.2%
Utility	385	379	(6)	(1.6%)
Hotel	285	430	145	50.9%
Cigarette	20	18	(2)	(10.0%)
All Other	896	823	(73)	(8.1%)
Subtotal	**$64,624**	**$65,400**	**$775**	**1.2%**
STAR Aid	146	144	(2)	(1.6%)
Tax Audit Revenue	871	721	(150)	(17.2%)
Total (After Tax Program)†	**65,641**	**66,265**	**$623**	**0.9%**

1. Personal Income includes the 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.

NYS Enacted Budget and Revenue Related Changes

City Tax Program - Expansion of the New York City Earned Income Tax Credit (EITC): (REV Part FF) NYS has authorized an enhanced EITC on NYC personal income taxes. The benefit is on a sliding scale and can reach up to 30 percent of a family's Federal EITC award (up from 5 percent). The cost of this expansion is baselined at $250 million per year beginning in 2023.

City Tax Program - Childcare Center Property Tax Abatement: (REV Part SS) NYS has authorized a new abatement to property owners to retrofit space to accommodate childcare centers throughout the City. Property owners will now be able to recoup all or a portion of their construction costs for creating additional childcare capacity over a five-year period. The cost of this proposal is baselined and will start from 2024 at $25 million per year.

City Tax Program - Childcare Business Tax Credit: (REV Part UU) NYS has authorized a refundable tax credit against NYC business income tax liability for businesses that provide new childcare seats for their employees. The cost of this proposal is baselined and is expected to start from 2024 at $25 million per year.

NYC Sales Tax Intercept for the Distressed Provider Assistance Account: (HMH Part RR) This legislation extends the NYS intercept of NYC sales tax collections and redirect them to the New York State Agency Trust Fund, under a Distressed Provider Assistance Account, for the purpose of relief for financially distressed hospitals and nursing home facilities. The Comptroller will withhold a portion of sales tax collections, penalties and fees, in the amounts of $150 million in quarterly installments on January 15, April 15, July 15, and October 15. The cost to the City will be $150 million in 2023, $150 million in 2024, and $150 million in 2025 for a total cost of $450 million.

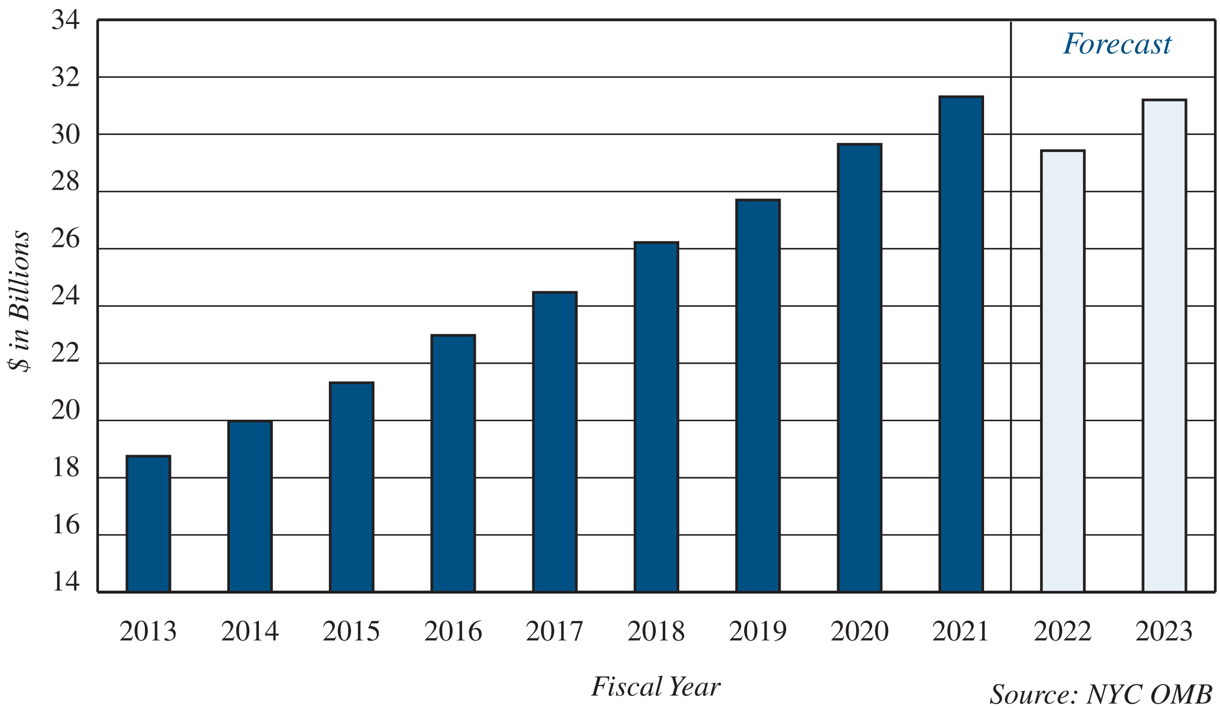
Pass-through Entity Tax (PTET): (REV Part MM Subpart B) NYS has authorized an optional tax that partnerships and S-Corporations in NYC may elect to pay beginning on or after January 2023. If an eligible partnership or S-Corporation elects to pay the PTET, its partners or shareholders who are subject 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,[2] 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.

Small Business Tax Relief: (REV Part C): NYS has authorized additional tax relief to small businesses beginning January 1, 2022 by increasing the small business subtraction modification from 5.0 percent to 15.0 percent of net business income or farm income. The bill also expands the benefit to include pass-through entities with less than $1.5 million NY-source gross income. This is expected to reduce NYC PIT revenues by $10 million in 2022 and $20 million in each year thereafter.

2 Other states with PTETs include: Connecticut, Wisconsin, Oklahoma, Rhode Island, New Jersey, Louisiana, Maryland, Alabama, Arkansas, Idaho, South Carolina, Georgia, Colorado, California, Arizona, Oregon, Minnesota, Massachusetts, Illinois, Ohio, and Michigan. It is expected that even more states will adopt similar legislation in the near future.

REAL PROPERTY TAX

REAL PROPERTY TAX 2013 - 2023



Distribution of Property Parcels by Class

	Parcels*	Percentage Share
Class 1	698,477	64.20%
Class 2	289,764	26.63%
Class 3	348	0.03%
Class 4	99,350	9.13%
Citywide	1,087,939	100.00%

** FY 2022 final roll*

Real property tax revenue is projected to account for 47.1 percent of total tax revenue in 2023, or $31.200 billion.

2022 Forecast: Property tax revenue is forecast at $29.427 billion, a 6.0 percent decline from the prior year, $19 million above the February 2022 Plan.

In 2022, total collections year-to-date through March have come in $58 million above the February 2022 Plan, a decline of 5.7 percent from the same period in the prior year. This increase consists of $36 million in current year levy, $11 million in collections from prior years' levy and $31 million in lien sale proceeds offset by an increase in refunds of $21 million. Collections for the current year levy are mostly from the earlier receipt of fourth quarter payments that are due in April. This surplus is expected to be reversed in the remaining months of the year. Changes to the forecast in 2022 results from higher-than-expected collections from the prior years' levy by $10 million, increase in net lien sale proceeds by $29 million, offset by an increase in refunds of $20 million for a total change of $19 million over the February 2022 Plan.

2023 Forecast: Property tax revenue is forecast at $31.2 billion, growth of 6.0 percent over the current year, $310 million above the February 2022 Plan.

The property tax levy forecast is based on the 2023 tentative roll released in January wherein citywide total taxable billable assessed value increased by $20.8 billion to $277.4 billion, growth of 8.1 percent. The tentative roll is expected to be reduced on the final roll by $3.1 billion as a result of Tax Commission actions, Department of Finance change-by-notices, and completion of exemption processing.

On the 2023 tentative roll, Class 1 taxable billable assessed value increased 4.8 percent over the prior year. After the tentative-to-final roll reduction change, taxable billable assessed value on the final roll is expected to grow 4.2 percent, higher than last year's growth of 3.4 percent.

Class 2 taxable billable assessed value on the tentative roll increased 7.2 percent. With an estimated tentative-to-final roll reduction of $1.4 billion, taxable billable assessed value is expected to increase 5.8 percent on the final roll, whereas last year saw a decline of 1.2 percent.

On the tentative roll, Class 3 (utilities) properties saw taxable billable assessed value growth of 5.3 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 taxable billable assessed value growth on the final roll is expected to be 9.2 percent.

Class 4 taxable billable assessed value on the tentative roll increased 10.0 percent, following a 11.7 percent decline seen in 2022. Taxable billable assessed value for offices grew 8.5 percent, stores grew 10.1 percent, and hotels grew 5.9 percent on the tentative roll. With an estimated tentative-to-final roll reduction of $2.4 billion, taxable billable assessed value is expected to increase 7.9 percent on the final roll, compared to last year's decline of 11.6 percent.

2024 through 2026 Forecast: Class 1 taxable billable assessed value is forecast to grow at annual average of 5.2 percent from 2024 through 2026.

For Class 2, taxable billable assessed value growth is expected to average 1.2 percent from 2024 through 2026.

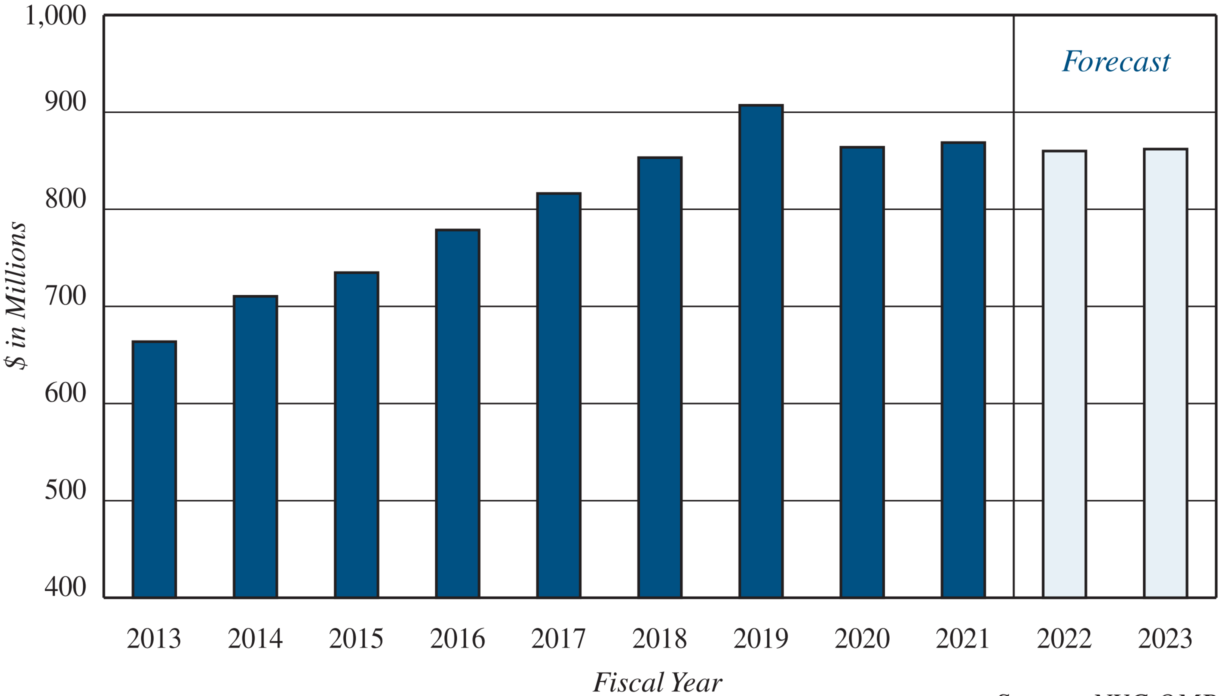
Class 3 taxable billable assessed value growth is forecast at an annual average of 0.9 percent from 2024 through 2026.

A slow recovery is expected for Class 4 commercial properties. The overall taxable billable assessed value growth is forecast to be essentially flat from 2024 through 2026.

With a prolonged recovery of both Class 2 and Class 4, the total property tax levy is expected to grow only 0.9 percent on average from 2024 through 2026. The forecast from 2024 to 2026 reflects the annual tax expenditure of $25 million for the recently enacted Child Care Abatement. Total property tax revenues are expected to grow slowly with average growth of 0.7 percent from 2024 through 2026.

COMMERCIAL RENT TAX

COMMERCIAL RENT TAX 2013 - 2023



Source: NYC OMB

The commercial rent tax is projected to account for 1.3 percent of total tax revenue in 2023, or $862 million.

2022 Forecast: Commercial rent tax revenue is forecast at $860 million in 2022, a decline of 1.0 percent from the prior year and a decrease of $34 million compared to the February 2022 Plan. The decrease between plans is associated with lower-than-expected collections. Year-to-date collections through March are down 0.3 percent from the prior year. Collections for April through the end of the fiscal year are expected to decline 2.9 percent from the same period the prior year. This decline reflects the sustained impact of the pandemic.

Commercial rent tax collections, which have shown resiliency for the last two years despite the economic impact from the pandemic, are now showing signs of weakness. NYC office occupancy (a measure of employees returning to the office) remains just under 40 percent.[1] Though it is an improvement from the lowest points during the pandemic, it is a long way from pre-pandemic levels.

As of March 2022, the overall vacancy rate in Manhattan remained high, climbing to historic highs of 21.0 percent from the 11.3 percent seen in March 2020 and higher than last quarter as the Omicron variant extended the effects of the pandemic.[2] The impact of the higher vacancy rates on commercial rent tax revenue has not been as severe due to the length of commercial leases, and an office using landscape that is yet to adjust to new office demand.

2023 Forecast: Commercial rent tax revenue in 2023 is forecast at $862 million, essentially flat from 2022 levels, and $65 million down from the February 2022 Plan. The weakness in the commercial office market as well as the retail sector is expected to remain a drag on the commercial rent tax. Commercial office asking rents are expected to fall as more commercial space comes online.

1 Kastle Back to Work Barometer: https://www.kastle.com/safety-wellness/getting-america-back-to-work/#workplace-barometer

2 Cushman & Wakefield Q1 2022 Manhattan Office Report. From: https://cw-gbl-gws-prod.azureedge.net/-/media/cw/marketbeat-pdfs/2022/q1/us-reports/office/manhattan_americas_marketbeat_office_q12022.pdf?rev=794da3a82ed848859b54526dce6135cb

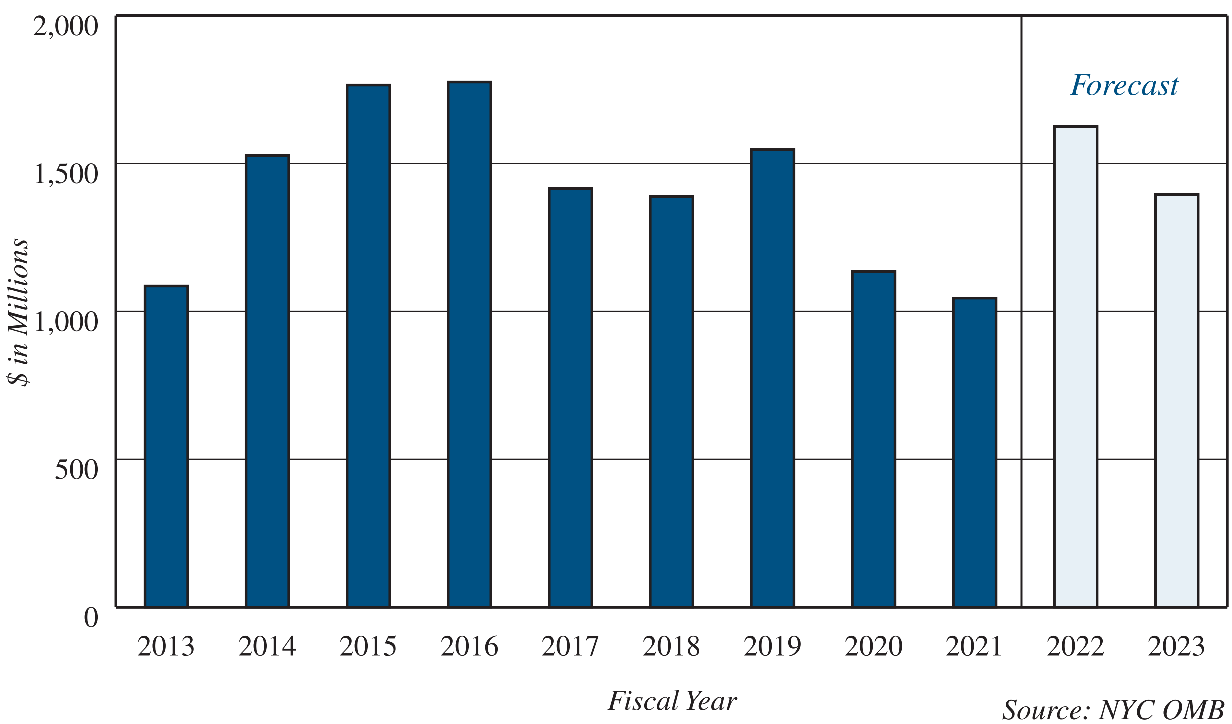
There remains substantial risk that commercial rent tax revenue could face steeper drops when businesses re-evaluate their office space needs as current leases come up for renewal in the coming years. Commercial leases in the City typically span about three to ten years and it is yet to be seen what choices businesses will make for their office space needs as these leases expire. Sentiments on the change to a hybrid work system continue to be split between employees and executives as the new landscape develops.[3] Though the consensus is for a shift in how office space is used, it is still uncertain what these changes will be or how they will affect commercial rents in the long term.

The commercial rent tax forecast is expected to remain flat from 2024 to 2026 as uncertainties remain for the office market recovery.

3 https://www.forbes.com/sites/jackkelly/2021/11/09/executives-and-employees-dramatically-differ-on-how-things-are-going-and-the-future-of-work/?sh=1b47cd641462

REAL PROPERTY TRANSFER TAX

REAL PROPERTY TRANSFER TAX 2013 - 2023



The real property transfer tax (RPTT) is projected to account for 2.1 percent of total tax revenue in 2023, or $1.395 billion.

2022 Forecast: Real property transfer tax revenue is forecast at $1.625 billion, an increase of 55.5 percent over the prior year, and $137 million above the February 2022 Plan estimate.

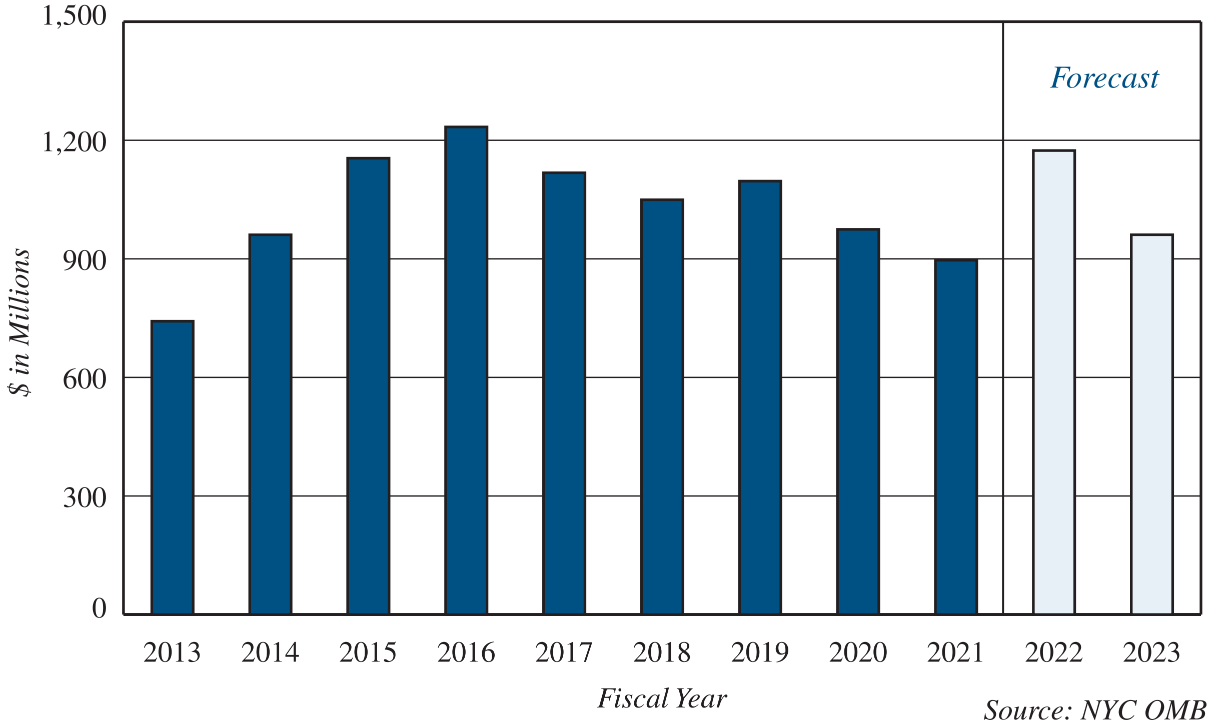
Revenue from residential transactions is forecast to increase 40.3 percent in 2022. The current forecast reflects the continuation of a recovery that began in 2021 and has now reached unprecedented levels driven by transaction timing and high demand for housing in the wake of the pandemic.

Revenue from commercial transactions is forecast to increase 83.4 percent in 2022, representing a broad-based recovery in commercial real estate. There is considerable uncertainty as to how hybrid work arrangements and staggered return to office plans will affect the demand for, and the price of, office and retail space. It will also take some time for the hotel sector to regain its pre-pandemic value given the economic hit that sector took.

2023 Forecast: Real property transfer tax revenue is forecast at $1.395 billion, a decline of 14.2 percent from the current year, and $60 million above the February 2022 Plan estimate. This decrease is due mostly to falling expectations for residential RPTT revenue. As interest rates rise and available inventory dwindles, fewer transactions are likely to take place. Additionally, the pent-up demand for residential real estate due to the pandemic is expected to self-correct in 2023. Residential revenue is expected to decline 21.6 percent in 2023. Growth is forecast to average 8.0 percent from 2024 through 2026. Commercial RPTT revenue is expected to decline by 3.7 percent in 2023. Growth is forecast to average 4.9 percent from 2024 through 2026.

MORTGAGE RECORDING TAX

MORTGAGE RECORDING TAX 2013 - 2023



The mortgage recording tax (MRT) is projected to account for 1.5 percent of total tax revenue in 2023, or $961 million.

2022 Forecast: Mortgage recording tax revenue is forecast at $1.174 billion, an increase of 31.0 percent over the prior year, and $174 million above the February 2022 Plan estimate.

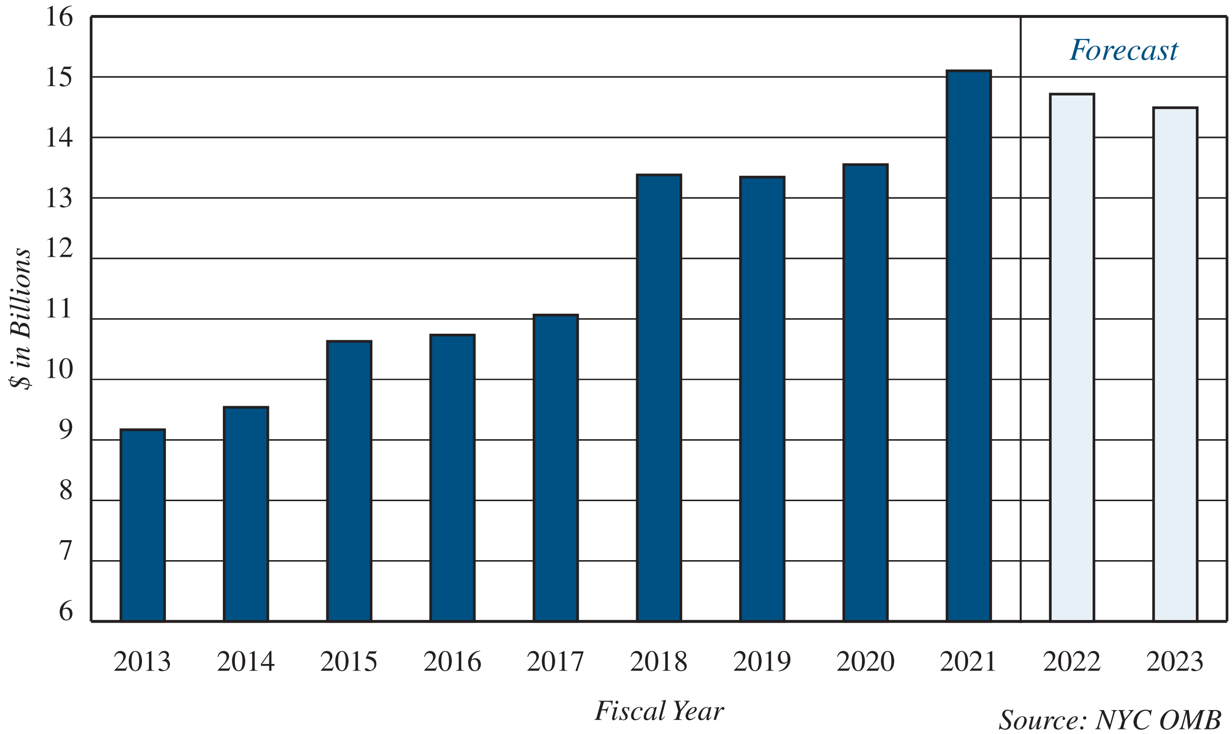
This growth mirrors the changes seen in the residential and commercial RPTT forecast. Revenue from residential mortgages is forecast to increase 26.4 percent in 2022. As residential purchases hit new highs, mortgage originations have followed suit. Additionally, collections continued to be buoyed by refinancing activity during the first half of the year as people rushed to lock in the lower interest rates. Revenue from commercial mortgages is forecast to increase by 36.6 percent in 2022. This reflects a similar strength in the commercial real estate market.

2023 Forecast: Mortgage recording tax revenue is forecast at $961 million, a decrease of 18.1 percent from the current year, and $42 million above the February 2022 Plan estimate.

Revenue from residential mortgage recordings is forecast to fall 23.4 percent in 2023, reflecting the slowdown in the residential market. Residential MRT is forecast to average 5.5 percent growth from 2024 through 2026. Commercial MRT revenue is forecast to decrease 12.1 percent in 2023, reflecting a similar slowdown in commercial real estate transactions. Commercial MRT is forecast to average 4.9 percent growth from 2024 through 2026.

PERSONAL INCOME TAX AND THE PASS-THROUGH ENTITY TAX

PERSONAL INCOME TAX AND PASS-THROUGH ENTITY TAX 2013 - 2023



The combined personal income tax (PIT) and pass-through entity tax (PTET) is projected to account for 21.9 percent of tax revenue in 2023, or $14.491 billion.[1]

2022 Forecast: PIT revenue is forecast at $14.716 billion, a 2.5 percent decrease from the prior year and a $534 million increase above the February 2022 Plan estimate. Withholding in 2022 is forecast to increase 10.4 percent over the prior year. The withholding increase is attributable to continued employment and wage growth. The City has recovered 74 percent of the jobs lost at the onset of the pandemic as of March 2022. The average wage across all sectors is projected to increase 4.5 percent in 2022.

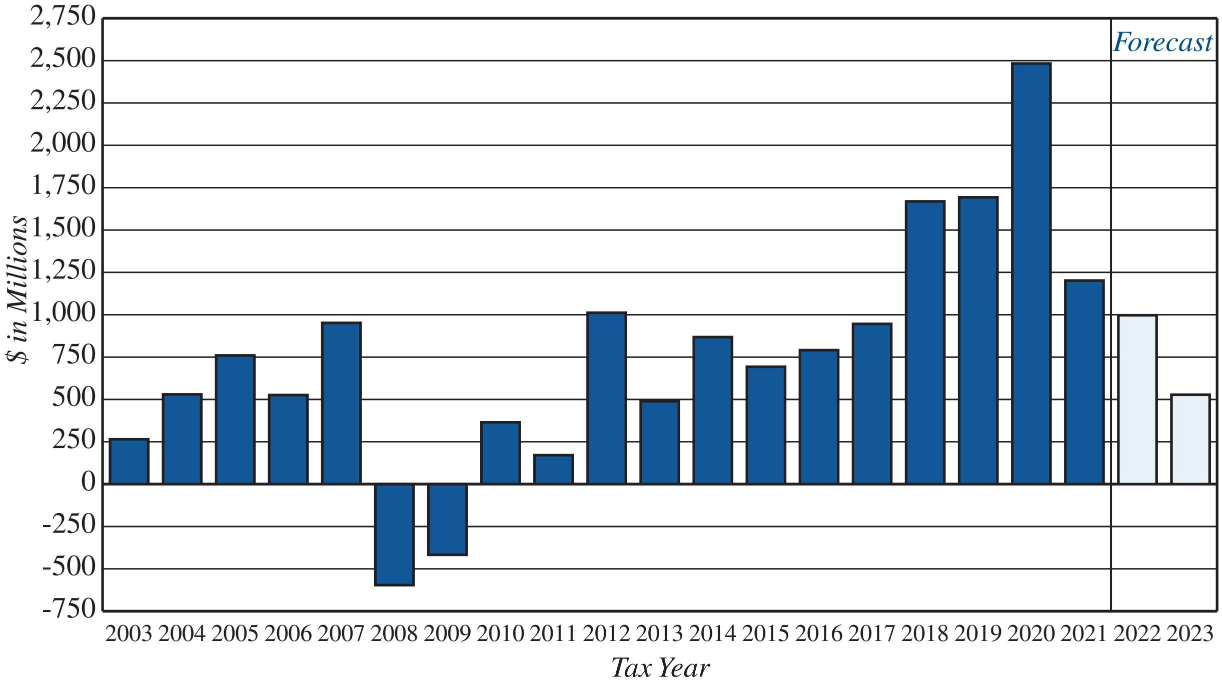
Part of the robust withholding growth can be attributed to bonuses. The bonus portion of withholding reached a record high in 2022 with $1.715 billion in collections, a 19.3 percent increase. This was on top of the prior year record level of $1.4 billion.

Quarterly installments and April extensions payments (estimated payments) are expected to be 12.8 percent below last year's record total of $4.2 billion in 2021, remaining over $500 million above the 2019 and 2020 levels. Continued estimated strength is attributable to robust financial and rebounding real estate markets, but the record strength of the last two years will fade slightly. Through March, 2022 installment payments are up 17.5 percent, but this strength is expected to be offset by extension payments substantially below the prior year's stratospheric $1.9 billion.

Settlement payments which include extensions, finals, offsets, and refunds are projected to decrease by 54.4 percent in 2022. All four components contribute to this decline. Final payments are expected to decrease by 18.5 percent in 2022 to a level more in line with the historical average. Because of a change in the NYS PIT tax rate schedule, offset payments are expected to decrease in 2022 by 49.3 percent and stay lower through the forecast window.

1 For the purpose of analysis PIT and PTET revenues will be discussed in combined totals. This is because all PTET revenue will be offset in equal amount by reduced PIT revenue. Please see the section entitled, "NYS Enacted Budget and Revenue Related Changes" for more information on the PTET.

SETTLEMENT PAYMENTS



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

2023 Forecast: PIT and PTET revenue is forecast at $14.491 billion, a 1.5 percent decrease from the current year and $250 million below the February 2022 Plan estimate. This decline accounts for the cost of the expanded NYC Earned Income Tax Credit (EITC) program.

Withholding is forecast to increase by 2.6 percent over the prior year as employment approaches pre-pandemic levels. However, a slowdown on Wall Street will trigger bonus withholding to decrease by 15.1 percent from record levels in 2022.

Estimated payments are forecast to decrease 17.2 percent in 2023 due to underlying economic factors including a sharp decline in Wall Street profitability, as well as the cessation of fiscal stimulus in calendar year 2022. In addition, the introduction of the PTET in calendar year 2022 will induce high-income pass-through entity taxpayers to modify their behavior. As taxpayers opt into the PTET it is expected that they will reduce their quarterly PIT installment payments by an equivalent amount. The PTET implementation will trigger a downward shift in the overall level of estimated payments as long as the federal cap on the deductibility of SALT is in effect. The SALT cap is currently set to expire at the end of tax year 2025.

PTET revenues, which will be offset by lower estimated payments are expected be $375 million in 2023. The first PTET payment is due in March of 2023. Going forward, PTET revenue is expected to be $1.5 billion in 2024, $1.5 billion in 2025 and $1.125 billion in 2026.

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

	2022f	2023f	2024f	2025f	2026f
Personal Income Tax	14,716	14,116	13,344	13,962	14,744
Pass-Through Entity Tax	0	375	1,500	1,500	1,125
Total Revenue	14,716	14,491	14,844	15,462	15,869

f = Forecast.

Settlements are forecast to decrease by 30.7 percent with an increase in offsets and refunds dragged down by the decrease in extensions and finals.

Personal income tax and PTET revenue is forecast to average annual growth of 3.1 percent from 2024 through 2026.

Personal Income Tax Collections by Component and Pass-through Entity Tax
($ in Millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022f	2023f
Withholding	$6,157	$6,542	$6,976	$7,513	$7,753	$8,169	$9,360	$9,641	$9,972	$9,834	$10,858	$11,141
Estimated Payments 1	2,109	2,893	2,680	3,167	3,021	2,633	3,717	3,129	3,059	4,208	3,667	3,037
Final Returns	327	382	380	429	439	408	423	541	556	750	611	523
Other 2	527	576	810	837	896	1,038	1,133	1,332	1,236	1,523	887	923
Gross Collections	$9,119	$10,393	$10,846	$11,946	$12,109	$12,248	$14,633	$14,643	$14,823	$16,315	$16,023	$15,624
Refunds	(1,166)	(1,225)	(1,307)	(1,317)	(1,376)	(1,183)	(1,253)	(1,299)	(1,272)	(1,214)	(1,307)	(1,508)
Net Collections	$7,953	$9,168	$9,539	$10,629	$10,733	$11,064	$13,380	$13,344	$13,551	$15,101	$14,716	$14,116
PTET												375
Total	$7,953	$9,168	$9,539	$10,629	$10,733	$11,064	$13,380	$13,344	$13,551	$15,101	$14,716	$14,491

1 Includes extension payments.

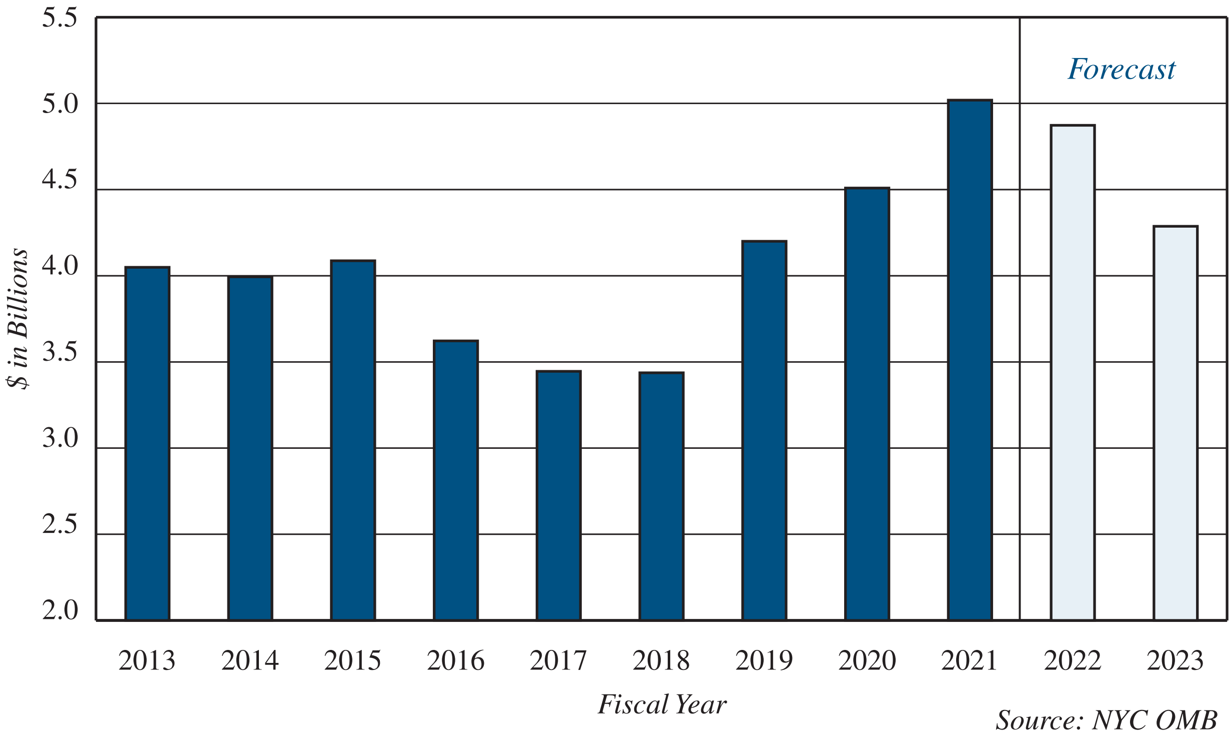
2 Offsets, charges, assessments less City audits.

f = Forecast.

Totals may not add due to rounding.

BUSINESS CORPORATION TAX

BUSINESS CORPORATION TAX 2013 - 2023



Source: NYC OMB

The business corporation tax is forecast to account for 6.5 percent of the total tax revenue in fiscal year 2023, or $4.287 billion.[1]

2022 Forecast: Business corporation tax revenues are forecast to decline 2.9 percent to $4.873 billion in 2022, a drop from very strong net collections in 2021 and a $264 million increase from the February 2022 Plan.

In fiscal year 2022 through March, business corporation tax net collections are up 19.4 percent year-over-year, outperforming record level collections in 2021. The collections by sector data through January show that both the finance and non-finance industries experienced year-over-year growth at 23 and 26 percent respectively. Business corporation tax revenues have seen gains in the recent past outperforming expectations even through the pandemic as the federal government took several steps including enacting the Paycheck Protection Program and Restaurant Revitalization Fund, as well as other debt relief mechanisms and grants to help businesses weather the storm. However, a significant part of the increased revenues in business corporation tax is due to the record performance on Wall Street over the past two years. The New York Stock Exchange (NYSE) profits totaled $58.3 billion for calendar year 2021, the second highest year on record topping an already elevated 2020.

Strong calendar year 2021 collections contributed to a good start to 2022 but the remainder of the fiscal year is forecast to experience a substantial slowdown. In contrast to collections through March, the forecast projects a 47.2 percent decline in net collections for the rest of the fiscal year. There are several factors that point to a dimmer prospect for business corporation taxes over the course of the remaining months in 2022. The Federal Reserve is taking steps to tighten monetary policy in an effort to combat rising inflation. This

1 Business corporation tax collections for reporting purposes include S-corporations under the general corporation tax.

policy change has negative implications for businesses especially those in the financial industry. Moreover, the financial industry has debt exposure to Russia and though it is hard to quantify, there are concerns with Russia's ability to fulfil its debt obligations given the historic sanctions on Russia over its invasion of Ukraine. The Russian invasion of Ukraine could also potentially pose short- and long-term challenges to various businesses and their ability to provide services as one of the byproducts of the war is supply chain disruptions. The combination of tightening monetary policies and substantial uncertainty around international geopolitical and economic dynamics is expected to dampen business corporation tax revenues in the coming months. The initial impact of the financial stress can be seen in the big five Wall Street banks' 2022 first quarter net profit decline of 36.2 percent compared to the same period in 2021.[2]

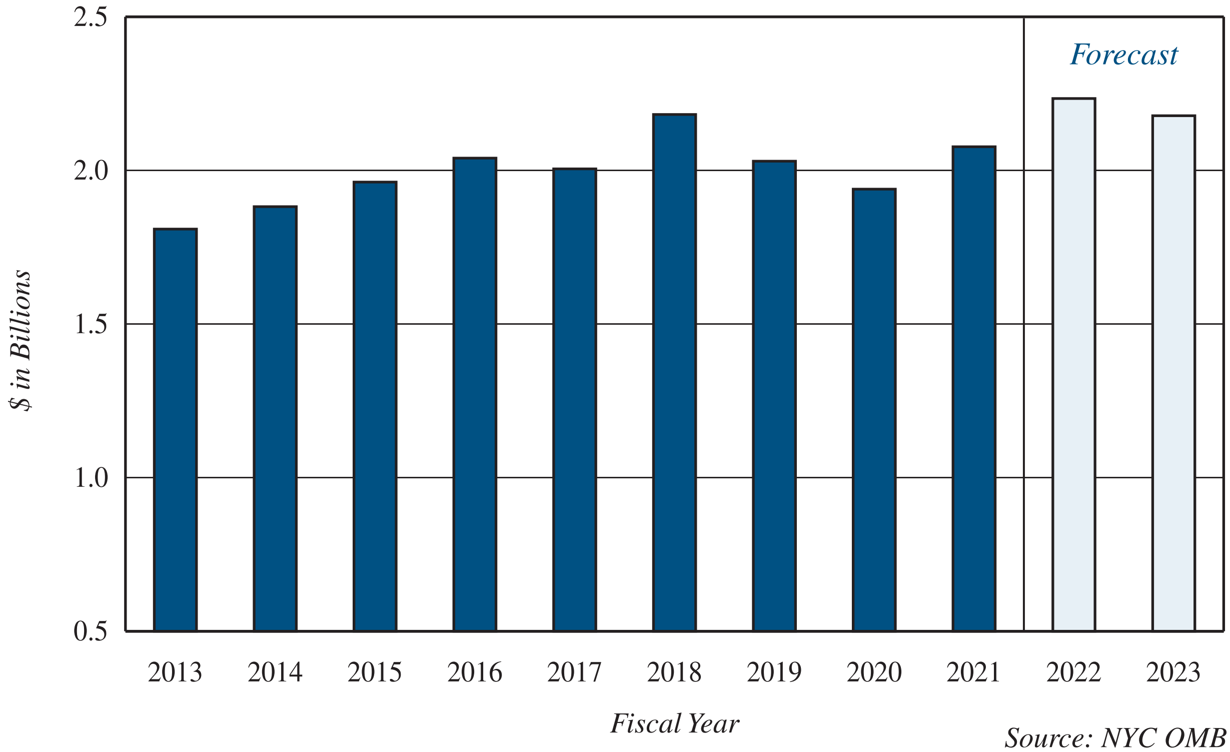
2023 Forecast: Corporate tax collections are forecast at $4.287 billion in 2023, a $265 million decrease from the February 2022 Plan and a 12.0 percent year-over-year decline. The forecast in 2023 reflects a dimmer economic outlook for both finance and non-finance industries. NYSE profits are projected to drop 67 percent in calendar year 2022 to $19.3 billion as the nation's GDP is also revised down compared to the February 2022 Plan. Moreover, much of the uncertainty with respect to the Federal Reserve's tightening monetary policies and the Russian invasion of Ukraine is expected to continue to pose substantial economic risks impacting businesses.

Overall, fiscal year 2024 through 2026, corporate tax collections are forecast to experience an average growth of 3.3 percent. The forecast period from 2024 to 2026 incorporates a tax expenditure of $25 million per year for the newly enacted Child Care Credit which will be available for businesses that provide childcare services to their employees.

2 The Big Five Wall Street Banks are JPMorgan Chase, Bank of America, Citigroup, Goldman Sachs and Morgan Stanley

UNINCORPORATED BUSINESS TAX

UNINCORPORATED BUSINESS TAX 2013 - 2023



Unincorporated business tax (UBT) is forecast to account for 3.3 percent of tax revenue in 2023, or $2.178 billion.

2022 Forecast: UBT revenue is forecast at $2.234 billion, an increase of 7.5 percent from the prior year, and $60 million above the February 2022 Plan. Net collections year-to-date through March increased over 25 percent, reflecting strong final payments in March and weaker- than-expected refund requests over the February 2022 Plan.

UBT revenues recovered from the pandemic much better than anticipated in liability year 2021, spurred by federal stimulus and low interest rates, which created very favorable conditions particularly in the finance sector, although the recovery in non-finance sector was also broad based. Sectors that struggled during the peak of COVID-19 like the performing arts and food services have rebounded noticeably, while those less affected like legal and real estate grew modestly. Strength in calendar year 2021 contributed to collections increases in the first part of fiscal year 2022.

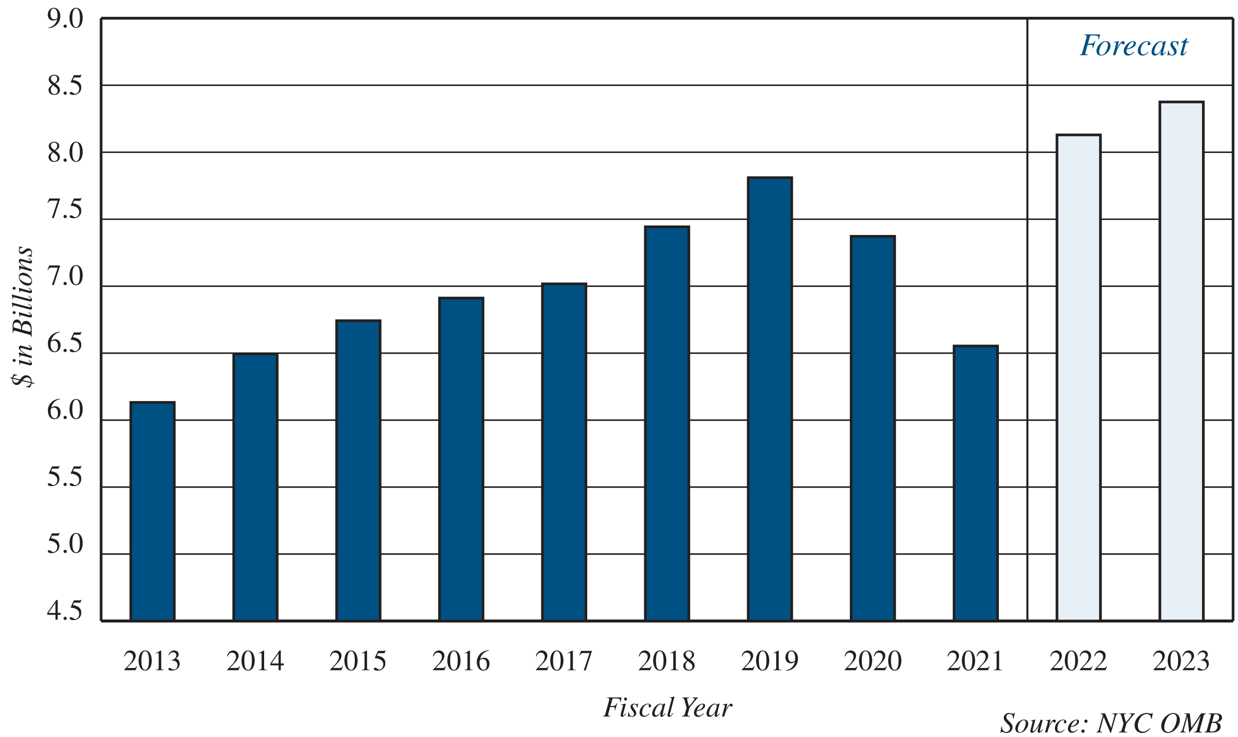
For the fourth quarter of the fiscal year 2022, however, a slowdown in UBT payments is expected, as financial markets are impacted by the Federal Reserve's anticipated interest rates hikes, the risk of COVID-19 variants, and geopolitical conflict stretches on.

2023 Forecast: UBT revenue is forecast at $2.178 billion, a $56 million decline from the prior year and $42 million decline from the February 2022 Plan. Finance sector payments are forecast to drop $56 million from the prior year, reflecting projected declines in the financial sector and the amount of Wall Street member-firm assets under management. Non-finance sector payments are expected to grow in calendar year 2022, helping to mitigate the losses from the finance sector.

In 2024 through 2026, UBT revenue is forecast to have an annualized average growth of 4.2 percent.

SALES AND USE TAX

SALES TAX 2013 - 2023



Source: NYC OMB

The sales and use tax is projected to account for 12.6 percent of tax revenue in 2023, or $8.375 billion.

2022 Forecast: Sales tax revenue is forecast at $8.129 billion, growth of 24.1 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 31.8 percent over the same period in the previous year. Strength in sales tax revenue can be attributed to strong overall consumer spending, bolstered by a robust holiday shopping season and a healthy return of tourist activity. Collections were not hampered by the Omicron variant as much as originally anticipated, as the local economy continues to recover faster than expected. As social distancing restrictions loosened, pent-up demand fostered growth in consumption and tourism. However, part of collections growth can also be attributed to higher prices, as consumers are paying more for the same basket of goods and services. As geopolitical

1 The 2019-20 NYS Enacted Budget legislation appropriates a portion of sales tax revenue generated from legislation that requires remote sellers making $500,000 in sales or 100 transactions (as NYS aligns with the SCOUTS Wayfair v. South Dakota decision), as well as online marketplaces such as Amazon (Part G of the 2019-20 NYS Enacted Budget), to collect and remit sales tax on sales to NYS residents for the purposes of the MTA, retroactive June 21, 2018. The amounts to be intercepted by the State are $127.5 million in SFY20, $170 million in SFY21 and increase 1 percent annually from SFY22 onward and is taken in monthly installments. Without the STAR C payments and MTA State intercept, sales tax in fiscal year 2022 is expected to increase 21.2 percent.
The NYS Education, Labor and Family Assistance (ELFA) Budget (S. 7056-B PART ZZ) legislates that NYS will intercept a portion of NYC sales tax collections and redirect them to the New York State Agency Trust Fund, under a Distressed Provider & Assistance Account, for the purpose of relief for financially distressed hospitals and nursing home facilities. This is in addition to the monthly MTA sales tax intercept that is placed into the NYS Agency Trust Fund which is already in effect. The Comptroller will withhold a portion of sales tax collections, penalties and fees, in the amounts of $200M in quarterly installments on January 15, April 15, July 15, and October 15. The comptroller will defer withholding the total value of the withholdings that would have occurred on April 15, 2020, July 15, 2020, October 15, 2020 and January 15, 2021 until January 15, 2021. At which time, the full $200M will be withheld and the normal quarterly installments will occur thereafter. The cost to City revenue will be $250 million in 2021 and $150 million in 2022, for a total cost of $400 million.
This act was recently revised in the 2022-23 NYS Enacted Budget, in the Health and Mental Hygiene Bill (Chapter 57 – 2022, Part RR), which extends the withholdings an additional three years, with quarterly installments amounting to $150 million annually.

and supply chain issues linger, along with continued inflation, consumers are showing signs of concern over the economic outlook in the coming months. This may curb discretionary spending, subduing collections growth in the fourth quarter.

Overall holiday shopping sales were strong. This momentum carried over into January as retail sales experienced the largest monthly gain in 10 months, fueled by wage gains, a strong labor market, and enhanced pandemic savings. Purchases reflected increased social activities such as return to office work and travel. However, inflation, which has reached a 40-year high, most likely played a major role in retail sales growth as well.

In February, U.S. retail sales began to moderate. Modest gains in February retail sales mainly stem from increased spending on gasoline, as prices climb due to the Russian invasion of Ukraine. Excluding gasoline, sales were relatively flat suggesting only a modest change in activity. Economists are anticipating further moderation in consumer spending as the effects of government stimulus fade and inflation persists.[2]

Consumer confidence dipped in January and February but still remained at relatively high levels, with the drops mainly due to concerns about inflation. Though consumer confidence rebounded in March as consumers looked more favorably on current conditions, their future expectations have become more pessimistic, citing rising prices and the war in Ukraine as factors. Consumer sentiment, which puts less emphasis on the labor market, fell to an 11-year low in March as consumers expect their overall financial position to worsen. Concerns include reduced standard of living as price pressures outpace wage gains.[3]

After suffering heavy declines during the pandemic, NYC sales tax revenue has rebounded to top pre-pandemic levels, aided by recovering labor markets, the widespread availability of the vaccine, and the loosening of social distancing and travel restrictions. While COVID-19 cases surged in NYC in late December due to the Omicron variant, consumer spending and tourism were not impacted as much as expected, with activity rebounding quickly as cases subsided by late February.

While overall sales tax collections have recovered, a portion of the growth can be attributed to higher nominal prices. Local prices in March were 6.1 percent higher than last year. However, price growth is anticipated to slow going forward as the Federal Reserve begins to tighten monetary policy. The remainder of the 2022 forecast assumes that collections growth will subside as consumer concerns persist, and the Federal Reserve attempts to engineer an economic “soft landing”.

2023 Forecast: Sales tax revenue is forecast at $8.375 billion, growth of 3.0 percent over the current year, net of the Distressed Hospital Assistance Account and MTA State intercepts. The forecast is $232 million above the prior plan. Collections growth is expected to experience modest gains as labor markets and tourism steadily recover. Consumption growth is anticipated to moderate from the prior year’s elevated levels, with the expectation that the Federal Reserve will successfully combat the inflationary period through tightening monetary policy.

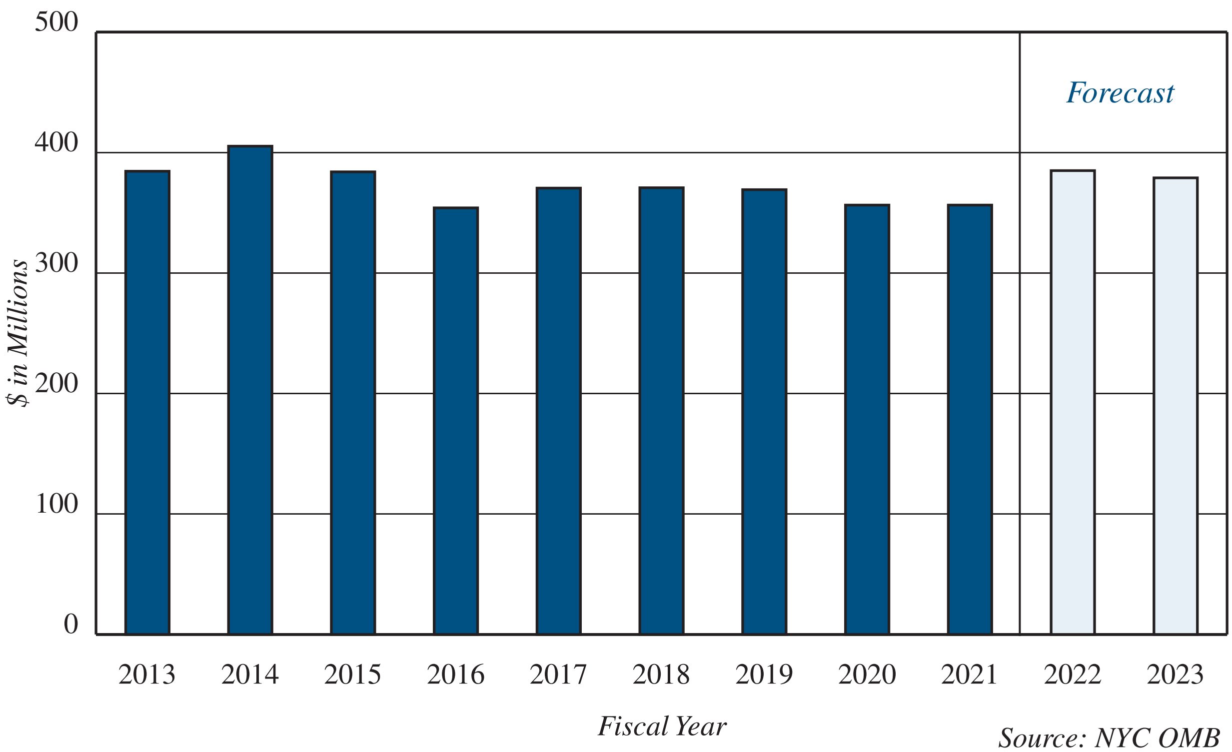
Sales tax revenue growth is forecast to average 5.0 percent annually from 2024 through 2026, reflecting a healthy labor market with steady growth in wage earnings, a return of tourism to pre-pandemic levels, and a stable macro economy.

2 https://www.usnews.com/news/economy/articles/2022-03-16/retail-sales-rise-a-modest-0-3-in-february-driven-by-gasoline

3 https://www.bloomberg.com/news/articles/2022-03-25/u-s-consumer-sentiment-remains-at-decade-low-on-inflation-war?sref=mr5ATXJe

UTILITY TAX

UTILITY TAX 2013 - 2023



Source: NYC OMB

The utility tax is projected to account for 0.6 percent of total tax revenue in 2023, or $379 million.

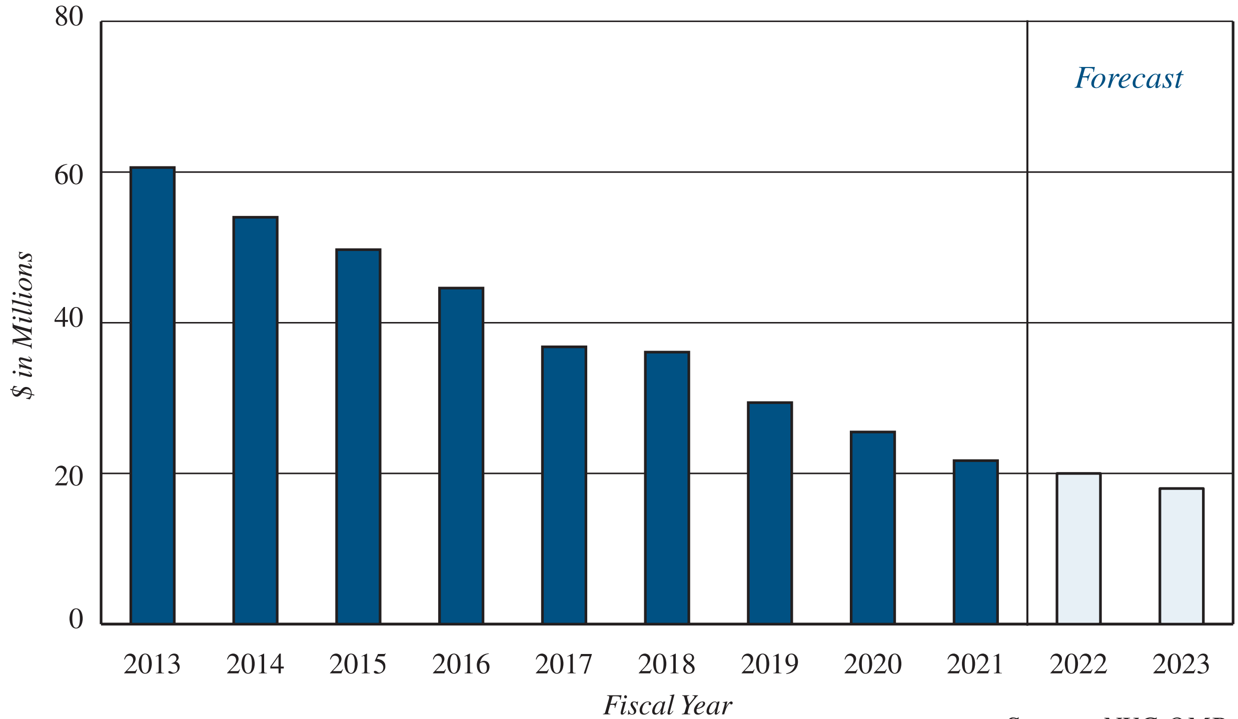
2022 Forecast: Utility tax revenue is forecast at $385 million, 8.0 percent growth over the prior year, up $9 million from the February 2022 Plan. Year-to-date collections through March increased 12.4 percent over the prior year, which can be attributed to high electric and natural gas prices. Fourth quarter collections are forecast to rise 3.5 percent over the prior year. This growth reflects higher spring natural gas prices than usual, due in part to market shifts resulting from the Russian invasion of Ukraine. However, this growth is expected to be more modest than the previous quarters due to milder weather in late winter than earlier in the year.

2023 Forecast: Utility tax revenue is forecast at $379 million, a 1.6 percent decrease from the current year. This level is unchanged from the February 2022 Plan. The slight decrease is driven by natural gas prices declining after especially high price growth in 2022. In calendar year 2022, Consolidated Edison increased electric rates by 4.0 percent and natural gas rates by 7.2 percent. The impact of these increases is baselined in 2024 through 2026. Con Ed rates may additionally increase in calendar year 2023 and beyond.

Utility tax revenue is expected to grow by an average of 3.3 percent in 2024 through 2026, as electric and natural gas prices grow modestly.

CIGARETTE TAX

CIGARETTE TAX 2013 - 2023



Source: NYC OMB

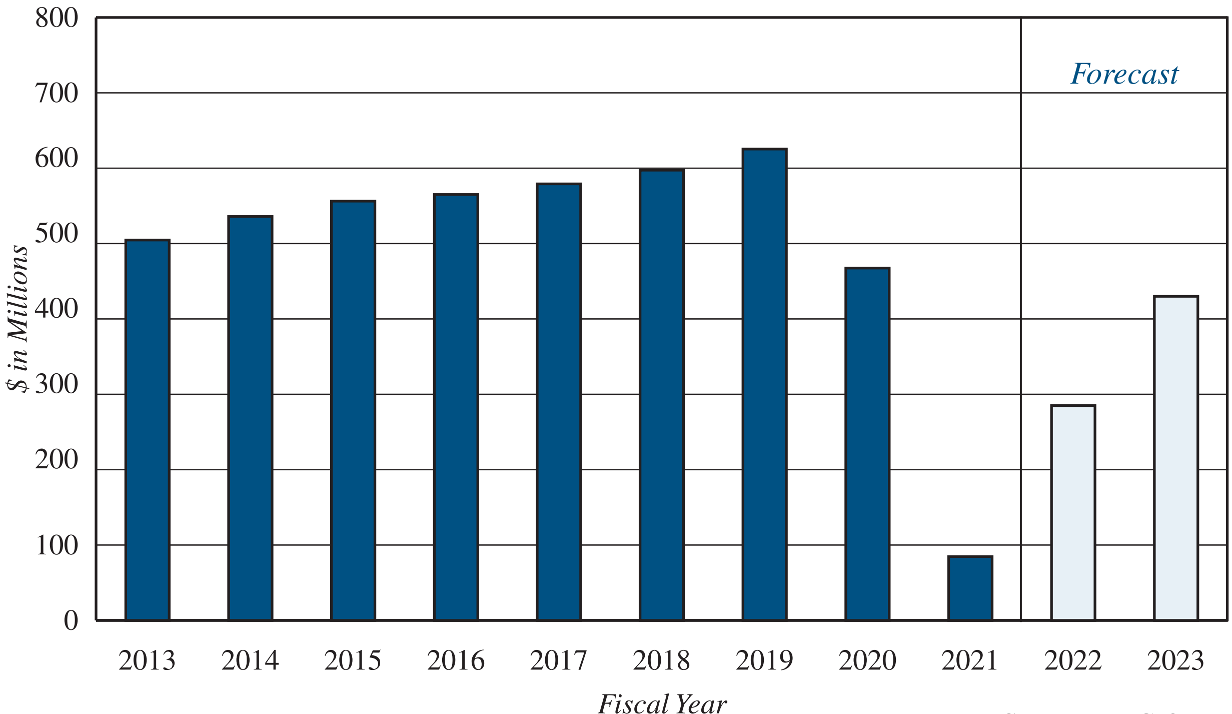
Cigarette tax is forecast to account for 0.03 percent of total tax revenue in 2023, or $18 million.

2022 Forecast: Cigarette tax revenue is forecast at $20 million in 2022, a decline of 7.9 percent from 2021.

2023 Forecast: Cigarette tax is forecast at $18 million in 2023. This represents a decline of 10.0 percent from the current year. With a combined City and State tax on a pack of cigarettes at $5.85, New York City is the third highest City/State cigarette tax levied jurisdiction in the country, coming in behind Chicago and Evanston, IL. The high rate of cigarette taxes has led to a noticeable decline in the number of packs sold within New York City. 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 other alternatives.

HOTEL TAX

HOTEL TAX 2013 - 2023



Source: NYC OMB

The hotel room occupancy tax is projected to account for 0.6 percent of tax revenue in 2023, or $430 million.

2022 Forecast: Hotel tax revenue is forecast at $285 million, a 236.6 percent increase from the prior year, up $30 million from the February 2022 Plan. Collections year-to-date through March increased 312.7 percent over the prior year. Tourism continues to grow at a reasonable pace over the previous year as travel restrictions eased, multiple vaccine options became available, and COVID-19 mandates waned.

The City offered a tax holiday eliminating the 5.875 percent hotel room occupancy tax rate to attract travelers back to NYC for a three-month period, from June 1, 2021 to August 31, 2021. The hotel occupancy rate in the first quarter increased to 65.0 percent, up from the heavily impacted 2021 level of 39.4 percent. The hotel tax holiday is estimated to have cost the City $60 million. Therefore, even though overall hotel activity increased, first quarter collections declined 3.4 percent compared to the prior year.

The inventory of hotel rooms has slowly come back online. Currently, there are approximately 120,000 rooms online, about 5,000 below pre-pandemic levels. The total number of room nights sold in the first three quarters of 2022 more than doubled compared to the prior year. Room rates year-to-date have increased steadily, averaging about $210 per night. By mid-December, the hotel industry saw activity near pre-pandemic levels.

Prior to the emergence of the Omicron variant, the City's hotel occupancy was significantly improving and experienced an 81.5 percent occupancy rate, the highest in almost two years. Tourism was bolstered by vaccinated international tourists and winter holiday domestic travel. The Omicron variant led to temporary disruptions from the end of December 2021 and into February 2022. However, tourism activity was not as heavily impacted and recovered more quickly than initially anticipated.

With the variant largely dissipated, the Governor and Mayor lifted mask mandates and proof of vaccination requirements for indoor activities on March 7, 2022. There is optimism that the spring months will bring warmer weather and increased tourist activity. The availability of booster shots, as well as the passage of the “Bring Back Tourism, Bring Back Jobs” recovery package and the “Get Local NYC” campaign, will prompt an uptick in tourists to the City. Collections through the end of the year are forecast to remain relatively stable.

2023 Forecast: Hotel tax revenue is forecast at $430 million, a 50.9 percent increase over the current year, but still about $200 million below pre-pandemic levels. The forecast is $80 million above the prior plan. Hotel occupancy recently recovered to over 80 percent of 2019 benchmark levels and is on the rise. The total number of room nights sold reaches nearly 31 million in 2023, an almost 20 percent increase over the current year, but still over 7 million shy of the pre-pandemic 2019 figure of 38 million. The increased demand boosts room rates by almost 15 percent to $250 per night on average in 2023.

The hotel occupancy tax is expected to continue to improve in the outyears, reaching pre-pandemic levels in 2025 as demand returns and additional hotels reopen, averaging 19.3 percent revenue growth from 2024 through 2026.

OTHER TAXES

All other taxes are projected to account for 1.2 percent of New York City's total tax revenue in 2023, or $823 million.

2022–2023 Other Taxes Forecast
Excluding Tax Audit Revenue
($000s)

Tax	2022	2023	Increase/(Decrease) From 2022 to 2023 Amount	Percent Change
Auto Related Taxes				
Auto Use	$30,000	$30,000	—	0.0%
Commercial Motor Vehicle	60,071	65,071	5,000	8.3%
Taxi Medallion Transfer	650	800	150	23.1%
Excise Taxes				
Beer and Liquor	25,000	25,000	—	0.0%
Liquor License Surcharge	5,500	—	(5,500)	(100%)
Horse Race Admissions	50	50	—	0.0%
Medical Marijuana Excise Tax	650	600	(50)	(7.7%)
Off-Track Betting Surtax	400	760	360	90.0%
Miscellaneous				
Other Refunds	(50,000)	(50,000)	—	0.0%
Payment in Lieu of Taxes (PILOTs)	542,000	501,000	(41,000)	(7.6%)
Section 1127 (Waiver)	190,000	186,000	(4,000)	(2.1%)
Penalty and Interest Real Estate (Current Year)	22,000	30,000	8,000	36.4%
Penalty and Interest Real Estate (Prior Year)	78,000	42,000	(36,000)	(46.2%)
Penalty and Interest - Other Refunds	(8,000)	(8,000)	—	0.0%
Total	**$896,321**	**$823,281**	**($73,040)**	**(8.1%)**

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 both 2022 and 2023.

Commercial Motor Vehicle Tax: This tax is levied on vehicles used for 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 2022 and $65.1 million in 2023.

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 $650 thousand in 2022 and $800 thousand in 2023.

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 both 2022 and 2023.

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 thousand in 2022 and 2023.

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. This tax is forecast to generate $5.5 million in 2022. As part of the blueprint for New York City's economic recovery, Mayor Adams is proposing to suspend this surcharge for one year in the City. This will save the small businesses in the City $6.0 million a year in 2023. Due to the proposal, the City will receive no revenue from this tax in 2023.

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 $650 thousand in 2022 and $600 thousand in 2023.

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 $400 thousand in 2022 and $760 thousand in 2023.

MISCELLANEOUS

Other Refunds: These are refunds primarily paid out on the commercial rent tax, business taxes and Section 1127 (waiver) and are forecast at $50 million in 2022 and 2023.

Payments in Lieu of Taxes (PILOTs): PILOTs are contractual agreements between public agencies and private property owners. There are five primary sponsor agencies which 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 and (5) Port Authority of New York and New Jersey. PILOT revenue is forecast to generate $542 million in 2022 and $501 million in 2023.

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 $190 million in 2022 and $186 million in 2023.

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 $22 million in 2022 and $30 million in 2023, while interest collections from prior year delinquencies are expected to be $78 million in 2022 and $42 million in 2023.

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 2022 and 2023.

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 $871 million in 2022 and $721 million in 2023.

MISCELLANEOUS RECEIPTS

Forecast of Miscellaneous Receipts

The non-tax revenue portion of City Funds is referred to as miscellaneous revenues. The 2023 Executive Budget includes eleven classes of miscellaneous revenues which are discussed below.

Miscellaneous revenues are estimated at $5,274 million in 2023, an increase of $173 million from 2022, 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)

	2022 Forecast	2023 Executive Budget	Forecast to Executive Budget Increase (Decrease)
Licenses	$59	$63	4
Permits	286	303	17
Franchises and Privileges	328	325	(3)
Interest Income	13	107	94
Tuition and Charges for Services	904	1,029	125
Water and Sewer Revenues	1,689	1,785	96
Rental Income	246	250	4
Fines and Forfeitures	1,165	1,076	(89)
Miscellaneous	411	336	(75)
Total Miscellaneous Revenues	$5,101	$5,274	173

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 543,000 licenses. About 33,000 are non-recurring, 123,000 are renewed annually, 173,000 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 2023 forecast for license revenue is $63 million, $4 million more than 2022. This increase is attributable to a restoration to pre-pandemic activity levels and augmented by the cyclical nature of biennial and triennial licenses.

Permits

Permits are issued to 1,201,000 individuals or entities for the use of facilities, premises or equipment. Approximately 275,000 permits are renewable on an annual, biennial or triennial basis. Seasonal or single occurrence permits, such as tennis and building permits, account for 926,000 additional permits, all of which are issued and regulated by twelve City agencies.

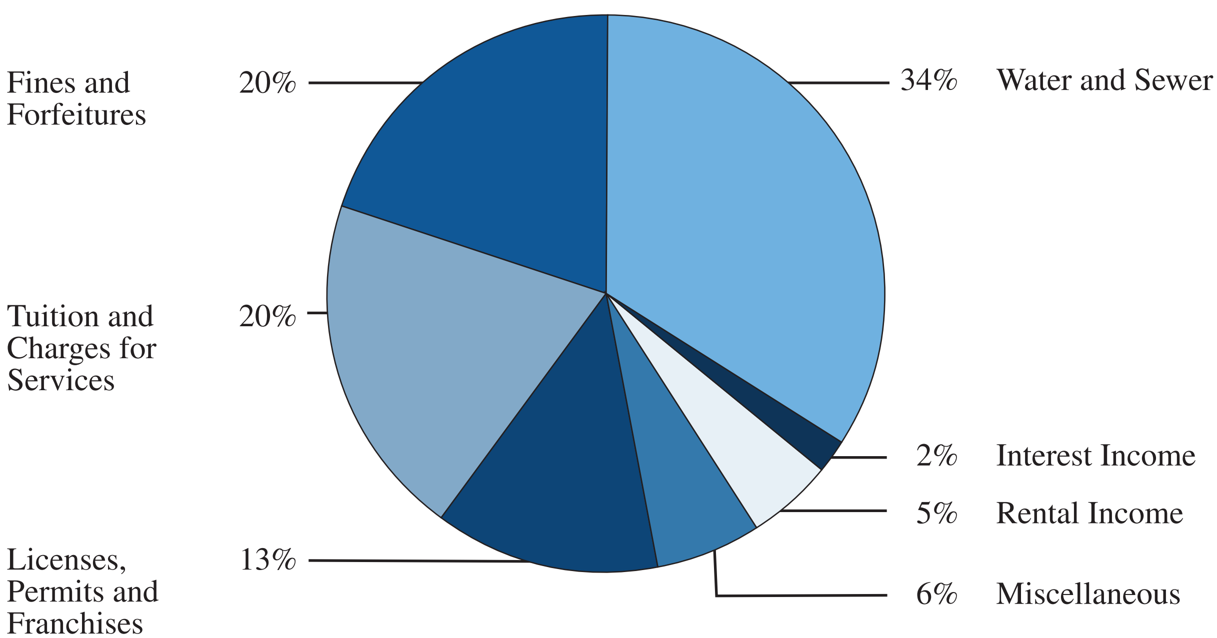
The major sources of revenue are permits for building construction and alterations, street openings, restaurants, hazardous materials, and air pollution control. The 2023 forecast for permit revenue is $303 million, $17 million more than 2022. The increase is due to a resumption to pre-pandemic construction activity.

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 2023 forecast for tuition and charges for services is $1,029 million, $125 million more than 2022. This increase is due to recovery in various fees from the pandemic including resumption of booting and judgment enforcement, increased parking meters and garage usage, and the re-opening of recreation centers. Tuition revenue was adjusted downward in 2022 to reflect reduced student enrollment.

COMPONENTS OF MISCELLANEOUS REVENUES

As a Percentage of 2023



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 $1,785 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 2023 forecast for forfeitures is $1.2 million. The revenue expected from fines in 2022 and 2023 is listed below:

Fine Revenue

Type ($ in 000's)	2022 Forecast	2023 Executive Budget
Parking Violations	$556,920	$556,920
Speed Camera Violations	180,000	165,400
Environmental Control Board Violations	116,775	116,568
Department of Buildings Penalties	80,000	75,400
Department of Health Violations	12,675	26,288
Red Light Camera Violations	22,000	18,000
Taxi and Limousine Commission Violations	11,900	14,800
Bus Lane Violations	31,000	10,000
State Court Fines	4,000	9,050
Department of Consumer and Worker Protection	8,300	7,200
Department of Finance Late Penalties	25,000	5,400
Other Sources	115,530	69,419
Total	$1,164,100	$1,074,445

The Parking Violation division of the Department of Finance is forecasted to collect $751.7 million in parking, red light, bus lane, weigh in motion, and speed camera fines in 2023, $38.8 million more than in 2022.

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 $18 million in 2023. 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 six Select Bus Service routes. The revenue from these mobile cameras is remitted to New York City Transit. The Department will generate approximately $10 million from fixed bus lane cameras in in 2023. Legislation passed in 2019 authorizes the Department to use speed camera enforcement in 750 school zones. Currently, 1,960 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 on weekdays between 6:00 a.m. and 10:00 p.m. Collections are expected to be $165.4 million in 2023. Legislation passed in 2021 authorizes the Department to launch a pilot program using weigh in motion technology and camera enforcement to capture overweight trucks on the Brooklyn Queens Expressway. The violations are expected to generate $1.3 million in 2023.

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 $146 million in 2023.

The Department of Consumer and Worker Protection enforces the City's consumer protection, licensing, tobacco, municipal workplace, and Truth-in-Pricing laws. In 2023, the Department will generate $7.2 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 2023 forecast for interest earnings is $107 million, an increase of $94 million from 2022. The increase is attributable to an increase in the projected federal funds rate for 2023.

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 2023 forecast for franchise revenue is $325 million, $3 million less than in 2022.

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 2,700 properties are rented from the City. Approximately 600 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 2023 forecast for rental income is $250 million, $4 million more than in 2022. The increase is a result of a re-calculation of lease payments received from the Port Authority for the Airport lease.

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 2023 forecast for miscellaneous revenue is $336 million, $75 million less than in 2022. The decrease is related to one-time revenue in 2022 including one-time property sales and additional unpledged tobacco settlement revenues.

Private Grants

The Executive Budget includes $1,029 million in private grants in 2023, $144 million less than 2022. 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 2023 expected reimbursements will be $735 million.

CONTRACT BUDGET

The Contract Budget is presented as part of the 2023 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 2023 Executive Contract Budget contains an estimated 17,964 contracts totaling approximately $20.04 billion. Over 75 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 $1.63 billion in contracts, approximately 62 percent of which represents contracts allocated for Children's Charitable Institutions ($526 million) and Day Care ($481 million). Of the $9.43 billion in Department of Education contracts, approximately 50 percent of the contracts are allocated for Transportation of Pupils ($1.72 billion) and Charter Schools ($2.96 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 2022 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............ • Home Care, Child Welfare, Employment Services, Public Assistance, Day Care, Family Services, Homeless Programs, AIDS, Senior Citizen Programs, Health, Mental Hygiene & Prison Health, etc.	4,689	$6,619	33.0%
Youth and Student Related Services........................ • (including Transportation of Pupils and Payments to Contract Schools)	3,097	7,312	36.5%
Other Services.. • Custodial, Security Services, Secretarial, Cultural Related, Employee Related, Economic Development, Transportation, Municipal Waste Exporting, etc.	3,220	2,247	11.2%
Professional Services/Consultant............................. • Accounting, Auditing, Actuarial, Education, Investment Analysis, Legal Engineering & Architectural, System Development & Management Analysis, etc.	3,598	2,033	10.2%
Maintenance & Operation of Infrastructure .... • Lighting, Street Repair, Buildings, Parks, Water Supply, Sewage and Waste Disposal, etc..	1,649	1,341	6.7%
Maintenance of Equipment...................................... • Data Processing, Office Equipment, Telecommunications & Motorized Equipment, etc.	1,711	488	2.4%
TOTAL	**17,964**	**$20,040**	**100.0%**

FINANCING PROGRAM

The City financing program projects $57.9 billion of long-term borrowing for the period from 2022 through 2026 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 FTS expect to issue $24.9 billion and $24.3 billion, respectively, during the plan period. The City issuance supports 43 percent of the total, and TFA FTS issuance supports another 42 percent of the total. NYW expects to issue approximately $8.7 billion. TFA does not expect to issue Building Aid Revenue Bonds (BARBs) for capital purposes during the plan period.

Financing Program
($ in Millions)

	2022	2023	2024	2025	2026	Total
City General Obligation Bonds	$2,750	$5,300	$5,080	$5,800	$5,980	$24,910
TFA Bonds	3,650	3,825	5,080	5,800	5,980	24,335
Water Authority Bonds[1]	1,531	1,338	1,746	1,962	2,116	8,693
Total	**$7,931**	**$10,463**	**$11,906**	**$13,562**	**$14,076**	**$57,938**

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[1]
($ in Millions at Year End)

	2022	2023	2024	2025	2026
City General Obligation Bonds	$39,015	$41,865	$44,422	$47,679	$51,086
TFA Bonds	43,666	45,947	49,321	53,394	57,418
TSASC Bonds	966	938	909	879	854
Conduit Debt	1,022	931	863	794	726
Total	**$84,669**	**$89,681**	**$95,515**	**$102,746**	**$110,083**
Water Authority Bonds	$31,515	$32,490	$33,749	$35,238	$36,840

1 Figures above do not include state funded financing for education capital purposes through the TFA BARBs.

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

	2022	2023	2024	2025	2026
City General Obligation Bonds	$3,727	$4,288	$4,575	$4,792	$5,052
TFA Bonds	2,854	3,381	3,426	3,721	4,239
TSASC Bonds	76	76	76	76	69
Conduit Debt	104	147	118	117	116
Total Debt Service	**$6,761**	**$7,892**	**$8,195**	**$8,706**	**$9,476**
Water Authority Bonds[1]	$1,458	$1,664	$1,980	$2,068	$2,215

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

Debt Burden

	2022	2023	2024	2025	2026
Total Debt Service[1] as % of:					
a. Total Revenue	6.1%	7.8%	8.1%	8.5%	9.2%
b. Total Taxes	10.2%	11.8%	12.0%	12.4%	13.2%
c. Total NYC Personal Income	0.9%	1.1%	1.1%	1.1%	1.1%
Total Debt Outstanding[1] as % of:					
a. Total NYC Personal Income	11.8%	12.1%	12.3%	12.6%	12.8%

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

Currently the debt service for the City, TFA FTS, and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 6.1 percent of the City's total budgeted revenues in 2022. That ratio is projected to rise to 9.2 percent in 2026. As a percentage of tax revenues, the debt service ratio is 10.2 percent in 2022 and is projected to increase to 13.2 percent in fiscal year 2026.

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, as indicated in the table below. Following the economic uncertainty caused by the onset of COVID-19, Moody's, S&P and Fitch placed the City's general obligation bonds on negative outlook. Moody's and Fitch downgraded the City's general obligation bonds and its related appropriation credits toward the end of calendar year 2020. More recently, the rating agencies revised the outlook from negative to stable due to the City's improved financial position. In 2021, the City's bonds were also rated by Kroll, who rated the bonds AA+, with a stable outlook. Similarly, for TFA, the FTS bonds had previously been placed on negative outlook by Moody's but have also been revised to stable outlook. The BARBs were put on negative outlook by Moody's, S&P, and Fitch during 2020 and subsequently downgraded by Moody's to Aa3 due to the BARBs relationship to the State budget. In April 2022, Moody's upgraded the BARBs to Aa2 and the other rating agencies have restored the stable outlook, all related to rating actions taken with respect to the State's credit. The outlooks for NYW and bonds issued on behalf of NYW by EFC, however, remain stable. Despite the rating actions, the entities financing the City's capital program have maintained reliable market access to finance capital spending and undertake refinancing transactions, as discussed later.

Ratings

Issuer	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, 2021, the City has issued $1.2 billion in GO bonds for capital purposes and $955 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
2022 A	N	8/26/21	$950	$250	$1,200
2022 BC	R	4/12/22	901	54	$955
Total			**$1,851**	**$304**	**$2,155**

The GO refunding transaction the City completed to date in fiscal year 2022 generated approximately $115 million of debt service savings during the financial plan period.

In addition to the total issuance mentioned above, the City took steps to manage its outstanding floating rate debt and take advantage of low fixed interest rates. The City reoffered two subseries of floating rate bonds amounting to approximately $90 million of par. Those reoffered issues were converted to fixed rates to maturity.

The City plans to issue GO bonds for capital purposes of approximately $2.8 billion, $5.3 billion, $5.1 billion, $5.8 billion, and $6.0 billion in fiscal years 2022 through 2026, 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 its 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 $7.1 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 significant 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. Due to market disruptions related to the onset of COVID-19, floating rate debt experienced a spike in rates in March of 2020. Floating rates normalized by mid-April of 2020 and, despite recent increases in interest rates, are expected to continue to provide lower overall rates compared to fixed rate debt.

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 8.4 percent, and this is even more manageable after taking into account the 10 year average balance of $7.8 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 entirely mitigated. Moreover, the City uses conservative assumptions in budgeting interest rates and associated expenses from floating rate instruments.

NYC Floating-Rate Exposure[1]
($ in Millions)

	GO	TFA	Conduit	TSASC	Total
Floating Rate Bonds	$4,197	$2,863	$30	$0	7,090
Synthetic Fixed	14	0	31	0	45
Total Floating-Rate	$4,211	$2,863	$61	$0	$7,135
Total Debt Outstanding	$39,015	$43,666	1,022	966	$84,669

% of Floating-Rate / Total Debt Outstanding	*8.4%*
Total Floating-Rate Less $7.8 Billion Balance in General Fund (Floating-Rate Assets)	—
% of Net Floating Rate / Total Debt Outstanding	*0.0%*

1 End of Fiscal Year 2022 Debt Outstanding as of the April 2022 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. The City did not enter into any new interest rate swaps to date in fiscal year 2022. The TFA has no outstanding swaps. The City is a party to two GO interest rate swaps with a total notional amount outstanding as of March 31, 2022 of $405 million, for which the aggregate termination value was negative $25 million. This is the theoretical amount that the City would pay if all of the swaps were terminated under market conditions as of March 31, 2022. Under one agreement, the City pays a fixed interest rate of 3.259% in exchange for a floating rate based on 60.8% of one-month London Inter-bank Offered Rate ('LIBOR"). Under the other, the City pays a fixed interest rate of 3.175% in exchange for a floating rate based on the Securities Industry Financial Markets Association ("SIFMA") tax-exempt index.

After June 30, 2023, the quotes to set the commonly used one-month and three-month LIBOR will be discontinued. LIBOR is a taxable index to which a percentage is applied to approximate a tax-exempt rate, so the discontinuation of this rate will impact floating rate instruments indexed to it. The City TFA, and NYW have no floating rate debt instruments directly linked to LIBOR. For certain of the outstanding GO and NYW swaps, variable rate payments received are based on a percentage of LIBOR and 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. The City and its related issuers are monitoring all developments related to the LIBOR discontinuation and transition to an alternative index, which is currently expected to be the Secured Overnight Financing Rate (SOFR) developed by the Federal Reserve.

The New York City Municipal Water Finance Authority

The New York City Municipal Water Finance Authority (NYW) was created in 1985 to finance capital improvements to the City's water and sewer system. Since its first bond sale in November 1985, the Authority has sold $78.7 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, $32.0 billion is outstanding, $33.4 billion, including $665 million of special resolution crossover bonds, was refinanced, $6.3 billion was defeased with Authority funds prior to maturity, and $7.0 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 a commercial paper program as a source of flexible short-term financing. EFC has entered into agreements to provide NYW with $168.8 million in funds for certain projects. As of April 21, 2022, NYW had drawn $73.7 million of BAN proceeds pursuant to such agreements. The Authority 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 2023.

NYW's outstanding debt also includes floating rate bonds, which have been a reliable source of cost-effective financing. NYW has $4.7 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 primarily consists 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% in exchange for a floating rate based on 67% of one-month LIBOR. As of March 31, 2022, the combined mark-to-market value of the swaps was negative $87.9 million. This is the theoretical amount, which NYW would pay if both swaps were terminated as of March 31, 2022. NYW is monitoring all developments related to the LIBOR discontinuation and transition to an alternative index, which is currently expected to be SOFR.

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 2022. 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.

NYW Issuance
($ in Millions)

Series	(N)ew Money /(R)ef.	Issue Date	Par Amount	True Interest Cost (TIC)	Longest Maturity
2022 AA	N	7/14/21	$450	2.94%	2051
2022 BB	R	9/23/21	630	2.81%	2045
2022 CC	N	2/10/22	500	3.31%	2052
2022 DD	R	2/10/22	100	VAR	2033
2022 EE	R	3/17/22	779	3.09%	2045
2022 3,4,5,6,7[1]	N/R	4/21/22	744	1.85%[2]	2051
			$3,204		

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 2026, NYW expects to sell an average of approximately $1.8 billion of new money bonds per year. Of this amount, NYW plans to issue about $300 million of bonds annually thereafter to EFC, taking advantage of the interest rate subsidy available for qualifying projects, and minimizing the overall costs of its financing program. 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.

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 Act in 1997. The TFA was created to issue debt, primarily secured 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 bonds and notes. On September 13, 2001, the TFA was given statutory authority to borrow $2.5 billion to finance costs related to the September 11th terrorist attack on the City. Currently, TFA is permitted to have $13.5 billion of 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, 2021, the TFA has issued approximately $3.65 billion in FTS bonds for capital purposes and approximately $2.1 billion in refunding bonds. The dates and principal amounts are as follows:

NYC TFA Issuances
($ in Millions)

Series	(N)ew$/ (R)efunding	Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2022 A	R	8/17/21	$932	$119	$1,051
2022 B	N	9/9/21	950	250	1,200
2022 C	N	2/1/22	950	250	1,200
2022 DE	R	3/22/22	850	170	1,020
2022 F	N	4/7/22	950	300	1,250
Total			$4,632	$1,089	$5,721

The TFA refunding transactions completed to date in fiscal year 2022 generated nearly $420 million of debt service savings during the financial plan period.

The TFA plans to issue TFA FTS bonds for capital purposes of approximately $3.7 billion, $3.8 billion, $5.1 billion, $5.8 billion, and $6.0 billion in years 2022 through 2026, 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. While the financial plan does not currently reflect the issuance of BARBs for new money purposes, there may be BARB issuance for refunding purposes given market conditions.

Since July 1, 2021, TFA has issued $813 million in BARBs for refunding purposes which generated over $220 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. Principal 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, 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. HYIC remitted $550 million to the City in total in fiscal years 2019 through 2021. 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 HYICs bonds are under the legal structure established in the prior refunding transaction mentioned above.

Although the economic impact of COVID-19 had an initial negative impact on the credit ratings on HYIC bonds, revenues and development continue to be strong. In connection with prior credit rating action on the City, Moody's revised the outlook to negative and downgraded its rating on HYIC to Aa3. Fitch revised the outlook to negative and downgraded the first and second indenture HYIC ratings to A+ and A, respectively. S&P revised the outlook on HYIC to negative. In October 2021, concurrently with the recent refinancing, the rating agencies revisited the HYIC rating reflecting a more favorable view. Moody's upgraded the rating from Aa3 to Aa2 with a stable outlook. S&P raised the rating from A+ to AA- with a positive outlook. Fitch raised the rating from A to A+ 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 $200 million for project costs. The total cost of Phase II is projected to be approximately $380 million. HYIC has drawn approximately $4 million on the term loan to fund costs of Phase II.

CAPITAL BUDGET

The Executive Capital Budget and Four-Year Plan, 2023-2026

The 2023 Executive Capital Budget includes new appropriations of $13.0 billion, of which $12.5 billion are to be funded from City sources. These appropriations, together with available balances from prior years, authorize total commitments of $21.8 billion for 2023, of which $20.5 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 2023-2026 Capital Plan totals $77.0 billion for the construction and rehabilitation of the City's infrastructure. This will provide funding targeted to building and improving schools, providing affordable housing, building new borough based jail facilities, maintaining the drinking water system, and improving transportation.

The Capital Plan will provide $13.2 billion for new school construction and expansion, as well as the rehabilitation, enhancements, and improvements to existing school buildings. The City will also provide $5.9 billion for the preservation and new construction of affordable housing for low to moderate incomes and those with special needs. Additionally, the City will provide $1.5 billion to support NYCHA's Rental Assistance Demonstration (RAD) transactions. The Capital Plan will also provide $6.7 billion for the design and construction of new borough based jail facilities. The City will invest $3.0 billion to upgrade the operational integrity and resiliency of its wastewater resource recovery facilities, as well as $1.7 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 $1.4 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 City will provide $3.8 billion to reconstruct and rehabilitate bridges to ensure a state of good repair, including Brooklyn-Queens Expressway (BQE) projects and Grand Street Bridge over Newtown Creek. The City will also provide $1.0 billion to repave 1,100 vehicle lane miles and 50 bike lane miles of roadway per year.

FY 2022 - 2026 Commitment Plan
($ in Millions)

	2022		2023		2024		2025		2026	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Environmental Protection										
Equipment	$53	$54	$128	$128	$43	$43	$36	$36	$102	$102
Sewers	789	810	629	629	798	798	425	425	779	785
Water Mains, Sources & Treatment	323	332	396	402	705	724	712	773	532	590
Water Pollution Control	1,045	1,069	1,214	1,319	1,184	1,282	1,190	1,195	862	927
Water Supply	80	80	24	24	521	521	228	228	643	643
Subtotal	**$2,290**	**$2,345**	**$2,390**	**$2,502**	**$3,251**	**$3,369**	**$2,591**	**$2,657**	**$2,917**	**$3,046**
Transportation										
Mass Transit	$810	$841	$130	$139	$40	$40	$500	$500	$790	$790
Bridges	336	654	606	773	538	612	1,468	1,545	957	1,069
Highways	780	851	1,057	1,179	1,220	1,287	1,396	1,452	1,520	1,564
Subtotal	**$1,926**	**$2,346**	**$1,793**	**$2,091**	**$1,798**	**$1,938**	**$3,365**	**$3,497**	**$3,267**	**$3,423**
Education										
Education	$4,326	$4,206	$5,888	$5,938	$4,718	$4,778	$1,240	$1,240	$1,222	$1,222
Higher Education	51	55	113	113	154	154	124	124	73	73
Subtotal	**$4,377**	**$4,261**	**$6,001**	**$6,051**	**$4,872**	**$4,932**	**$1,364**	**$1,364**	**$1,294**	**$1,294**
Housing & Economic Development										
Economic Development	$596	$702	$786	$960	$452	$455	$550	$563	$487	$493
Housing	1,485	1,517	2,067	2,099	1,622	1,654	1,650	1,682	2,075	2,107
Subtotal	**$2,080**	**$2,219**	**$2,853**	**$3,059**	**$2,074**	**$2,110**	**$2,201**	**$2,245**	**$2,562**	**$2,600**
Administration of Justice										
Corrections	$788	$822	$1,364	$1,364	$1,990	$1,990	$2,131	$2,131	$1,851	$1,851
Courts	254	256	106	109	132	133	309	309	240	244
Police	199	204	240	275	136	138	317	317	132	132
Subtotal	**$1,241**	**$1,282**	**$1,710**	**$1,749**	**$2,257**	**$2,261**	**$2,757**	**$2,757**	**$2,223**	**$2,227**
City Operations and Facilities										
Cultural Institutions	$70	$71	$81	$107	$249	$250	$326	$331	$217	$217
Fire	121	127	340	395	262	289	191	198	149	149
Health & Hospitals	827	1,067	1,262	1,303	699	921	427	694	185	348
Parks	607	729	648	816	682	725	1,063	1,119	930	961
Public Buildings	210	214	359	359	171	171	225	225	98	98
Sanitation	182	184	349	351	647	655	433	433	291	291
Resiliency, Technology & Equipment	1,220	1,383	1,431	1,532	1,416	1,549	1,445	1,483	735	750
Other	1,547	1,620	1,316	1,487	1,359	1,411	1,331	1,438	773	807
Subtotal	**$4,784**	**$5,396**	**$5,786**	**$6,349**	**$5,484**	**$5,972**	**$5,440**	**$5,921**	**$3,377**	**$3,620**
Total Commitments	**$16,698**	**$17,849**	**$20,533**	**$21,800**	**$19,737**	**$20,582**	**$17,717**	**$18,440**	**$15,640**	**$16,211**
Reserve for Unattained Commitments	**($5,043)**	**($5,043)**	**($3,072)**	**($3,072)**	**($1,633)**	**($1,633)**	**$136**	**$136**	**$775**	**$775**
Commitment Plan	**$11,655**	**$12,806**	**$17,461**	**$18,728**	**$18,104**	**$18,949**	**$17,853**	**$18,576**	**$16,415**	**$16,986**
Total Expenditures	**$9,371**	**$10,275**	**$10,869**	**$12,144**	**$12,232**	**$13,281**	**$13,810**	**$14,901**	**$14,393**	**$15,379**

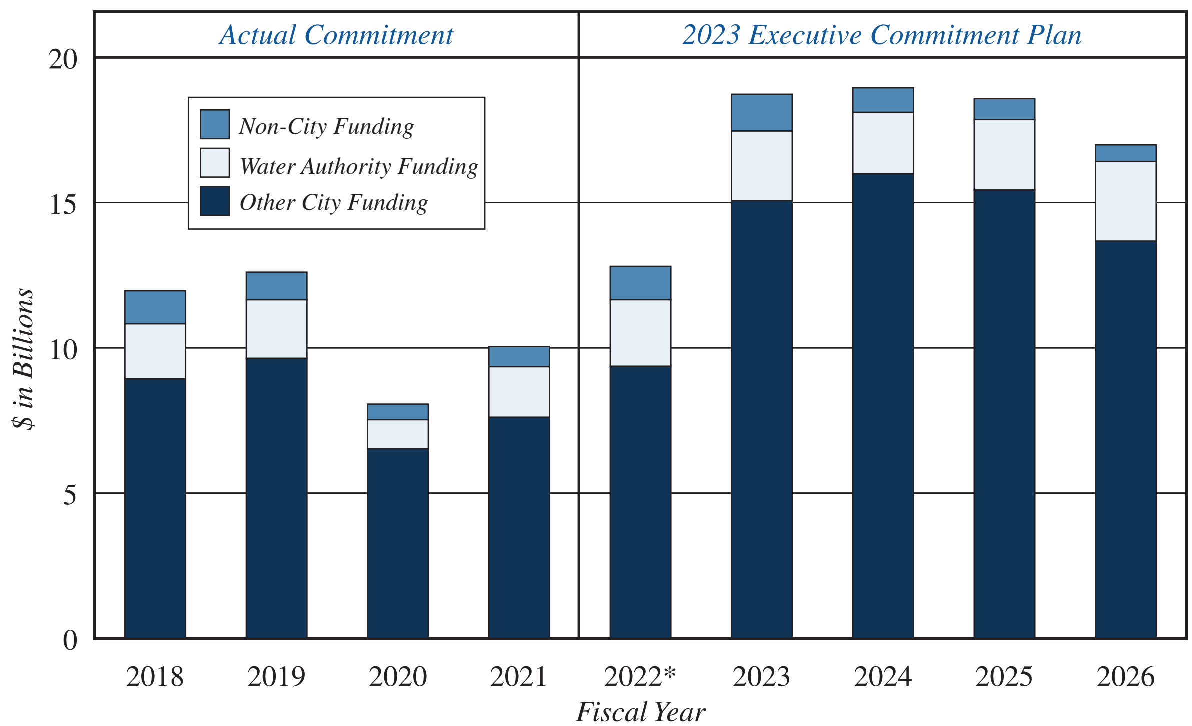
Note: Individual items may not add to totals due to rounding.

Non-City Funding Sources

Non-City capital funding sources include $1.3 billion in the 2023 plan and $3.4 billion over the 2023-2026 four-year plan period. The majority of non-City funding supports Transportation, Hospitals, Environmental Protection, Parks, and Resiliency Measures.

Transportation programs are projected to receive non-City funding of $924.4 million over the 2023-2026 period, with $694.7 million from the Federal government, $175.4 million from the State, and private funds of $54.3 million. Hospitals programs are projected to receive $686.9 million in Federal funding and $2.5 million in State funding over the 2023-2026 period. Environmental Protection programs anticipate receiving $424.1 million over the 2023-2026 period, with $283.6 million from the Federal government, $134.9 million from the State, and $5.6 million from private funds. Parks programs are projected to receive $298.6 million over the 2023-2026 period, with $207.9 million from the Federal government, $66.0 million from private funds, and $24.7 million from the State. Resiliency Measures anticipate receiving $288.3 million over the 2023-2026 period, with $205.8 million from the Federal government and $82.5 million from private funds.

FY 2018 - 2026 CAPITAL COMMITMENTS BY FUNDING SOURCE



* Projected

Source: NYC OMB

The Capital Program since 2018

The table below illustrates the changes in the size of the City's capital program over the 2018-2021 period.

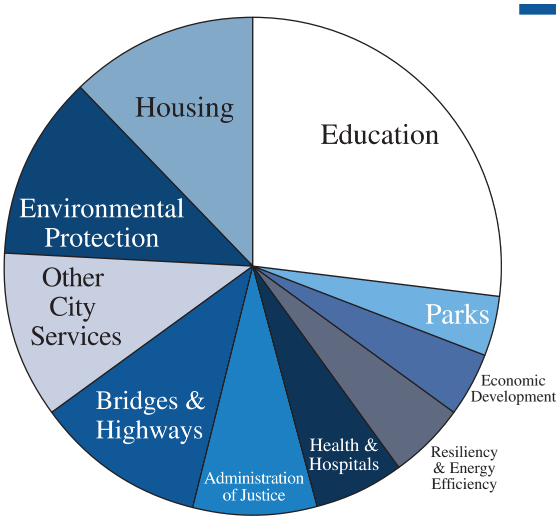
FY 2018-2021 Commitments
($ in Millions)

	2018		2019		2020		2021	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Environmental Protection								
Equipment	$53	$53	$113	$113	$13	$13	$35	$35
Sewers	637	652	463	471	303	323	216	233
Water Mains, Sources and Treatment	620	624	534	538	175	176	328	329
Water Pollution Control	362	371	843	847	474	484	706	706
Water Supply	225	225	62	62	33	33	455	455
Subtotal	**$1,896**	**$1,925**	**$2,015**	**$2,032**	**$999**	**$1,029**	**$1,740**	**$1,758**
Transportation								
Mass Transit	$169	$169	$432	$433	$117	$117	$575	$576
Bridges	988	1,235	382	447	61	108	63	70
Highways	663	776	527	613	404	452	368	452
Subtotal	**$1,821**	**$2,180**	**$1,342**	**$1,493**	**$582**	**$677**	**$1,006**	**$1,098**
Education								
Education	$3,029	$3,546	$3,620	$3,993	$2,703	$2,802	$2,641	$2,702
Higher Education	79	79	77	77	42	42	4	4
Subtotal	**$3,108**	**$3,625**	**$3,697**	**$4,071**	**$2,745**	**$2,845**	**$2,645**	**$2,705**
Housing & Economic Development								
Economic Development	$301	$320	$378	$397	$272	$276	$360	$391
Housing	1,191	1,231	1,484	1,509	680	700	995	1,034
Subtotal	**$1,492**	**$1,551**	**$1,863**	**$1,906**	**$952**	**$976**	**$1,354**	**$1,424**
Administration of Justice								
Correction	$29	$34	$30	$58	$40	$42	$61	$62
Courts	19	27	28	29	4	4	3	3
Police	327	327	187	194	128	128	192	192
Subtotal	**$376**	**$388**	**$246**	**$282**	**$172**	**$174**	**$256**	**$257**
City Operations & Facilities								
Cultural Institutions	$70	$75	$215	$217	$128	$126	$51	$126
Fire	85	86	97	103	107	115	106	115
Health & Hospitals	237	301	328	526	373	582	294	429
Parks	410	437	479	537	305	333	447	483
Public Buildings	101	101	140	140	197	197	234	234
Sanitation	296	289	287	286	266	267	243	243
Resiliency, Technology & Equipment	253	253	284	284	297	313	648	824
Other	682	751	663	730	403	430	326	349
Subtotal	**$2,135**	**$2,294**	**$2,492**	**$2,822**	**$2,075**	**$2,362**	**$2,349**	**$2,803**
Total Commitments	**$10,827**	**$11,963**	**$11,654**	**$12,605**	**$7,525**	**$8,064**	**$9,350**	**$10,047**
Total Expenditures	**$8,887**	**$9,640**	**$9,278**	**$10,848**	**$9,331**	**$9,774**	**$8,579**	**$9,431**

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

2023 AUTHORIZED CAPITAL COMMITMENTS, BY PROGRAM

($ in Millions - All Funds)



% of Plan	Program	2023 Plan
27%	Education	$5,938
12%	Housing	2,706
12%	Environmental Protection	2,502
11%	Bridges & Highways	2,284
8%	Administration of Justice	1,749
6%	Health & Hospitals	1,303
5%	Resiliency & Energy Efficiency	1,110
4%	Economic Development	960
4%	Parks	816
11%	Other City Services	2,432
	Total	**$21,800**

Source: NYC OMB

2023 Agency Highlights

Technology

- Information and Communication Systems: Broadband Initiative, including the expansion of wireless access for City residents ($40.9 million); Office of Technology and Innovation Foundational Infrastructure Modernization to replace end-of-life hardware and software, Citywide ($40.1 million); and Public Safety 911 Call Taking Network Refresh to upgrade storage and backup systems for the 911 platform ($17.7 million).

Environmental Protection and Sanitation

- Sewers: Southeast Queens Infrastructure build out ($183.3 million); continued replacement of chronically failing components ($134.3 million); resiliency measures at the Staten Island Eastern Shore ($99.0 million) and East River Park ($30.5 million); and emergency replacement of failing sewer segments ($82.9 million). The total Sewers program for 2023 is $628.8 million.

- Water Mains, Sources and Treatment: continued in-City water main construction and ancillary work ($208.4 million), including various state-of-good-repair projects, Citywide ($118.0 million) and water main rehabilitation in partnership with DOT street reconstruction and Vision Zero projects ($32.2 million); and continued improvements to infrastructure associated with water supply systems ($193.3 million), including projects related to the Filtration Avoidance Determination ($49.6 million). The total Water Mains, Sources, and Treatment program for 2023 is $401.7 million.

- Wastewater Treatment: essential projects at wastewater resource recovery facilities and related infrastructure to sustain uninterrupted wastewater treatment operation ($612.5 million); address water quality problems attributed to combined sewer overflow discharges into the City's surrounding waterways during wet weather conditions ($538.5 million); and to construct, install, and maintain various Green Infrastructure projects for stormwater capture, such as bioswales, tree pits, constructed wetlands, and green roofs ($157.3 million). The total Wastewater Treatment program for 2023 is $1.3 billion.

- Water Supply: engineering support contracts for various water supply projects ($16.1 million); and construction of a tunnel connecting the Kensico Reservoir and Catskill/Delaware Ultraviolet Light Disinfection Facility ($6.4 million). The total Water Supply program for 2023 is $23.6 million.

- Sanitation: purchase of vehicles and other equipment ($154.9 million); component rehabilitation and construction of garages, Citywide ($152.0 million); construction and renovation of solid waste management facilities ($24.2 million); and information technology and telecommunications projects ($20.4 million).

Transportation

- Bridges: rehabilitation of bridges, including Boston Road over the Hutchinson River Parkway ($71.7 million) and the Pelham Parkway Bridge over the Hutchinson River ($51.6 million); and bridge protective coating projects, including Northern Boulevard Bridges over the Flushing River ($18.1 million). The total Bridge Program for 2023 is $773.2 million.

- Highways: street reconstruction ($484.0 million), including the reconstruction of South Brooklyn Crosstown Select Bus Service route ($79.4 million) and Trinity Place ($46.3 million); reconstruction of sidewalks and pedestrian ramps ($379.3 million); and primary and arterial street resurfacing of approximately 1,100 lane miles ($262.7 million). The total Highways Program for 2023 is $1.2 billion.

- Traffic: signal installation and maintenance ($154.7 million), including Accessible Pedestrian Signals ($47.8 million); upgrade and replacement of lampposts, luminaires, and associated infrastructure ($13.0 million); and parking meters and facilities ($12.9 million). The total Traffic Program for 2023 is $200.4 million.

- Ferries: Ferry terminal building improvements ($107.1 million). The total Ferries program for 2023 is $117.0 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 2023 is $130.0 million.

Education, Health and Social Services

- Education: construct new school buildings ($1.7 billion); expand Universal 3-K/Pre-K, and Early Learn, build-out of new leased spaces, building additions, gymnasiums, athletic fields, and playgrounds ($1.3 billion); rehabilitate, replace, and upgrade building components ($1.1 billion); cover emergency projects, research and development, and prior plan completion costs ($902.2 million); capital improvements that enhance educational programs ($732.3 million); and address the need for security systems, emergency lighting, and code compliance ($129.8 million). The total Education program for 2023 is $5.9 billion.

- Higher Education: miscellaneous reconstruction and new construction ($96.1 million); and data processing and other equipment ($17.0 million). The total Higher Education program for 2023 is $113.4 million.

- Health: new Public Health Laboratory ($285.0 million); animal care centers and other animal welfare investments ($109.0 million); and technology and laboratory equipment upgrades for the Office of the Chief Medical Examiner ($8.3 million).

- NYC Health + Hospitals (H+H): Correctional Health Services outposted therapeutic units ($195.7 million); EMS ambulance purchases ($75.9 million); system-wide equipment purchases ($26.9 million); cybersecurity ($20.5 million); and ambulatory care upgrades ($7.8 million).

- Aging: rehabilitation of senior centers, with a focus on structural and accessibility issues ($2.3 million); and computer and network upgrades and equipment purchases ($2.1 million).

- Administration for Children's Services: design for new construction at the Department's two secure detention facilities ($48.7 million); telecommunications and data infrastructure upgrades and improvements ($43.1 million); and renovation of the Children's Center ($12.9 million).

- Homeless Services: renovation and upgrade of adult shelters ($47.0 million); renovation and upgrade of family shelters ($15.1 million); and computer network upgrades and equipment purchases ($10.9 million).

- Human Resources: data infrastructure upgrades and improvements ($113.5 million); construction and initial outfitting for citywide facilities ($42.8 million); telecommunications ($27.2 million); and automotive equipment ($1.0 million).

Housing and Development

- Housing: provision of low-interest loans to finance the preservation or creation of approximately 25,000 units in privately-owned buildings through new construction ($598.0 million), preservation ($374.0 million), special needs housing ($364.0 million), and disposition programs ($62.0 million); provision of low-interest loans to support NYCHA's Rental Assistance Demonstration (RAD) transactions, through which NYCHA will also leverage other private and public financing sources to address its significant outstanding capital needs ($668.0 million); and funding for technology, infrastructure, demolition and other ancillary investments ($34.0 million).

- Housing Authority: funding to help NYCHA meet its obligations under the 2019 Executed Agreement ($390.0 million); general construction across NYCHA's portfolio, Citywide ($130.0 million); and replace and reconstruct roofs at NYCHA buildings, Citywide ($88.0 million).

- Economic Development: rehabilitation of existing structures, public access improvements, and infrastructure upgrades at the Brooklyn Navy Yard ($192.0 million); site work at Bush Terminal, including the development of the Made in New York campus ($65.0 million); site improvements at the Hunts Point Market, including energy resiliency projects ($57.0 million); development of the Manhattan Greenway, a contiguous 32.5-mile route around Manhattan to transform the waterfront into a green attraction for recreational and commuting use ($55.0 million); on-site remediation and infrastructure work at Willets Point West to catalyze development ($51.0 million); rehabilitation of existing structures, public access improvements, and infrastructure upgrades at Governors Island ($41.0 million); and site development to support Offshore Wind industry (OSW) development and manufacturing, centered at the South Brooklyn Marine Terminal ($20.0 million).

Administration of Justice and Public Safety

- Correction: new jail facilities ($1.3 billion); improvements to building systems, infrastructure, and support space ($40.6 million); and lifecycle replacement of equipment ($31.8 million).

- Courts: infrastructure and operational improvements of court facilities ($42.7 million); exterior renovations ($32.1 million); fire/life safety work ($29.3 million); HVAC improvements ($3.2 million); elevators ($1.5 million); and electrical upgrades ($0.2 million).

- Police: construction, rehabilitation, and relocation of facilities, Citywide ($209.9 million); replacement and upgrade of portable radios, radio equipment, infrastructure, and systems ($29.4 million); replacement and upgrade of critical network infrastructure equipment and data management systems ($19.9 million); replacement and upgrade of general equipment, Citywide ($11.6 million); and lifecycle replacement of vehicles ($4.6 million).

- Fire: construction and rehabilitation of FDNY facilities ($136.0 million); mandated replacement of support vehicles and necessary fire-fighting tools and equipment ($131.0 million); replacement of conduit and wiring in the inundation zones for the Department's outside cable plant that was damaged during Hurricane Sandy ($58.0 million); replacement of end of life technology and communications equipment ($40.0 million); purchase of mobile radios for first responders ($18.0 million); and technology upgrades to expand the Data Center at the Public Safety Answering Center (PSAC2) ($13.0 million).

Recreation and Culturals

- Parks: reconstruction of the Orchard Beach Pavilion in the Bronx ($68.9 million); planting of new street trees and park trees, restoration of natural areas, and reconstruction of sidewalks damaged by trees, Citywide ($68.2 million); rehabilitation of the Porpoise Bridge and associated tide gates in Queens ($50.4 million); phase 4 reconstruction of the East River Esplanade in Manhattan ($29.5 million); improvements to Central Park including the reconstruction of Lasker Pool and security upgrades ($27.6 million); reconstruction of the Shirley Chisholm recreation center in Brooklyn ($15.1 million); and improvements to Clove Lakes Park and Corporal Thompson Park in Staten Island ($10.0 million).

- Public Libraries: New York Public Library improvements, including construction of a new Westchester Square branch ($28.5 million) and the comprehensive renovation of the Melrose branch ($4.5 million) in the Bronx, renovation of the Hamilton Fish branch ($11.0 million) and comprehensive renovation of the 125th Street branch ($5.5 million) in Manhattan, and the comprehensive renovation of the Port Richmond branch ($3.7 million) in Staten Island; Brooklyn Public Library improvements, including interior and exterior rehabilitation of the Red Hook Library ($14.4 million) and various improvements at the Mapleton Library ($5.3 million); and Queens Public Library improvements including expansion and resiliency of the Arverne Library ($14.6 million) and various improvements at the Flushing Library ($4.4 million).

- Cultural Affairs: interior build out of theaters and studios at the Downtown Brooklyn Cultural District (DBCD) Cultural Condo ($12.9 million); construction of a new education center at the Queens Botanical Garden ($7.1 million); rehabilitation and exhibition build-out at the Lower East Side Tenement Museum ($4.6 million); restoration of Clove Road at the Staten Island Zoo ($3.7 million); and switchgear and electrical service upgrades for the Bronx Zoo ($1.3 million).

Department of Citywide Administrative Services

- Public Buildings: rehabilitation of City-owned space ($93.7 million), including projects at 345 Adams Street, Brooklyn ($22.8 million) and 253 Broadway, Manhattan ($10.5 million); legal mandates ($77.9 million), including fire/life safety upgrades to ensure Local Law 5 compliance ($47.4 million) and fuel tank replacement and remediation ($12.0 million); renovation of other City-owned facilities ($48.1 million); miscellaneous construction in other facilities ($43.5 million); renovation of leased space ($36.2 million); equipment and interagency services ($34.7 million); acquisition of real property ($23.0 million); and communications equipment ($1.2 million).

- Energy Efficiency and Sustainability: energy efficiency measures and building retrofits ($323.5 million), including boiler and lighting upgrades at school facilities ($135.0 million), the Accelerated Conservation and Efficiency (ACE) Program ($62.5 million), and Solar panels at citywide facilities ($8.5 million).

- Citywide Agency Facility and Operational Protective Measures: citywide agency resiliency and agency facility and operational protective measures ($698.1 million), including the East Side Coastal Resiliency measures ($140.9 million), structural rehabilitation of Harlem River Park waterfront infrastructure ($132.3 million), and Brooklyn Bridge - Montgomery Coastal Resilience ($107.8 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 2023-2026 Borough Presidents' Allocations*
(City Funded Appropriations $ in Thousands)

	2023	2024	2025	2026
Bronx Program				
Cultural Affairs	$630	—	—	—
Education	13,627	—	—	—
Fire	175	—	—	—
Health	194	—	—	—
Higher Education	500	—	—	—
Housing	2,150	—	—	—
Human Resources	199	—	—	—
Public Buildings	1,125	—	—	—
GRAND TOTAL: BRONX	$18,600	$0	$0	$0
Brooklyn Program				
Hospitals	$34,725	—	—	—
GRAND TOTAL: BROOKLYN	$34,725	$0	$0	$0
Manhattan Program				
Cultural Affairs	$4,952	—	—	—
Education	5,407	—	—	—
Fire	175	—	—	—
Higher Education	510	—	—	—
Highways	150	—	—	—
Hospitals	803	—	—	—
Housing	1,800	—	—	—
Housing Authority	278	—	—	—
Human Resources	172	—	—	—
New York Public Library	350	—	—	—
Parks	880	—	—	—
Public Buildings	865	—	—	—
GRAND TOTAL: MANHATTAN	$16,342	$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 2023-2026 Borough Presidents' Allocations*
(City Funded Appropriations $ in Thousands)

	2023	2024	2025	2026
Queens Program				
Cultural Affairs	$5,071	—	—	—
Economic Development	2,834	—	—	—
Education	5,601	—	—	—
Health	3,699	—	—	—
Higher Education	4,000	—	—	—
Highways	1,000	—	—	—
Hospitals	1,500	—	—	—
Human Resources	255	—	—	—
Parks	8,350	22,550	—	—
Public Buildings	100	—	—	—
Queens Public Library	3,250	—	—	—
GRAND TOTAL: QUEENS	$35,660	$22,550	$0	$0
Staten Island Program				
Education	$8,491	—	—	—
Hospitals	267	—	—	—
New York Public Library	166	—	—	—
Parks	650	—	—	—
GRAND TOTAL: STATEN ISLAND	$9,574	$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, 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 2023
($ in Millions)

	Personal Service Costs				Other Than Personal Service Costs						
Agency	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Debt Service	OTPS Subtotal	Gross Total All Funds (Includes Intra-City)	Net Total All Funds (Excludes Intra-City)	City Funds Total
Uniformed Forces											
Police	$4,994	$2,701	$2,790	$10,485	$519	$—	$214	$733	$11,218	$10,935	$10,857
Fire	2,000	964	1,611	4,575	262	—	243	505	5,080	5,079	4,604
Correction	1,091	838	496	2,425	187	—	127	314	2,739	2,739	2,715
Sanitation	1,016	545	287	1,848	775	—	296	1,071	2,919	2,909	2,879
Subtotal	**$9,101**	**$5,048**	**$5,184**	**$19,333**	**$1,743**	**$—**	**$880**	**$2,623**	**$21,956**	**$21,662**	**$21,055**
Health And Welfare											
Admin. For Children's Services	$516	$220	$89	$825	$2,221	$—	$—	$2,221	$3,046	$3,040	$1,138
Social Services	886	428	155	1,469	1,953	8,035	85	10,073	11,542	11,532	9,090
Homeless Services	160	67	27	254	2,197	—	—	2,197	2,451	2,444	1,673
Health and Mental Hygiene	589	214	98	901	1,581	—	72	1,653	2,554	2,544	1,453
Health + Hospitals	—	47	—	47	1,077	—	444	1,521	1,568	1,480	1,419
Subtotal	**$2,151**	**$976**	**$369**	**$3,496**	**$9,029**	**$8,035**	**$601**	**$17,665**	**$21,161**	**$21,040**	**$14,773**
Education											
Education	$14,034	$4,641	$3,214	$21,889	$12,497	$963	$2,293	$15,753	$37,642	$37,632	$20,165
City University	705	239	88	1,032	466	—	65	531	1,563	1,517	1,147
Subtotal	**$14,739**	**$4,880**	**$3,302**	**$22,921**	**$12,963**	**$963**	**$2,358**	**$16,284**	**$39,205**	**$39,149**	**$21,312**
Other Agencies	3,463	1,387	584	5,434	7,704	—	3,559	11,263	16,697	15,419	12,881
Elected Officials	756	238	114	1,108	202	—	—	202	1,310	1,301	1,222
Miscellaneous	1,066	123	112	1,301	—	4,849 (1)	287	5,136	6,437	6,223	5,721
Debt Service (Unallocated)	—	—	—	—	—	—	131	131	131	131	84
Total—All Funds (2)	**$31,276**	**$12,652**	**$9,665**	**$53,593**	**$31,641**	**$13,847**	**$7,816**	**$53,304**	**$106,897**	**$104,925**	
Total—City Funds (2)	**$20,670**	**$10,409**	**$9,520**	**$40,599**	**$17,287**	**$11,528**	**$7,634**	**$36,449**			**$77,048**
Less: Prepayments	$—	$500	$—	$500	$—	$—	$4,772	$4,772	$5,272	$5,272	$5,272
Total After Prepayments	$31,276	$12,152	$9,665	$53,093	$31,641	$13,847	$3,044	$48,532	$101,625	$99,653	$71,776

(1) Includes Labor Reserve, General 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 over 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 2023 operating budget is $31.0 billion, a decrease of $1.0 billion from the 2022 forecast of $32.0 billion. In addition, education-related pension, debt service, and other fringe costs of $6.7 billion are budgeted in separate agencies. These additional costs include an increase of $631 million. City funds including pensions, debt service and other fringe support $20.2 billion of the Department of Education's expense budget in 2023, an increase of $1.2 billion, or 6.5 percent. State funds support $13.5 billion, an increase of $420 million. The balance of the education budget is supported by $3.9 billion in Federal aid, a decrease of $2.0 billion from the 2022 forecast, $10 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 2022 forecast to $37.6 billion in the 2023 Executive Budget.

Total Department of Education Expenses 2016-2023 ($ in Millions)

	2016	2017	2018	2019	2020	2021	Forecast 2022	Executive Budget 2023	Change 2022 to 2023	Change 2016 to 2023
Department Of Education Operating Budget										
City	$10,607	$11,117	$12,190	$13,592	$14,065	$14,709	$13,720	$14,441	$721	$3,834
Other Categorical	$287	$310	$327	$320	$294	$278	$170	$163	($6)	($123)
State	$9,735	$10,260	$10,710	$11,217	$11,514	$10,667	$12,191	$12,488	$297	$2,753
Federal	$1,744	$1,775	$1,856	$1,888	$2,141	$2,828	$5,826	$3,851	($1,976)	$2,106
Intra-City	$48	$45	$61	$51	$51	$63	$74	$10	($64)	($38)
Total Operating Expenditures	**$22,422**	**$23,508**	**$25,144**	**$27,067**	**$28,067**	**$28,545**	**$31,981**	**$30,953**	**($1,028)**	**$8,531**
Other City Funds Supporting Education										
Pensions	$3,700	$3,919	$3,927	$3,693	$3,575	$3,070	$3,273	$3,214	($59)	($486)
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	$159	$163	$160	$172	$196	$206	$220	$14	$61
G.O. Bond Debt Service	$1,029	$1,055	$1,065	$1,117	$1,112	$1,043	$1,000	$1,309	$309	$280
State Aid for Debt Service	($3)	($3)	($3)	($3)	($3)	($3)	($3)	($3)	$0	$0
TFA Debt Service	$1,082	$1,148	$1,276	$1,532	$1,620	$1,666	$1,579	$1,947	$368	$865
State Aid for TFA Debt Service	($606)	($576)	($687)	($744)	($797)	($801)	($840)	($963)	($122)	($357)
Total Additional City Funds	**$5,361**	**$5,702**	**$5,741**	**$5,755**	**$5,679**	**$5,171**	**$5,216**	**$5,724**	**$509**	**$363**
TOTAL CITY FUNDS FOR EDUCATION	**$15,969**	**$16,819**	**$17,931**	**$19,347**	**$19,744**	**$19,881**	**$18,936**	**$20,165**	**$1,229**	**$4,197**
TOTAL STATE FUNDS FOR EDUCATION	**$10,343**	**$10,839**	**$11,400**	**$11,964**	**$12,314**	**$11,470**	**$13,033**	**$13,453**	**$420**	**$3,109**

The amounts shown for 2016 through 2021 represent actual expenditures including pensions and debt service funds budgeted in other agencies. Numbers may not add due to rounding.

Expense Budget Highlights

The 2023 Executive Budget reflects a reallocation of a portion of the federal coronavirus aid provided through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and the American Rescue Plan (ARP) to reflect the priorities of the Adams Administration. Chancellor David C. Banks has outlined his vision for transforming and building trust in NYC Public Schools, organized into four pillars: reimagining the student experience; scaling, sustaining, and restoring what works; prioritizing wellness and its link to student success; and engaging families to be true partners of NYC Public Schools.

Reimagining the Student Experience

- Pathways Expansion: To improve economic mobility and security for all NYC Public School students, the Department will create 25 additional career pathway programs in high growth sectors such as healthcare and information technology in 2023, increase the number of high school students receiving early college credit, and launch career exploration programs in middle schools.

- Literacy and Dyslexia: To better support students with print-based disabilities, the Department will expand access to supports throughout the system and launch two dyslexia schools in Districts 5 and 7.

- Digital Learning: To further support students for whom in-person school poses challenges and to increase access to in-demand coursework, the Department will enhance digital experiences across the system.

Scaling, Sustaining, and Restoring What Works

- Summer Rising: Building upon the success of Summer Rising last year, NYC Public Schools will, in partnership with the Department of Youth and Community Services, support 210,000 K-12 students this summer.

- Bilingual Education Expansion: Bilingual education is the favored program model for supporting the long-term success of English Language Learners. NYC Public Schools will launch 50 new bilingual education programs in 2023.

- Gifted and Talented: NYC Public Schools will expand the Gifted and Talented program serving elementary school students by adding 100 new kindergarten and 1,000 new third-grade seats.

Prioritizing Wellness and its Link to Student Success

- Safe, Supportive Schools: NYC Public Schools will contract 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.

- Contract Nursing: All NYC Public Schools will continue to have nurse coverage in 2023.

Engaging Families to be True Partners of NYC Public Schools

- Parent and Family Engagement: NYC Public Schools will enhance its Family and Community Engagement office by hiring community coordinators from underrepresented communities to elevate the voices of those communities.

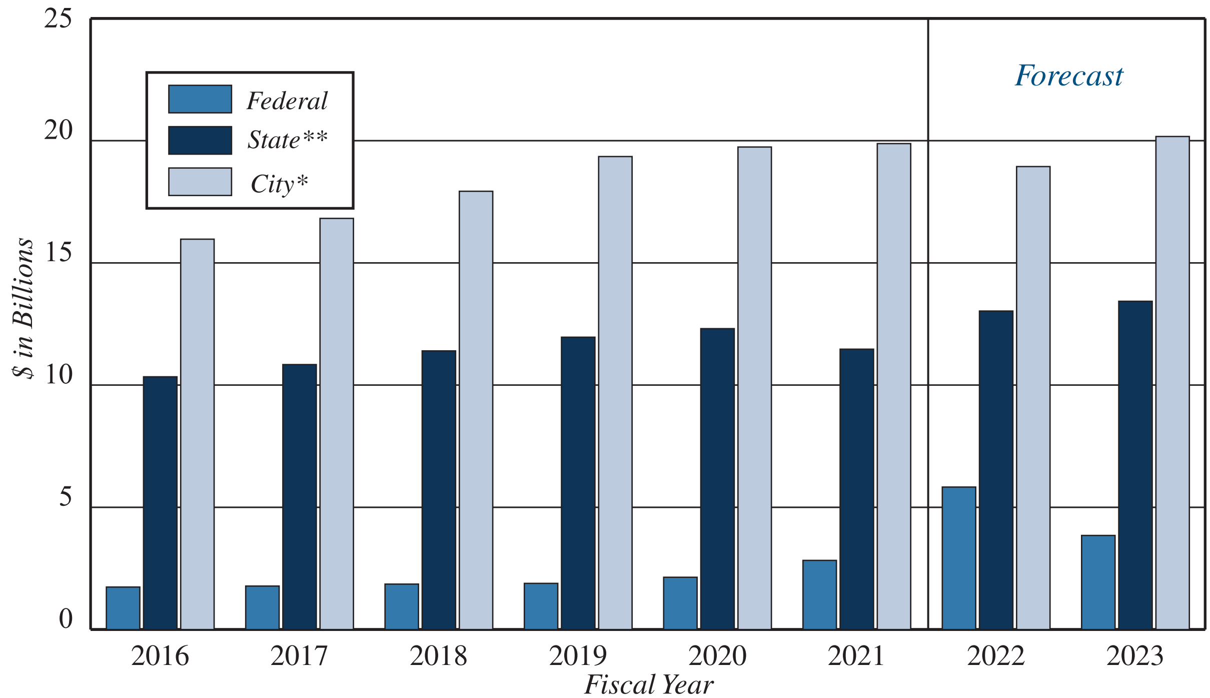
- Translation and Interpretation: Approximately 40 percent of NYC Public Schools families speak a language other than English at home. The Department will invest in improving response time for families requesting translation and interpretation services.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

($ in 000's)					Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$12,983,450	$13,950,560	$14,091,321	$14,034,179	$83,619	($57,142)
Fringe Benefits	4,060,668	4,322,786	4,421,300	4,421,283	98,497	(17)
OTPS	11,500,963	13,707,716	12,226,604	12,497,481	(1,210,235)	270,877
Total	**$28,545,081**	**$31,981,062**	**$30,739,225**	**$30,952,943**	**($1,028,119)**	**$213,718**
Funding						
City	$14,709,275	$13,720,173	$14,395,907	$14,440,940	$720,767	$45,033
Other Categorical Grants	277,808	169,509	163,397	163,397	(6,112)	—
IFA	—	—	—	—	—	—
State	10,667,114	12,190,527	12,258,001	12,487,681	297,154	229,680
Federal CD	115,286	95,591	10,508	10,408	(85,183)	(100)
Federal Other	2,712,825	5,730,896	3,901,433	3,840,538	(1,890,358)	(60,895)
Intra-City Other	62,773	74,366	9,979	9,979	(64,387)	—
Total	**$28,545,081**	**$31,981,062**	**$30,739,225**	**$30,952,943**	**($1,028,119)**	**$213,718**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$195,523	$206,346	$219,783	$219,912	$13,566	$129
Pensions	3,069,916	3,272,981	3,213,885	3,213,885	(59,096)	$—
Other Than Personal Service (OTPS)						
Debt Service (incl. BARBs)	2,709,223	2,579,002	3,031,180	3,255,500	676,498	224,320
Total Additional Costs	**$5,974,662**	**$6,058,329**	**$6,464,848**	**$6,689,297**	**$630,968**	**$224,449**
Funding						
City	5,171,378	5,215,544	5,518,596	5,724,155	508,611	$205,559
Non-City	803,284	842,785	946,252	965,142	122,357	$18,890
Full Agency Costs (including Central Accounts)						
Salary and Wages	$12,983,450	$13,950,560	$14,091,321	$14,034,179	$83,619	($57,142)
Fringe Benefits	4,256,191	4,529,132	4,641,083	4,641,195	112,063	112
Pensions	3,069,916	3,272,981	3,213,885	3,213,885	(59,096)	—
Total PS	**$20,309,557**	**$21,752,673**	**$21,946,289**	**$21,889,259**	**$136,586**	**($57,030)**
OTPS	$11,500,963	$13,707,716	$12,226,604	$12,497,481	($1,210,235)	$270,877
Debt Service (incl. BARBs)	2,709,223	2,579,002	3,031,180	3,255,500	676,498	224,320
Total OTPS	**$14,210,186**	**$16,286,718**	**$15,257,784**	**$15,752,981**	**($533,737)**	**$495,197**
Total Agency Costs	**$34,519,743**	**$38,039,391**	**$37,204,073**	**$37,642,240**	**($397,151)**	**$438,167**
Less Intra-City	$62,773	$74,366	$9,979	$9,979	($64,387)	$0
Net Agency Cost	$34,456,970	$37,965,025	$37,194,094	$37,632,261	($332,764)	$438,167
Funding						
City	19,880,653	18,935,717	19,914,503	20,165,095	1,229,378	250,592
Non-City	14,576,317	19,029,308	17,279,591	17,467,166	(1,562,142)	187,575
Personnel (includes FTEs at fiscal year-end)						
City	113,079	117,359	113,840	113,841	(3,518)	1
Non-City	31,244	37,580	40,238	40,237	2,657	(1)
Total	**144,323**	**154,939**	**154,078**	**154,078**	**(861)**	**—**

FUNDING SOURCES 2016 - 2023



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

*** State funds include debt service and pensions.*

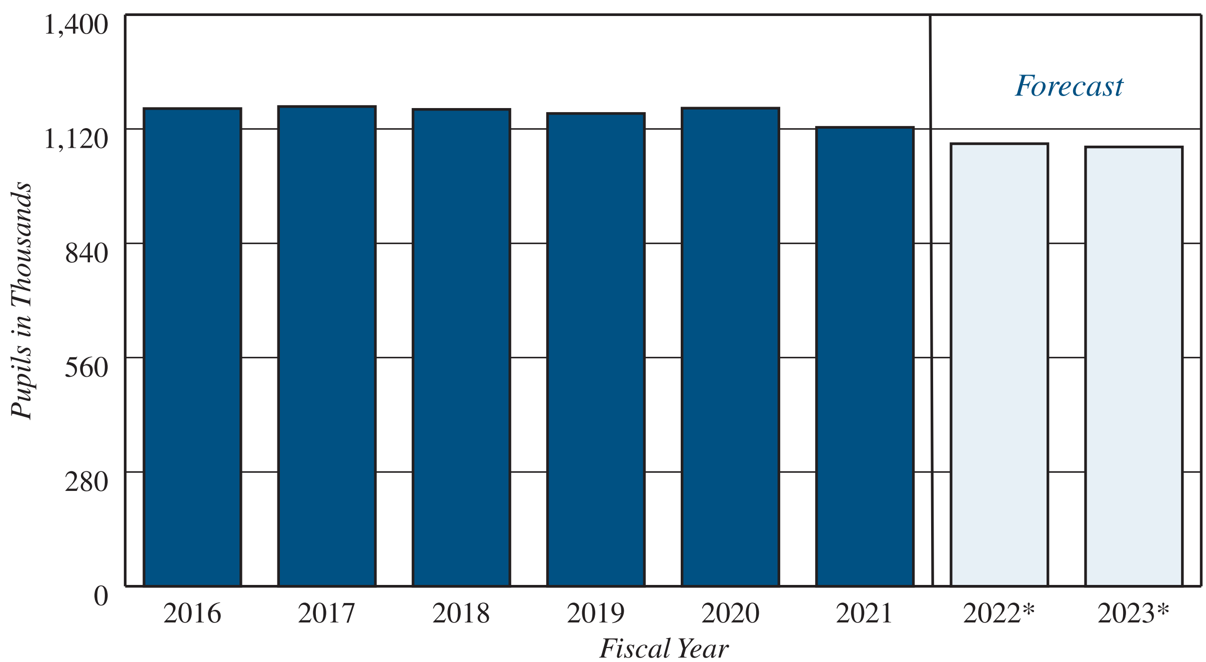
Source: NYC OMB

New York City Public School Enrollment
School Year 2019-2023

	2019 Actual	2020 Actual	2021 Actual	2022 Projections	2023 Projections
DOE Facilities Enrollment					
General Education*...............................	770,295	750,374	712,495	662,835	636,415
Special Education**	155,440	157,733	154,783	155,124	154,224
Full Day Pre-K***................................	30,246	31,435	26,553	27,032	27,821
Full Day 3-K****	2,429	5,997	4,432	8,862	9,294
Subtotal	958,410	945,539	898,263	853,853	827,754
Non-DOE Facilities Enrollment					
Charter Schools	115,908	125,798	135,316	135,546	144,326
Contract Schools	6,622	6,363	5,793	5,344	5,344
Full Day Pre-K at NYCEECs***	37,640	35,429	30,992	28,366	31,532
Half Day Pre-K at NYCEECs***.........	2,170	2,024	1,796	1,096	1,154
Full Day 3-K at NYCEECs****...........	931	12,440	10,880	25,297	31,189
EarlyLearn*****..................................	0	6,882	3,877	4,118	4,342
Special Ed Pre-K..................................	36,438	36,374	36,626	30,630	30,630
Subtotal	199,709	225,310	225,280	230,397	248,517
TOTAL	**1,158,119**	**1,170,849**	**1,123,543**	**1,084,250**	**1,076,271**

Note: All numbers exclude Long Term Absences (LTAs).
* 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 and attend programs in 3-K for All districts.
***** The EarlyLearn program transferred to DOE in FY 2020. 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 2016 - 2023



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 2023 Executive Budget*

Source: NYC OMB

The Student Population

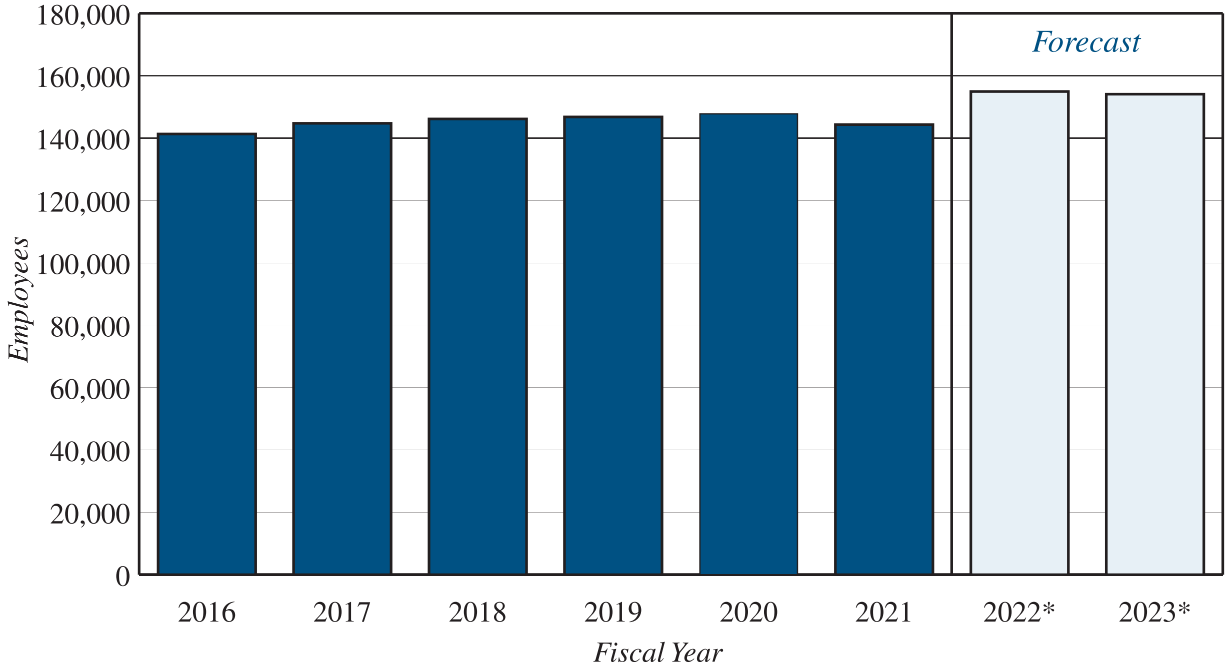
Total enrollment supported by the Department's budget, including Pre-Kindergarten, charter school and special education contract school students, is projected to decrease by 7,979 from 1,084,250 in 2022 to 1,076,271 in 2023. Of this total, the City projects that general education public school enrollment for kindergarten through grade 12 will be 756,667. Of these students, 636,415 are expected to attend schools operated by the Department of Education and 120,252 are expected to attend charter schools.

In 2023, the City projects that 183,642 school-age students will be enrolled in special education programs (a 20 percent share of total K-12 enrollment). This projected enrollment level is 1,391 students lower than the 2022 special education population of 185,033. Of these students, 84 percent are expected to attend Department of Education facilities, 13 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 100,990 three- and four-year-olds will be served in Pre-K for All and 3-K for All programs. Of these, 37 percent will attend DOE facilities and 63 percent will attend New York City Early Education Centers (NYCEECs).

Staffing Levels

FULL TIME AND FULL TIME EQUIVALENT DEPARTMENT OF EDUCATION EMPLOYEES 2016 - 2023

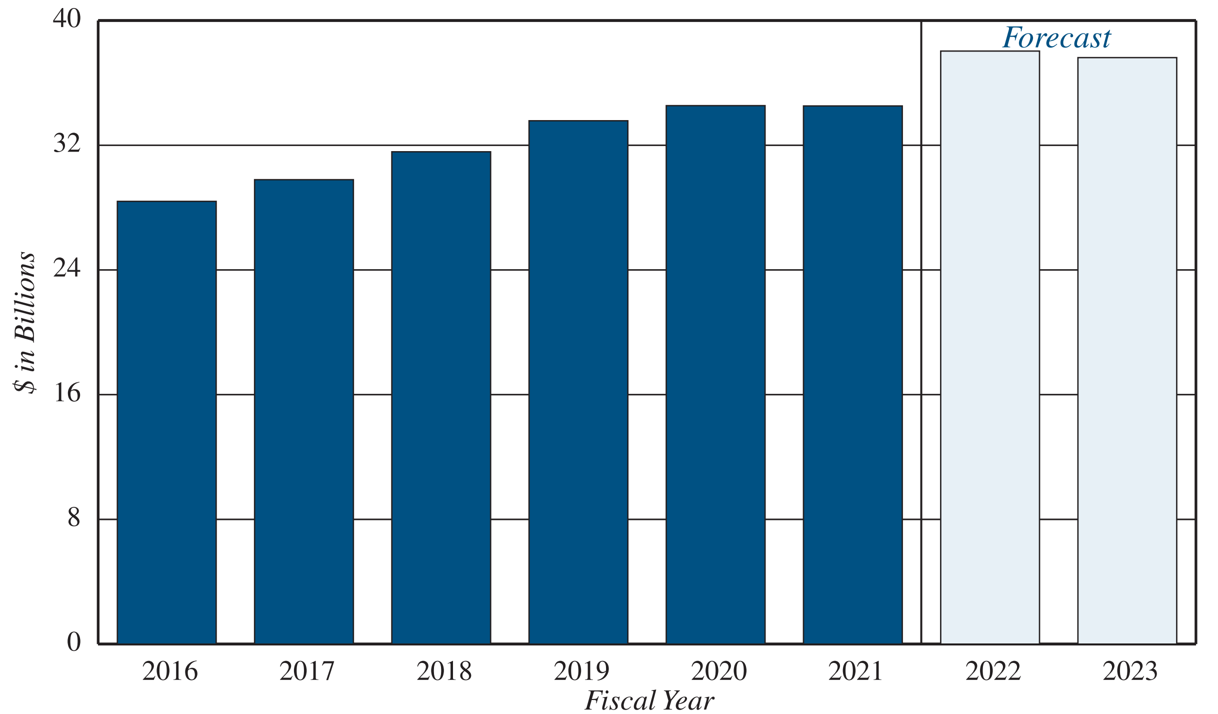


* Projected as of 2023 Executive Budget

Source: NYC OMB

In 2023, the City's financial plan supports a staffing level of 154,078. Of this count, 140,357 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 126,892 of the full-time employees and 857 of the FTEs. Civilian employees represent 13,465 of the full-time employees and 12,864 of the FTEs.

TOTAL DEPARTMENT OF EDUCATION EXPENDITURES 2016 - 2023*



** 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 2023-2026 anticipates spending $13.2 billion on school improvement and enhancement projects and includes the last two years of Department of Education's 2020-2024 Five-Year Capital Plan. The School Construction Authority (SCA) is responsible for acquiring new school sites and for design and construction of public-school buildings citywide.

The table below shows capital commitments by program area over the 2023-2026 period.

Capital Commitments
($ in 000's)

	2023 Plan		2024 Plan		2025 Plan		2026 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
System Expansion: New Schools	$1,733,737	$1,733,737	$2,860,052	$2,860,052	$0	$0	$0	$0
System Expansion: Other	1,348,737	1,348,737	293,070	293,070	0	0	0	0
Rehabilitation of School Components	1,091,333	1,091,333	398,653	398,653	526,045	526,045	508,045	508,045
Educational Enhancements	732,300	732,300	446,293	446,293	249,029	249,029	249,028	249,028
Emergency, Unspecified and Miscellaneous	852,156	852,156	601,065	661,065	428,968	428,968	428,969	428,969
Safety and Security	129,840	129,840	119,147	119,147	35,458	35,458	35,458	35,458
Smart Schools Bond Act	0	50,000	0	0	0	0	0	0
Total	$5,888,103	$5,938,103	$4,718,280	$4,778,280	$1,239,500	$1,239,500	$1,221,500	$1,221,5000

The Department of Education's 2020-2024 Five-Year Capital Plan as of February 2022 totals $20.6 billion and will provide:

- Capacity - $9.8 billion. This includes 42,859 new seats Citywide, as well as 3,024 new District 75 seats in an estimated 83 buildings. The capacity category also includes funding to expand early education initiatives such as 3-K & Pre-K for All and Early Learn, class size reduction projects, facility replacement program, and capacity to replace Transportable Classroom Units (TCUs).

- Capital Improvement Program - $3.3 billion. This allows for exterior and interior building upgrades and other necessary capital repairs to school buildings. This category also includes $50 million to continue the removal of TCUs.

- School Enhancement Projects - $2.8 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 million for accessibility, $193.6 million for electrical upgrades to support air conditioning in all classrooms, and $200.3 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 Department of Education's 2020-2024 Five-Year Capital Plan will include the following changes as of the Executive Budget:

- Heritage and Park East High Schools - $153 million. This funding will allow SCA to build-out a replacement school at a leased facility in East Harlem to accommodate both Heritage and Park East High Schools. The funding will cover the fit-out costs and will provide 900 seats.

- Value Engineering Study - $250 thousand. Funding needed to conduct a value engineering study on boiler conversions. The funding will cover the cost of the base study which will leverage not only boiler experts, but also experts across disciplines such as mechanical engineering, electrical power engineering, renewable energy, and cost estimation.

ADMINISTRATION OF JUSTICE

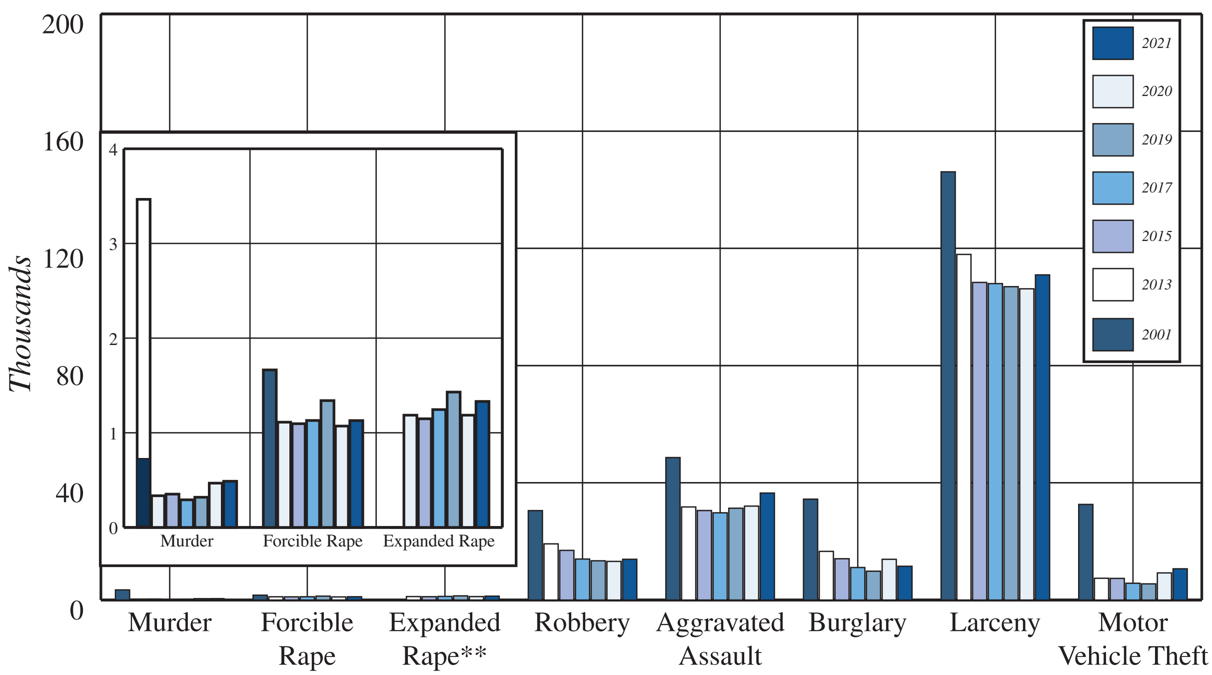
Overview

In calendar year 2021, the New York City Police Department (NYPD) continued to face significant challenges due to the emergence of the COVID-19 Omicron variant and ongoing protests, amid a surge in crime and shootings citywide. Under the leadership of former Police Commissioner Dermot Shea, the Department redirected resources to support the City during these rolling crises, while re-imaging police reforms to redefine public safety and build mutual trust with the community.

The NYPD's index crime data for calendar year 2021 shows that overall major felony crime increased 7.5 percent compared to calendar year 2020. Murder increased by 4.3 percent (488 vs. 468), rape by 4.5 percent (1,491 vs. 1,427), robbery by 5.5 percent (13,831 vs. 13,108), assault by 11.0 percent (22,835 vs. 20,569), grand larceny by 15.1 percent (40,870 vs. 35,502) and grand larceny auto by 15.2 percent (10,415 vs. 9,037). There was a decrease of 17.2 percent seen in burglaries (12,811 vs. 15,478).

NEW YORK CITY FBI INDEX CRIMES

Calendar Years 2001 - 2021*



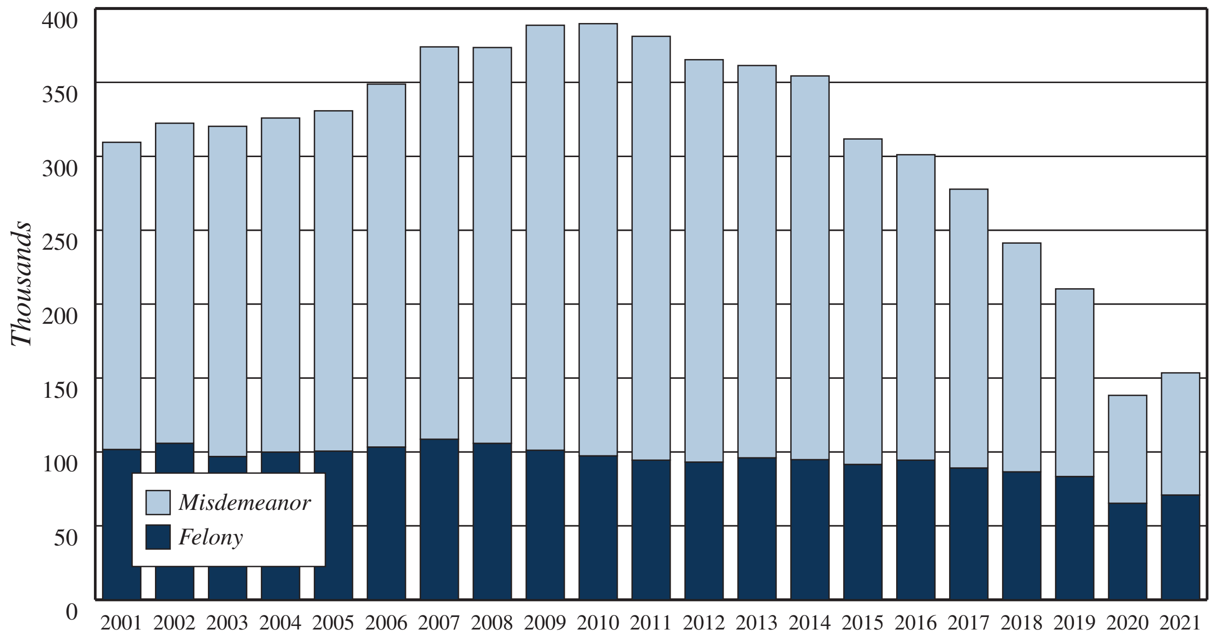
* *In 2001, for Murder and Aggravated Assault, the unshaded portion represents World Trade Center victims.*
*** Expanded Rape category added in 2013.*

Source: NYPD

Arrests totaled 153,882 in calendar year 2021, increasing by 15,043 from calendar year 2020. In calendar year 2021, the distribution of arrests was 46.1 percent felonies, 53.7 percent misdemeanors, and 0.3 percent violations.

NEW YORK CITY FELONY & MISDEMEANOR ARRESTS

Calendar Years 2001 - 2021



Source: NYPD

POLICE DEPARTMENT

In calendar year 2021, the Department's steadfast approach to Neighborhood Policing and the Reform and Reinvention Collaborative affirmed the NYPD's commitment to reducing crime, promoting trust and respect, and solving problems collaboratively, both within the Department and with neighborhood residents. With valuable input from the community, the NYPD redoubled its focus on community concerns by enhancing training to include awareness of implicit biases; tactics to bring people safely into custody and de-escalate enforcement encounters; and guidance to appropriately handle mental health calls. In the continued effort to increase transparency, the NYPD maintained public dashboards on hate crimes and staffing demographics and overhauled the Department's police misconduct disciplinary matrix to create a clear, decisive, and fair disciplinary process.

In the first quarter of 2022, the Department has taken further steps to set the standard for innovation and reform under the new leadership of Police Commissioner Keechant Sewell. With almost three decades of law enforcement experience, Commissioner Sewell commits to a full partnership with the community, fostering both a city and Department that yearns to feel connected, seen, heard, and, most notably, safe. Commissioner Sewell has renewed the Department's focus, and acknowledged the public's outcry, to reduce violence in neighborhoods that have seen a disproportionate number of shootings. In full support of the Mayor's "Blueprint to End Gun Violence," the Department has begun implementing immediate gun violence interventions and long-term prevention strategies involving collaboration with law enforcement agencies, while advocating for legislative amendments and community-based solutions. These neighborhood and precision policing efforts, coupled with enhanced training and oversight, will ensure fair and equitable policing for all.

DEPARTMENT OF CORRECTION

The Department of Correction dedicates itself to operating a system that is safe and humane for everyone who lives and works in its facilities and building safer communities across every borough. DOC staff collaborate across multiple divisions and facilities to create a safe and supportive environment for all persons in custody and to provide incarcerated individuals with a path to successfully reenter their communities. The Department remains committed to acting with integrity and professionalism at all times and continues to lead the way for its peers in humane and transparent correctional practices. To that end, the Department has been on the vanguard of reform in a number of areas, including solitary confinement and restrictive housing and housing incarcerated persons according to their gender identity. The Department is embarking on an historic reimagining of jail facilities by working collaboratively with sister agencies to design and build state of the art borough-based facilities by 2027. By closing Rikers Island and building borough-based jails, the Department will be able to provide people in custody with a better ability to remain connected to their communities and help them have less contact with the justice system in the future.

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.

- 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. During the COVID-19 pandemic, MAP teams ensured local NYCHA residents had access to basic resources like food and personal protective equipment. In 2023, MAP will expand to two additional NYCHA developments, Gowanus Houses and Wyckoff Gardens, as part of the Gowanus Rezoning.

- OPGV: Since 2010, the Crisis Management System (CMS) program continues to expand, up to 31 sites by mid-April 2022. 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 didn't 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, the re-entry hotels have provided a vital bridge of continuity. 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.

- 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 February 2022, OSE shut down an illegal hotel operator and helped obtain a settlement that afforded Mayor Adams the ability to create 80 new affordable housing units on the Upper West Side. In 2023, OSE is poised to implement the City's first regulatory framework for short-term rentals.

- Borough-Based Jail Facilities: The design and construction of new facilities that will replace those closed on Rikers Island continues to move steadily forward. Design build contracts for the dismantling of existing structures and site preparation were registered in late December and work is currently underway. 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. The timeline for the overall project completion is August 2027.

- 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 works 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. As the city embarked on its recovery and in-person operations resumed, MOCJ worked with stakeholders to plan for in-person grand juries to deliberate on felony indictments and criminal jury trials. MOCJ continues to work with system stakeholders to ensure that the justice system addresses the most pressing crimes, including gun violence, in a timely and efficient manner. A fully functioning system is critical to the City's efforts to reduce gun violence.

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 2023 Executive Budget provides for an operating budget of $5.6 billion, a decrease of $251.2 million from the $5.8 billion forecast for 2022. This decrease is primarily attributed to annual State, Federal, and private grant funding not yet recognized for 2023. Capital commitments of $275.4 million are also provided in 2023.

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 2022, the revenue estimate for the Police Department is $98.7 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2023, the Department will have a uniformed headcount of approximately 35,030.

- The Department expects to receive up to $28.8 million for the protection of foreign missions under the Federal Fiscal Year 2022 Appropriation Act.

Streamlining and Restructuring

- The Department received $34.7 million in City funds to provide for Mobility data plans and back-end infrastructure. Funds for data plans support tablet computers in police vehicles as well as mobile phones for all uniform members of service, which help the Department with effective neighborhood policing. Funds for back-end infrastructure includes hardware and software maintenance, cyber security applications, development of new, and enhancing of existing, applications, and ongoing field support for approximately 40,000 devices.

- The Department received $12.5 million in City funds to provide funding for overall expansion of NYPD's cyber security tools, including enhancements to security incident alert and security event management systems as well as enhanced enterprise network monitoring hardware and software.

- The Department received $1.5 million in City funds to hire additional staffing to support the Gun Violence Strategic Partnership (GSVP) as part of the Mayor's "Blueprint to End Gun Violence."

- The Department received $1.2 million in City funds to provide dashboard camera systems and install Automatic License Plate Recognition (ALPR) software on vehicles for Neighborhood Safety Teams, which have been deployed as part of the Mayor's "Blueprint to End Gun Violence."

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$4,907,443	$5,030,677	$4,873,043	$4,993,986	($36,691)	$120,943
Fringe Benefits	73,115	76,609	75,440	75,440	(1,169)	—
OTPS	561,878	732,647	458,613	519,321	(213,326)	60,708
Total	**$5,542,436**	**$5,839,933**	**$5,407,096**	**$5,588,747**	**($251,186)**	**$181,651**
Funding						
City	$5,059,177	$4,754,518	$5,112,097	$5,293,748	$539,230	$181,651
Other Categorical Grants	30,110	15,286	—	—	(15,286)	—
IFA	—	—	—	—	—	—
State	17,808	21,426	732	732	(20,694)	—
Federal CD	—	—	—	—	—	—
Federal Other	161,601	777,845	11,765	11,765	(766,080)	—
Intra-City Other	273,740	270,858	282,502	282,502	11,644	—
Total	**$5,542,436**	**$5,839,933**	**$5,407,096**	**$5,588,747**	**($251,186)**	**$181,651**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$2,222,782	$2,480,157	$2,660,138	$2,626,046	$145,889	($34,092)
Pensions	2,719,638	2,739,419	2,790,002	2,790,002	50,583	—
Other Than Personal Service (OTPS)						
Debt Service	195,709	227,277	269,230	214,080	(13,197)	(55,150)
Total Additional Costs	**$5,138,129**	**$5,446,853**	**$5,719,370**	**$5,630,128**	**$183,275**	**($89,242)**
Funding						
City	5,043,271	5,379,194	5,653,756	5,563,368	184,174	(90,388)
Non-City	94,858	67,659	65,614	66,760	(899)	1,146
Full Agency Costs (including Central Accounts)						
Salary and Wages	$4,907,443	$5,030,677	$4,873,043	$4,993,986	($36,691)	$120,943
Fringe Benefits	2,295,897	2,556,766	2,735,578	2,701,486	144,720	(34,092)
Pensions	2,719,638	2,739,419	2,790,002	2,790,002	50,583	—
Total PS	**$9,922,978**	**$10,326,862**	**$10,398,623**	**$10,485,474**	**$158,612**	**$86,851**
OTPS	$561,878	$732,647	$458,613	$519,321	($213,326)	$60,708
Debt Service	195,709	227,277	269,230	214,080	(13,197)	(55,150)
Total OTPS	**$757,587**	**$959,924**	**$727,843**	**$733,401**	**($226,523)**	**$5,558**
Total Agency Costs	**$10,680,565**	**$11,286,786**	**$11,126,466**	**$11,218,875**	**($67,911)**	**$92,409**
Less Intra-City	$273,740	$270,858	$282,502	$282,502	$11,644	$—
Net Agency Cost	$10,406,825	$11,015,928	$10,843,964	$10,936,373	($79,555)	$92,409
Funding						
City	10,102,448	10,133,712	10,765,853	10,857,116	723,404	91,263
Non-City	304,377	882,216	78,111	79,257	(802,959)	1,146
Personnel (includes FTEs at fiscal year-end)						
City	50,402	51,813	52,032	51,925	112	(107)
Non-City	94	57	20	20	(37)	—
Total	**50,496**	**51,870**	**52,052**	**51,945**	**75**	**(107)**

Programmatic Review and Service Impact

In calendar year 2021, the New York City Police Department (NYPD) continued to face significant challenges due to the emergence of the COVID-19 Omicron variant and ongoing protests, amid a surge in crime and shootings citywide. Under the leadership of former Police Commissioner Dermot Shea, the Department redirected resources to support the City during these rolling crises, while re-imaging police reforms to redefine public safety and build mutual trust with the community.

The NYPD's index crime data for calendar year 2021 shows that overall major felony crime increased 7.5 percent compared to calendar year 2020. Murder increased by 4.3 percent (488 vs. 468), rape by 4.5 percent (1,491 vs. 1,427), robbery by 5.5 percent (13,831 vs. 13,108), assault by 11.0 percent (22,835 vs. 20,569), grand larceny by 15.1 percent (40,870 vs. 35,502) and grand larceny auto by 15.2 percent (10,415 vs. 9,037). There was a decrease of 17.2 percent seen in burglaries (12,811 vs. 15,478).

Arrests totaled 153,882 in calendar year 2021, increasing by 15,043 from calendar year 2020. The overall arrest level increased by 10.8 percent from calendar year 2020; felony arrests increased by 8.6 percent, misdemeanor arrests by 13.2 percent and violation arrests decreased by 29.9 percent. The distribution of arrests resulted in 46.1 percent felonies, 53.7 percent misdemeanors, and 0.3 percent violations.

In the first quarter of 2022, the Department has taken further steps to set the standard for innovation and reform under the new leadership of Police Commissioner Keechant Sewell. With almost three decades of law enforcement experience, Commissioner Sewell commits to a full partnership with the community, fostering both a city and Department that yearns to feel connected, seen, heard, and, most notably, safe. Commissioner Sewell has renewed the Department's focus, and acknowledged the public's outcry, to reduce violence in neighborhoods that have seen a disproportionate number of shootings. In full support of the Mayor's "Blueprint to End Gun Violence," the Department has begun implementing immediate gun violence interventions and long-term prevention strategies involving collaboration with law enforcement agencies, while advocating for legislative amendments and community-based solutions. These neighborhood and precision policing efforts, coupled with enhanced training and oversight, will ensure fair and equitable policing for all.

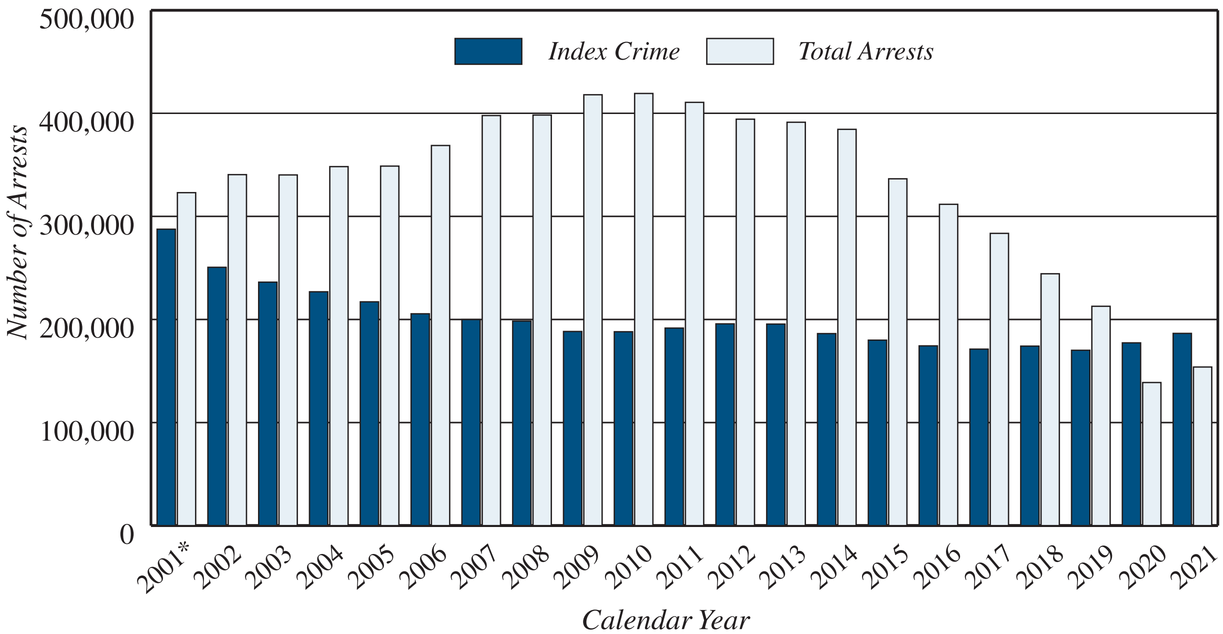
Precision Policing provides an intensified investigative focus on continuously managing and controlling crime. It directs resources and attention to the relatively small percentage of the population responsible for committing the majority of the violence.

The Department carries this strategy into 2022 with the establishment of Neighborhood Safety Teams (NSTs). These teams, attired in distinct uniforms, equipped with body-worn cameras, and under strict oversight, receive enhanced training consisting of constitutional policing, risk identification/mitigation, and active bystandership for law enforcement. They are responsible for addressing quality of life offenses and violent street crimes, specifically focusing on perpetrators who carry and use illegal firearms.

The Department has expanded its partnership with State and Federal law enforcement by allocating resources and working jointly with partners in the Gun Violence Strategic Partnership (GVSP). Here, investigations are enhanced with real-time communication and information sharing across various law enforcement and prosecutorial agencies focusing on the worst gun offenders and violence drivers in New York City.

A component of the Department's neighborhood policing philosophy is for the community to visibly feel safe with a 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 via its "Subway Safety Plan." These plans leverage the strategic deployment of officers to both deter crime and address quality of life concerns. The "Subway Safety Plan" draws resources and expertise from partner agencies to support individuals experiencing homelessness or serious mental illness within the New York City subway system. An integral part of the plan is the collaboration of outreach teams staffed by NYPD officers, clinicians, and homeless outreach specialists.

ARRESTS VERSUS CRIME



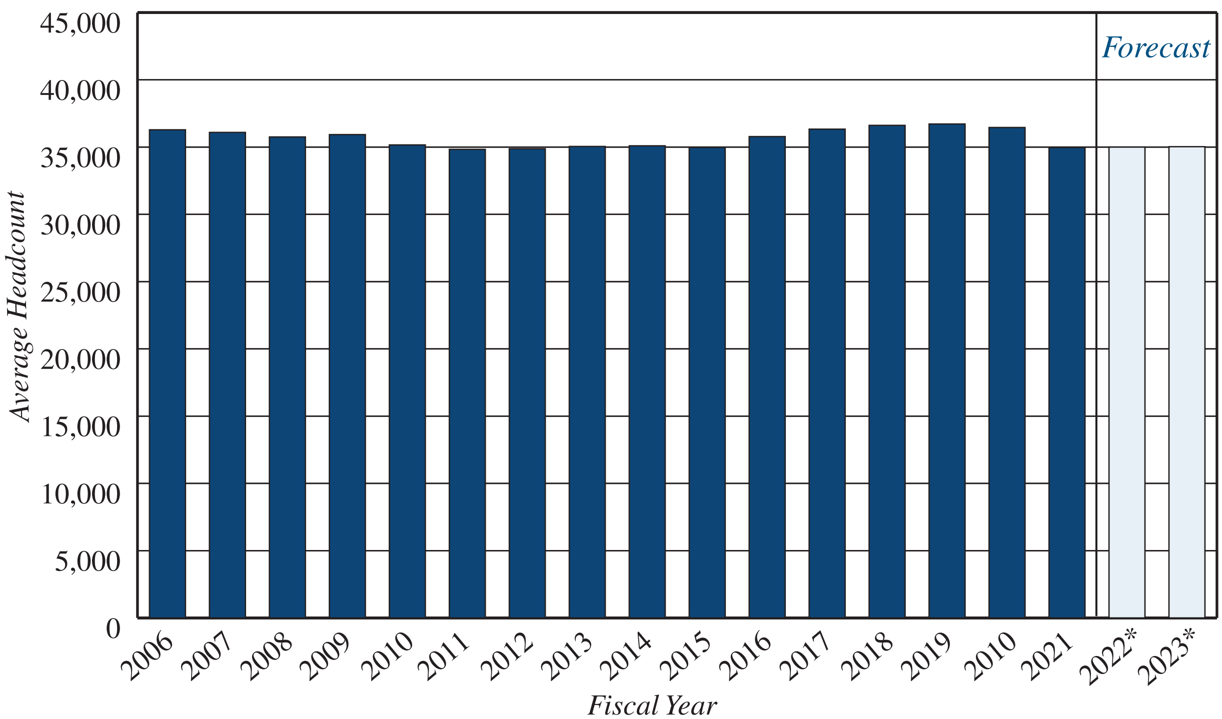
* *In 2001, Index Crime data excludes World Trade Center victims.*

Source: NYPD

Uniformed Headcount

The Department continues its efforts in recruiting and hiring a diverse pool of police officers. Of the 800 recruits hired for the April 2022 class, 78.4 percent identified as minorities. Two hundred and twenty-seven were born in foreign countries and 378 speak a foreign language. The December 2021 recruit class consisted of 675 recruits, 73.6 percent of whom identified as minorities. One hundred and eighty-eight were born in foreign countries and 309 speak a foreign language. The October 2021 recruit class consisted of 700 recruits, 73.4 percent of whom identified as minorities. Two hundred and twenty-two were born in foreign countries, and 340 speak a foreign language.

TOTAL CITY, TRANSIT AND HOUSING POLICE FORCE HEADCOUNT



** 2022 data is from NYPD and 2023 data is budgeted headcount.* *Source: NYC OMB & NYPD*

Capital Review

The Four-Year Capital Strategy for the Police Department provides the Department with a total of $862.3 million for the replacement, reconstruction, and maintenance of facilities citywide; replacement and upgrade of computer, communication, and miscellaneous equipment; and the replacement of transportation equipment.

The table below shows capital plan commitments by program area over the 2023-2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$151,355	$151,407	$40,009	$45,576	$174,539	$209,934	$88,804	$91,042	$267,435	$267,435	$48,280	$48,280
Computer Equipment	36,731	36,731	45,384	45,384	19,868	19,868	21,531	21,531	13,598	13,598	40,977	40,977
Communications	-22	-22	53,751	53,751	29,370	29,370	22,938	22,938	741	741	8,636	8,636
Equipment	3,043	3,043	13,721	13,721	11,591	11,591	2,475	2,475	3,526	3,526	1,010	1,010
Vehicles	819	819	45,992	45,992	4,155	4,643	347	347	31,665	31,665	32,672	32,672
Total	**$191,926**	**$191,978**	**$198,857**	**$204,424**	**$239,523**	**$275,406**	**$136,095**	**$138,333**	**$316,965**	**$316,965**	**$131,575**	**$131,575**

Highlights of the 2023-2026 Four Year Capital Commitment Plan

Police Facilities (total commitment, $616.7 million)

- Construction of the Rodman's Neck Firearms Training Facility ($225 million).
- American with Disabilities Act (ADA) compliance renovations at various NYPD precincts, Citywide ($38.9 million).
- Construction of a new 116th Precinct in Southeast Queens ($11.8 million).
- Facility maintenance and reconstruction Department-wide ($341 million).

Communications and Computer Equipment (total commitment, $157.7 million)

- Replacement of portable radios ($43.6 million) and mobile radios ($3.4 million).
- Radio infrastructure replacement ($10.3 million).
- Replacement and upgrade of various Department technologies and equipment ($100.4 million).

Vehicles (total commitment, $69.3 million)

- Lifecycle replacement of medium duty tow trucks ($18.7 million).
- Lifecycle replacement of Radio Emergency Patrol trucks ($12.5 million).
- Lifecycle replacement of all other vehicles ($38.1 million).

Miscellaneous Equipment (total commitment, $18.6 million)

- Purchase and upgrade of miscellaneous equipment such as facility security camera upgrades and diesel marine engines ($18.6 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 2023 Executive Budget provides for operating expenses of $1.3 billion, a decrease of $83 million from the amount forecast in 2022. This decrease is primarily attributed to funding added for one year in the 2022 forecast. Capital commitments of $1.4 billion are also planned in 2023.

Revenue Forecast

The Department of Correction collects revenue, which goes into the general fund, from jail commissary operations and vending machines. In 2023, the Department expects to collect approximately $15.3 million from all revenue sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The Department received baseline funding of $707,000 and six civilian headcount for dedicated staff to manage the procurement processes and schedule for the borough-based jails and new training academy projects.

- The Department received baseline funding of $1.8 million and 27 civilian positions for the expansion of the Correction Intelligence Bureau's Investigations Unit to combat the increase of violent incidents on Rikers Island.

- The Department received baseline funding of $10.7 million for the Facilities Maintenance Repair Division (FMRD) to complete additional work including sewer line maintenance, diesel generators, and HVAC system services.

- The Department received baseline funding to support the implementation of the Risk Management and Accountability System (RMAS), which will eliminate punitive segregation, including $6.7 million and 90 civilian positions for programing and $59.1 million and 587 uniform positions to allow the Department to adequately staff new posts and safely provide programming for those in custody.

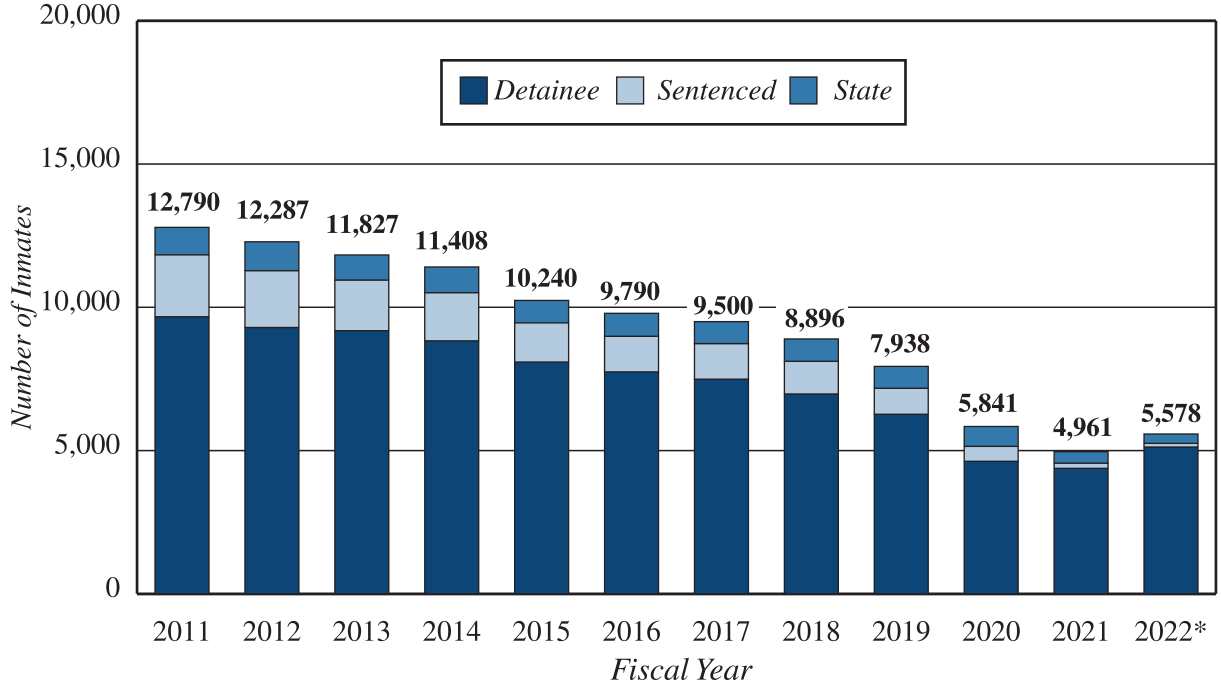
Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages ………..	$1,078,116	$1,111,343	$1,032,043	$1,091,385	($19,958)	$59,342
Fringe Benefits ………….	13,803	33,617	24,702	24,702	(8,915)	—
OTPS ……………..…….	167,398	241,295	172,849	186,648	(54,647)	13,799
Total ……………..………	**$1,259,317**	**$1,386,255**	**$1,229,594**	**$1,302,735**	**($83,520)**	**$73,141**
Funding						
City ……………..……….	$1,252,765	$832,794	$1,219,313	$1,293,066	$460,272	$73,753
Other Categorical Grants …	1,939	1,081	—	—	(1,081)	—
IFA ……………..………..	717	695	778	—	(695)	(778)
State ……………..……….	3,604	1,109	1,109	1,109	—	—
Federal CD ……………...	—	—	—	—	—	—
Federal Other ……………..	135	549,924	8,286	8,452	(541,472)	166
Intra-City Other ………….	157	652	108	108	(544)	—
Total ……………..………	**$1,259,317**	**$1,386,255**	**$1,229,594**	**$1,302,735**	**($83,520)**	**$73,141**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits …………	$787,643	$770,799	$817,672	$812,897	$42,098	($4,775)
Pensions ……………..…	529,481	506,990	495,500	495,500	(11,490)	—
Other Than Personal Service (OTPS)						
Debt Service ……………	121,561	115,258	136,534	126,883	11,625	(9,651)
Total Additional Costs	**$1,438,685**	**$1,393,047**	**$1,449,706**	**$1,435,280**	**$42,233**	**($14,426)**
Funding						
City ……………..……….	1,419,455	1,378,127	1,436,102	1,421,834	43,707	(14,268)
Non-City ……………..….	19,230	14,920	13,604	13,446	(1,474)	(158)
Full Agency Costs (including Central Accounts)						
Salary and Wages ……….	$1,078,116	$1,111,343	$1,032,043	$1,091,385	($19,958)	$59,342
Fringe Benefits ………….	801,446	804,416	842,374	837,599	33,183	(4,775)
Pensions ……………..….	529,481	506,990	495,500	495,500	(11,490)	—
Total PS ……………..….	**$2,409,043**	**$2,422,749**	**$2,369,917**	**$2,424,484**	**$1,735**	**$54,567**
OTPS ……………..…….	$167,398	$241,295	$172,849	$186,648	($54,647)	$13,799
Debt Service ……………..	121,561	115,258	136,534	126,883	11,625	(9,651)
Total OTPS	**$288,959**	**$356,553**	**$309,383**	**$313,531**	**($43,022)**	**$4,148**
Total Agency Costs …….	**$2,698,002**	**$2,779,302**	**$2,679,300**	**$2,738,015**	**($41,287)**	**$58,715**
Less Intra-City ……………	$157	$652	$108	$108	($544)	$—
Net Agency Cost …………	$2,697,845	$2,778,650	$2,679,192	$2,737,907	($40,743)	$58,715
Funding						
City ……………..……….	2,672,220	2,210,921	2,655,415	2,714,900	503,979	59,485
Non-City ……………..….	25,625	567,729	23,777	23,007	(544,722)	(770)
Personnel (includes FTEs at fiscal year-end)						
City ……………..……….	10,042	3,276	9,083	9,664	6,388	581
Non-City ……………..….	7	6,218	8	4	(6,214)	(4)
Total ……………..………	**10,049**	**9,494**	**9,091**	**9,668**	**174**	**577**

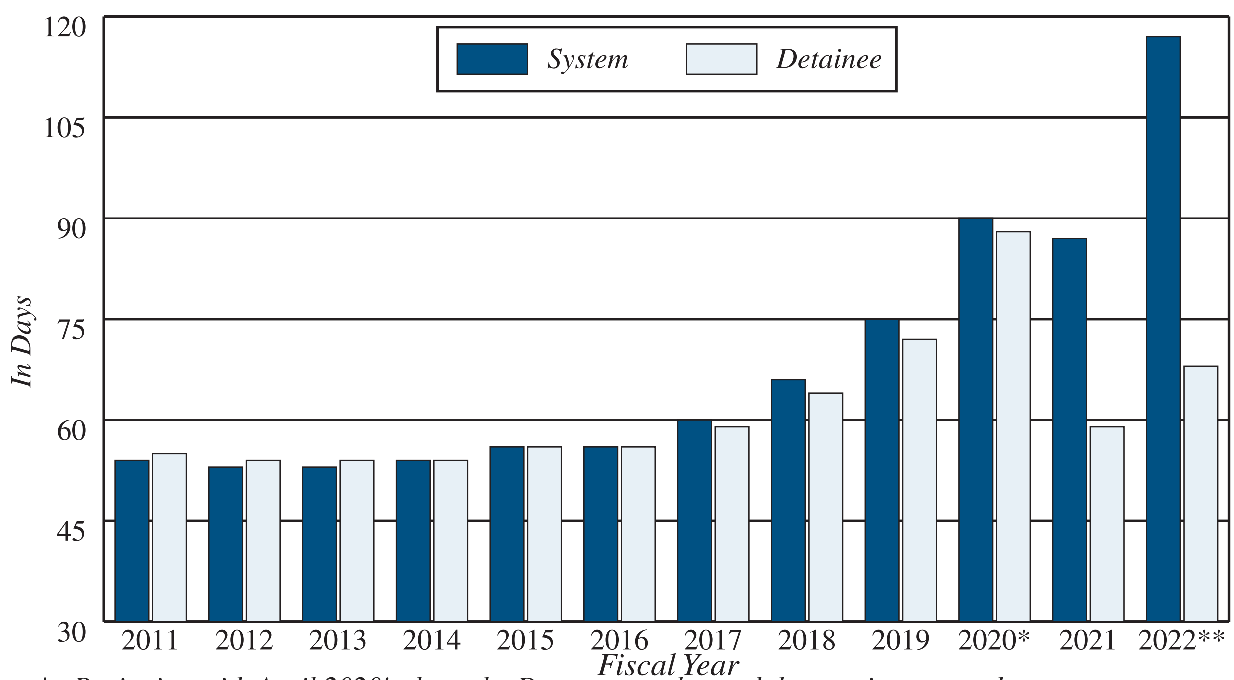
Programmatic Review

AVERAGE DAILY INMATE POPULATION



**YTD through March 31, 2022* *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, 2022* *Source: NYC Department of Correction*

The average daily population through the first nine months of 2022 was 5,578, which is 12.4 percent higher than the same period in 2021. System admissions are up six percent and overall system length of stay for the first nine months increased from 87 to 117 days.

Capital Review

The Four-Year Capital Strategy totals $7.3 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 2022-2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$49,631	$49,631	$393,961	$393,961	$1,292,062	$1,292,062	$1,931,943	$1,931,943	$1,914,913	$1,914,913	$1,584,776	$1,584,776
Capacity Replacement	549	549	46	46	0	0	0	0	0	0	0	0
Support Space	301	301	8,040	8,287	25,000	25,000	45,000	45,000	158,524	158,524	0	0
Building Systems and Infrastructure	9,432	10,307	344,067	377,849	15,575	15,575	478	478	39,880	39,880	194,014	194,014
Equipment	1,253	1,253	41,714	41,714	31,805	31,805	12,339	12,339	17,732	17,732	72,656	72,656
Total	$61,166	$62,041	$787,828	$821,857	$1,364,442	$1,364,442	$1,989,760	$1,989,760	$2,131,049	$2,131,049	$1,851,446	$1,851,446

Highlights of the 2023-2026 Four Year Capital Commitment Plan

New Jail Facilities (total commitment, $6.7 billion)

The Department's plan includes $6.7 billion for the design and construction of new jail facilities.

Building Systems, Infrastructure and Support Space (total commitment, $478.5 million)

The Department will undertake $478.5 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 ($221.2 million).

Information Technology, Equipment, and Vehicles (total commitment, $134.5 million)

The Four-Year Plan provides $134.5 million for vehicles, computers, security equipment and communication systems. Priorities include:

- Various information technology upgrades ($74.0 million).
- Vehicle replacement ($23.0 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.

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 though a shared services model that consolidates functions, 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 Department of Social Services/Human Resources Administration administers benefit programs including Cash Assistance (CA), Supplemental Nutrition Assistance (SNAP), and Medical Assistance to support low-income New Yorkers. The Agency also provides child support services, emergency food and home energy assistance, and assists individuals returning to or entering the workforce by providing a variety of employment-related services, including access to education and job training, assistance with job search and placement, and access to child-care. In addition, the Department 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 prevention services to prevent displacement and eviction, and 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. DSS/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.

Financial Review

The Department's 2023 Executive Budget provides for operating expenses of $10.9 billion, of which $8.6 billion are City funds. A capital budget in 2023 of $184.5 million is also provided, of which $136 million are City funds.

Expense Budget Highlights

Program Enhancements

- An additional $25 million in 2022 and $119 million in 2023 will support the Department's rental assistance and rehousing programs, developed and expanded in coordination with DHS, which have helped over 185,000 New Yorkers move out of shelter or avoid homelessness since calendar year 2014.

- An additional $15.5 million in 2022 and $75 million in 2023 and beyond will continue to support the Fair Fares program, which began in January 2019. Fair Fares 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 2022, Fair Fares enrollment surpassed pre-pandemic levels and stood at over 270,000 as of March.

- An additional $33.8 million in total funds and $24 million in City funds in 2023 for the HIV/AIDS Services Administration (HASA) to provide emergency housing placements in supportive transitional facilities and single room occupancy (SRO) units for homeless clients.

- An additional $30 million in 2023 and 2024 to purchase and deliver fresh produce and shelf-stable goods to pantries and community-based organizations.

- An additional $1.6 million in 2022 and $6.6 million in 2023 and beyond will support mental health services in HRA domestic violence emergency and transitional shelters.

- An additional $3.5 million in 2022 and $5.8 million in 2023 and beyond for resources to expedite supportive housing placements as part of the Subway Safety Plan for unsheltered New Yorkers.

- An additional $14 million in 2022 and $11.9 million in 2023 and beyond to support operations and maintenance for a newly organized Hart Island burial setting.

Program Efficiencies

- Administrative efficiencies resulting in savings of $7.1 million in 2022 and $6.1 million in 2023.

- The COVID-19 pandemic led to lower than projected utilization of HRA job training and subsidized employment programs and related client transportation, resulting in a savings of $25.5 million in 2022.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

($ in 000's)	2021 Actual	2022 Forecast	2023 Preliminary Budget	2023 Executive Budget	Increase/(Decrease) 2022 Forecast	Increase/(Decrease) 2023 Preliminary Budget
Expenditures						
Salary and Wages	$835,773	$890,548	$880,334	$885,939	($4,609)	$5,605
Fringe Benefits	688	913	913	913	—	—
Medical Assistance	5,812,400	6,472,953	6,494,253	6,384,653	(88,300)	(109,600)
Public Assistance	1,542,703	1,650,650	1,650,350	1,650,350	(300)	—
Other OTPS	1,901,920	2,341,075	1,730,190	1,952,736	(388,339)	222,546
Total	**$10,093,484**	**$11,356,139**	**$10,756,040**	**$10,874,591**	**($481,548)**	**$118,551**
Funding						
City	$7,678,576	$8,619,354	$8,464,583	$8,571,324	($48,030)	$106,741
Other Categorical Grants	462	172	—	—	(172)	—
IFA	—	—	—	—	—	—
State	677,354	781,879	758,416	770,079	(11,800)	11,663
Federal CD	26,105	36,800	—	—	(36,800)	—
Federal Other	1,703,010	1,907,126	1,522,835	1,523,121	(384,005)	286
Intra-City Other	7,977	10,808	10,206	10,067	(741)	(139)
Total	**$10,093,484**	**$11,356,139**	**$10,756,040**	**$10,874,591**	**($481,548)**	**$118,551**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$333,493	$412,197	$429,140	$427,029	$14,832	($2,111)
Pensions	159,922	168,122	154,797	154,797	(13,325)	—
Other Than Personal Service (OTPS)						
Debt Service	72,316	78,528	93,024	85,288	6,760	(7,736)
Total Additional Costs	**$565,731**	**$658,847**	**$676,961**	**$667,114**	**$8,267**	**($9,847)**
Funding						
City	394,577	481,576	527,515	518,658	37,082	(8,857)
Non-City	171,154	177,271	149,446	148,456	(28,815)	(990)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$835,773	$890,548	$880,334	$885,939	($4,609)	$5,605
Fringe Benefits	334,181	413,110	430,053	427,942	14,832	(2,111)
Pensions	159,922	168,122	154,797	154,797	(13,325)	—
Total PS	**$1,329,876**	**$1,471,780**	**$1,465,184**	**$1,468,678**	**($3,102)**	**$3,494**
Medical Assistance	$5,812,400	$6,472,953	$6,494,253	$6,384,653	($88,300)	($109,600)
Public Assistance	1,542,703	1,650,650	1,650,350	1,650,350	(300)	—
Other OTPS	1,901,920	2,341,075	1,730,190	1,952,736	(388,339)	222,546
Debt Service	72,316	78,528	93,024	85,288	6,760	(7,736)
Total OTPS	**$9,329,339**	**$10,543,206**	**$9,967,817**	**$10,073,027**	**($470,179)**	**$105,210**
Total Agency Costs	**$10,659,215**	**$12,014,986**	**$11,433,001**	**$11,541,705**	**($473,281)**	**$108,704**
Less Intra-City	$7,977	$10,808	$10,206	$10,067	($741)	($139)
Net Agency Cost	$10,651,238	$12,004,178	$11,422,795	$11,531,638	($472,540)	$108,843
Funding						
City	8,073,153	9,100,930	8,992,098	9,089,982	(10,948)	97,884
Non-City	2,578,085	2,903,248	2,430,697	2,441,656	(461,592)	10,959
Personnel (includes FTEs at fiscal year-end)						
City	9,189	10,108	10,151	10,165	57	14
Non-City	2,724	2,936	2,787	2,787	(149)	—
Total	**11,913**	**13,044**	**12,938**	**12,952**	**(92)**	**14**

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 Home Energy Assistance Program (HEAP). 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. To ensure that all eligible New Yorkers are able to access these benefits, the Department's on-line portal, ACCESSHRA (AHRA) allows clients to submit applications and recertifications for CA and SNAP in a more efficient and accessible way without requiring them to go into an office. As of March 2022, over 70 percent of CA applications and 97 percent of SNAP applications are made on-line, a trend that accelerated to this historic level during the COVID pandemic. HRA's on-line services allowed the Agency to safely and expeditiously offer these critical benefits to New Yorkers during a time of unparalleled emergency.

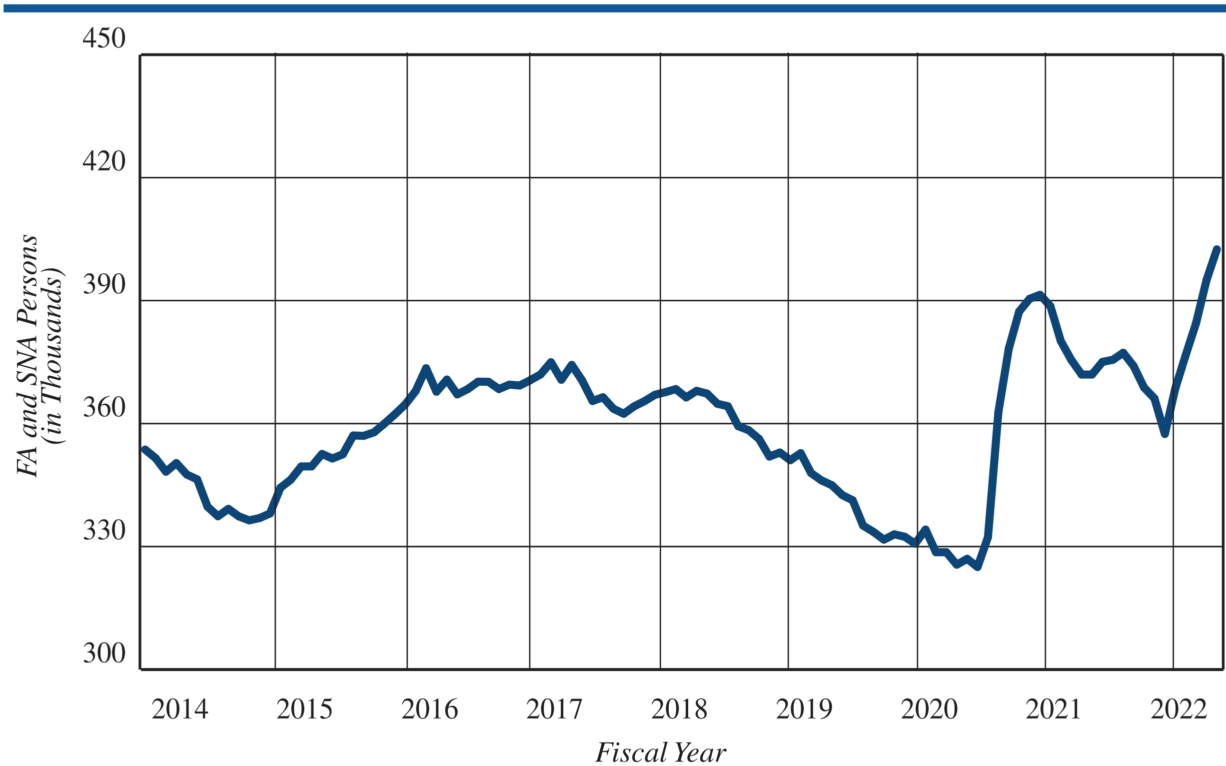
Cash Assistance (CA)

The Department projects expenditures of $1.65 billion on Cash Assistance (CA) benefits in 2023, of which $891 million will be City funds.

While the number of CA recipients fluctuates and in 2022 increased over the course of the year as a result of the continued economic dislocation caused by COVID-19, the annual unduplicated 12-month caseload receiving recurring CA was approximately 502,000 in calendar year 2021. Prior to the pandemic, the unduplicated number of persons receiving recurring assistance had been stable at approximately 500,000 or fewer since 2014 and remains lower than the average for years prior to 2014. The annual 12-month unduplicated number receiving non-recurring benefits to prevent evictions and utility shutoffs in calendar year 2021 was approximately 54,000.

In February 2022, 402,516 individuals were in receipt of recurring CA benefits and 2,127 received one-time assistance, primarily emergency funds to prevent eviction and homelessness. Approximately half of these recipients are children.

CASH ASSISTANCE CASELOAD 2014 - 2022



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 121,911 adults and children in February 2022. Projected FA expenditures in 2023 are $506 million, of which $86 million are City funds.

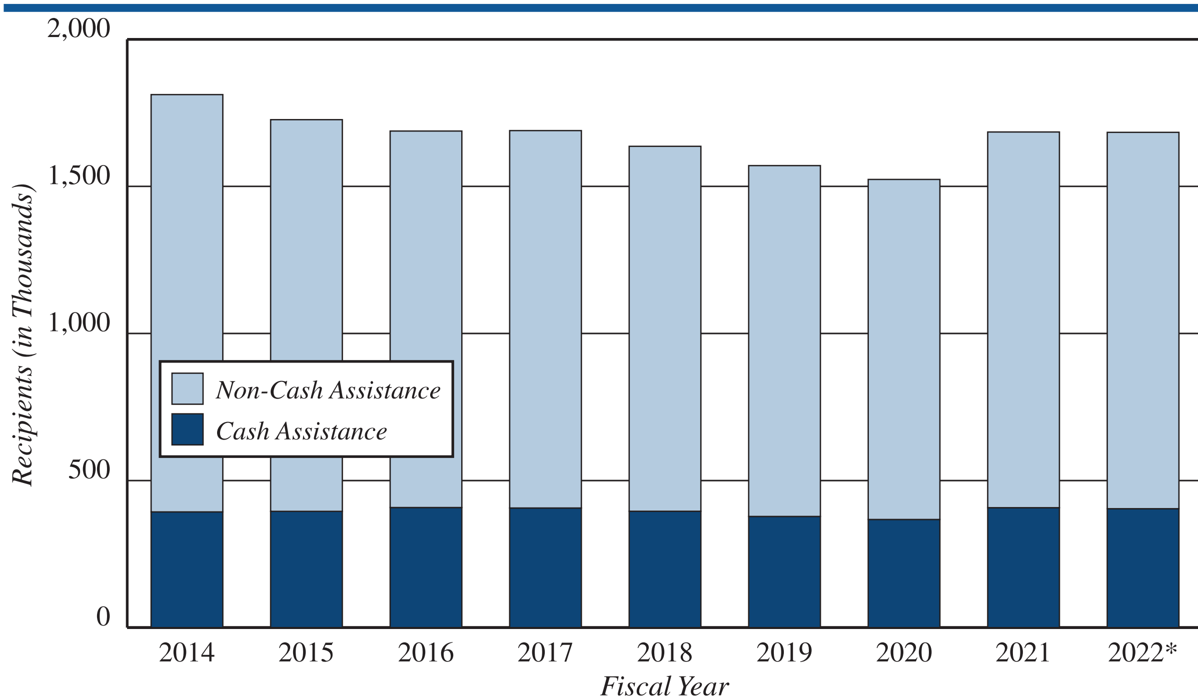
The Safety Net Assistance (SNA) program, which is supported with City (71 percent) and State (29 percent) funds, serves families who have reached the five-year time limit for TANF-funded benefits or who do not otherwise meet federal eligibility rules; single adults; and childless couples. In February 2022, 280,605 individuals received SNA, of whom 96,585 were adults and children who had reached the TANF time limit. In 2022, 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 2021, approximately $5.1 billion in SNAP funding provided benefits to an average of 1.7 million individuals per month, including more than 543,000 children. Average benefits per household increased significantly in calendar year 2021 as a result of pandemic-related increases to benefit levels.

The Department continues to enhance its SNAP outreach activities through collaboration with community-based organizations and other City agencies, such as the New York City Housing Authority (NYCHA), to target groups who are likely eligible to receive SNAP benefits but may not be currently accessing them.

AVERAGE NUMBER OF SNAP RECIPIENTS 2014 - 2022



** Year to date through February 2022*

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

Home Energy Assistance Program (HEAP) and Utility Assistance Programs

The Home Energy Assistance Program (HEAP) is a federally-funded program that assists low-income homeowners and renters to pay energy costs and heating equipment repair bills. HEAP serves over 700,000 households annually during the heating season, which runs from November to March of each year. Most benefits are provided to CA, SNAP, and SSI recipients who receive automatic payments. HEAP provides emergency benefits for assistance with gas and other utility bills and shut-offs, helps obtain service extensions, and pays for emergency oil deliveries and furnace repairs and replacements to other income-eligible households through an application process.

Client Benefits Re-Engineering

The Department has redesigned its business processes and has implemented advanced technology solutions through its Client Benefits Re-engineering initiative, which allows HRA to manage staff workload more efficiently while improving the client experience. In addition to SNAP on-line applications and recertification, HRA has permanently implemented on-line applications and recertifications for CA clients. During the COVID pandemic HRA conducted CA eligibility interviews over the phone and used the on-line ACCESSHRA (AHRA) portal and the HRA mobile document upload app to allow clients to avoid in-person office visits. In 2022 and 2023, HRA continues to enhance AHRA, with plans to add on-line HEAP applications and child support transactions to the portal.

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 2021 and 2022, employment services have been 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.

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 though 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 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.

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. HRA's Office of Supportive and Affordable Housing operates specialized Master Lease contracts and provides access to supportive housing, a program that is primarily administered by the Department of Health and Mental Hygiene (DOHMH). 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 2022, more than 185,000 people in over 73,500 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.

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, DSS's legal services anti-eviction and prevention programs have resulted in more than 500,000 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 2023, 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 2021, there were approximately 225,500 cases with active support orders. Child support collections in Fiscal Year 2021 totaled $858 million.

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 1.53 million New York City residents received Medicaid through HRA as of February 2022, with the Medical Assistance Program (MAP) responsible for more than 781,000 Medicaid-Only (non-CA) enrollees. Another approximately 2.6 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.

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 Fiscal 2022 through February HCSP delivered personal care services to an average of 6,400 personal care cases and provided Medicaid financial eligibility review to approximately 227,000 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 who are not required to participate in Managed Care plans and provides care 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. Since March of 2020, in accordance with waivers obtained from the State, WeCARE activities have been voluntary and conducted virtually to protect client and staff safety during the COVID pandemic.

CAS provides assessments, referrals and monitoring of substance use treatment and case management services to CA clients and oversees clients enrolled in treatment, many of whom are served through Comprehensive Service Model contracts providing services to better support retention in substance use treatment and to assist clients with intensive support needs. CAS also oversees the review 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 2022, HASA served over 33,000 individuals in 32,900 households. Over 18,000 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 2022, HASA supported over 2,500 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 2021, APS received 18,700 referrals: nine percent of referrals involved eviction; 12 percent included allegations of abuse; 29 percent included allegations of neglect; and 13 percent included allegations of financial exploitation. During this period, APS assessed 3,271 individuals and maintained an average monthly protective services caseload of 6,131. The average monthly Community Guardian caseload was 2,100.

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 2,395 beds for survivors of domestic violence and their children. ODV's Tier II shelters include 477 family units for clients who require additional services before transitioning back to the community.

Approximately 1,100 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 1,600 individuals.

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.

Emergency Food and Nutrition Assistance Program

The Emergency Food and Nutrition Assistance Program (EFNAP) administers the Emergency Food Assistance Program (EFAP) which provides food, funding and technical assistance to approximately 600 food pantries and soup kitchens. EFNAP 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.

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 3,500 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

The Department's Four-Year Capital Strategy for 2023-2026 totals $434.8 million, of which $337.3 million are City funds. Of this $227.9 million is included 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 $204.4 million for facilities maintenance, equipment and improvements, and $2.4 million is provided for vehicles.

Capital Commitments

($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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
Data Processing	$26,643	$31,222	$24,413	$32,218	$78,202	$113,527	$30,281	$38,679	$6,291	$12,706	$12,836	$25,005
Telecommunications	61	106	1,601	2,926	17,924	27,178	1,717	3,503	477	973	3,103	6,333
Automotive	346	346	738	738	753	954	559	788	192	392	146	298
Buildings	(2,308)	(3,699)	17,462	19,603	39,077	42,842	101,350	109,552	39,537	46,444	4,824	5,587
Total	$24,742	$27,975	$44,214	$55,485	$135,956	$184,501	$133,907	$152,522	$46,497	$60,515	$20,909	$37,223

Highlights of the Four-Year Capital Strategy

- Construction and outfitting of agency office space at 2440 Fulton Street in Broadway Junction, East New York. The office will host 1,100 HRA employees and improve client service through rapid electronic check-in systems, upgraded self-service technology, and expanded waiting areas ($41 million).

- Expansion of existing on-demand telephone scheduling for recertification and re-application interviews and modernization of existing case management system for Cash Assistance ($40.5 million).

- Continued development of Access HRA to enhance online functionality, including expanding benefit transactions and eligibility maintenance for SNAP, Cash Assistance, Medicaid, Child Support, HEAP, and Fair Fares program ($9 million).

- Construction of a community and multi-service center in Brownsville, Brooklyn ($128 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 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. DHS continues working towards a goal of shrinking the shelter footprint by 45 percent through the closure of substandard locations and replacing them with a smaller number of new and effective borough-based shelters. As of March 2022, DHS had closed all cluster sites and eliminated the use of commercial hotels for families with children. In total, DHS has vacated over 260 sites and has announced over 90 high-quality borough-based shelters, of which 51 are already operational.

In February 2022, the City released a new Subway Safety Plan, addressing public safety concerns and supporting people experiencing unsheltered homelessness and serious mental illness, with a focus on New York City's subways. The plan provides enhanced investments in outreach teams, clinical services, and new safe haven, drop-in and stabilization bed development; in collaboration with both City and New York State agencies and the New York City Transit Authority.

The Department will continue to work with HRA and other City partners to help families and adults without children experiencing homelessness transition into permanent housing in 2023. Since Fiscal Year 2015 through December of Fiscal Year 2022, over 185,000 people in more than 73,500 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 funded through the American Rescue Plan) and NYCHA placements.

Financial Review

The Department's 2023 Executive Budget provides for operating expenses of $2.36 billion, of which $1.58 billion are City funds. A capital budget of $73.1 million is also provided in 2023.

Expense Budget Highlights

Program Enhancements

- An additional $174.6 million in 2023 and beyond will support expansion and enhancement of street solutions programming, including street outreach, medical services, drop-in and other transitional programs to help bring people experiencing homelessness off the streets and out of the subways.
- An increase of $132 million in 2022 and beyond in a re-estimate of adult shelter costs due to the increasing adult census.

Program Efficiencies

- City savings of $33.4 million in 2022 and $49.4 million in 2023 and beyond from the closing of commercial hotel sites for families with children and the move to high-quality dedicated shelters for families.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$159,752	$171,624	$150,975	$159,853	($11,771)	$8,878
Fringe Benefits	1,650	687	1,560	182	(505)	(1,378)
OTPS	2,883,087	2,645,975	1,998,830	2,196,903	(449,072)	198,073
Total	**$3,044,489**	**$2,818,286**	**$2,151,365**	**$2,356,938**	**($461,348)**	**$205,573**
Funding						
City	$1,408,794	$1,548,398	$1,325,528	$1,584,274	$35,876	$258,746
Other Categorical Grants	2,146	—	—	—	—	—
IFA	—	—	—	—	—	—
State	170,240	175,969	175,972	175,762	(207)	(210)
Federal CD	4,086	9,838	4,337	4,337	(5,501)	—
Federal Other	1,439,728	1,076,748	638,099	585,136	(491,612)	(52,963)
Intra-City Other	19,495	7,333	7,429	7,429	96	—
Total	**$3,044,489**	**$2,818,286**	**$2,151,365**	**$2,356,938**	**($461,348)**	**$205,573**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$51,978	$66,238	$68,186	$67,021	$783	($1,165)
Pensions	28,454	29,532	26,644	26,644	(2,888)	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	**$80,432**	**$95,770**	**$94,830**	**$93,665**	**($2,105)**	**($1,165)**
Funding						
City	75,207	90,146	89,307	88,242	(1,904)	(1,065)
Non-City	5,225	5,624	5,523	5,423	(201)	(100)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$159,752	$171,624	$150,975	$159,853	($11,771)	$8,878
Fringe Benefits	53,628	66,925	69,746	67,203	278	(2,543)
Pensions	28,454	29,532	26,644	26,644	(2,888)	—
Total PS	**$241,834**	**$268,081**	**$247,365**	**$253,700**	**($14,381)**	**$6,335**
OTPS	$2,883,087	$2,645,975	$1,998,830	$2,196,903	($449,072)	$198,073
Debt Service	—	—	—	—	—	—
Total OTPS	**$2,883,087**	**$2,645,975**	**$1,998,830**	**$2,196,903**	**($449,072)**	**$198,073**
Total Agency Costs	**$3,124,921**	**$2,914,056**	**$2,246,195**	**$2,450,603**	**($463,453)**	**$204,408**
Less Intra-City	$19,495	$7,333	$7,429	$7,429	$96	$—
Net Agency Cost	$3,105,426	$2,906,723	$2,238,766	$2,443,174	($463,549)	$204,408
Funding						
City	1,484,001	1,638,544	1,414,835	1,672,516	33,972	257,681
Non-City	1,621,425	1,268,179	823,931	770,658	(497,521)	(53,273)
Personnel (includes FTEs at fiscal year-end)						
City	1,957	2,017	1,972	2,036	19	64
Non-City	48	223	21	21	(202)	—
Total	**2,005**	**2,240**	**1,993**	**2,057**	**(183)**	**64**

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 providing mental health, substance use and employment services. The DHS Division of Adult Services also provides shelter to adult couples and families without minor children in contracted and directly operated shelters.

In 2023, the Department will continue to operate programs for adult clients, while observing COVID-related health and safety protocols. DHS provides literacy, job training and programming at both directly operated and contracted shelters and 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 by utilizing one of the rental assistance or subsidized housing programs, and 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. The NYC "15/15" plan will develop and fund the operation of 15,000 additional supportive housing units in New York City over 15 years. In Fiscal Year 2021, DHS placed 1,434 single adults and families into supportive housing programs.

Family Services

The Department serves families with children experiencing homelessness through a network of shelters that provide social services, access to child-care 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 2023, 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 heath.

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, safe havens, drop-in centers and stabilization beds.

Before and during the COVID-19 pandemic, 24/7 outreach efforts have continued on New York City street, subway and terminal destinations. The Executive Budget further enhances outreach services by providing funding for new drop-in centers, enhanced subway outreach teams, and end of line transportation services. The Executive Budget also supports low-barrier safe havens and stabilization beds. This is a specialized system that uniquely addresses the needs of clients experiencing unsheltered homelessness and helps them transition from the streets to a more permanent setting. As of January 2022, DHS had an operating capacity of over 2,800 stabilization and safe haven beds. The Executive Budget investment supports over 500 additional beds that are coming online through Fiscal Year 2022 as part of the Subway Safety Plan, with another nearly 900 beds projected to open through mid-calendar year 2023. According to the U.S. Department of Housing and Urban Development, in 2020, New York City was among a small handful of over 300 jurisdictions nationwide, including states and other large metropolitan areas, that had fewer than 15% of homeless persons unsheltered as a proportion of all the homeless individuals that they served. 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 Department's Four-Year Capital Plan for 2023-2026 totals $284.4 million in City funds. The plan provides $56.6 million for homeless family facilities, $201.7 million for single adult facilities, and $26.1 million for technology projects and equipment purchases. The table below reflects capital commitments by program area over 2021-2026.

Capital Commitments

($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$303	$303	$6,223	$6,223	$15,145	$15,145	$11,029	$11,029	$26,761	$26,761	$3,619	$3,619
Single Adult Facilities	9,418	9,418	16,791	18,522	47,038	47,038	44,724	44,724	54,070	54,070	55,841	55,841
Information Technology and Equipment	9,983	9,983	17,445	17,445	10,935	10,935	8,256	8,256	2,441	2,441	4,510	4,510
Total	$19,704	$19,704	$40,459	$42,190	$73,118	$73,118	$64,009	$64,009	$83,272	$83,272	$63,970	$63,970

Highlights of the Four-Year Capital Strategy

- Significant investment of $258 million for critical upgrades at family and adult shelter facilities.
- Upgrades to critical system improvements including fire safety and electrical systems of $60 million.
- Continued funding for exterior and interior building upgrades at Bellevue Men's Shelter of $81 million.
- Funding 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 ($26 million).

ADMINISTRATION FOR CHILDREN'S SERVICES

The Administration for Children's Services (ACS) provides a broad range of programs that protects and promotes 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, 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 2023 Executive Budget provides for operating expenses of $2.74 billion, $950 million of which are City funds. Capital commitments of $450 million are provided from FY22 through FY25, of which $401 million are City funds.

Expense Budget Highlights

ACS's 2023 Executive Budget responds to the challenges faced by New York's most vulnerable youth and families both before and during the pandemic and lays important foundations for the future, including:

- *Fair Futures:* The current Fair Futures initiatives provide coaches, housing specialists and related support to the youth in care between the ages of 11 to 20. In FY23, ACS will scale internship, vocational training, and employment initiatives for older youth in or exiting foster care or juvenile justice detention or placement. This will include new services to introduce youth to career exploration, vocational education and training, school (including higher education), labor market readiness, and life skills.

- *Federal Revenue Adjustment:* Recognizes declining eligibility for Title IV-E federal foster care support due to income eligibility being tied to 1996 Aid to Families with Dependent Children standards.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

			($ in 000's)		Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$536,100	$514,925	$515,506	$515,506	$581	$—
Fringe Benefits	255	99	1	1	(98)	—
OTPS	1,997,752	2,240,321	2,208,727	2,221,047	(19,274)	12,320
Total	**$2,534,107**	**$2,755,345**	**$2,724,234**	**$2,736,554**	**($18,791)**	**$12,320**
Funding						
City	$818,340	$988,089	$889,098	$950,044	($38,045)	$60,946
Other Categorical Grants	—	—	—	—	—	—
IFA	—	—	—	—	—	—
State	821,408	729,955	746,414	757,874	27,919	11,460
Federal CD	—	—	—	—	—	—
Federal Other	890,495	1,030,318	1,082,325	1,022,239	(8,079)	(60,086)
Intra-City Other	3,864	6,983	6,397	6,397	(586)	—
Total	**$2,534,107**	**$2,755,345**	**$2,724,234**	**$2,736,554**	**($18,791)**	**$12,320**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$178,967	$214,336	$219,925	$220,101	$5,765	$176
Pensions	95,560	99,807	88,540	88,540	(11,267)	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	**$274,527**	**$314,143**	**$308,465**	**$308,641**	**($5,502)**	**$176**
Funding						
City	132,389	160,044	188,048	188,408	28,364	360
Non-City	142,138	154,099	120,417	120,233	(33,866)	(184)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$536,100	$514,925	$515,506	$515,506	$581	$—
Fringe Benefits	179,222	214,435	219,926	220,102	5,667	176
Pensions	95,560	99,807	88,540	88,540	(11,267)	—
Total PS	**$810,882**	**$829,167**	**$823,972**	**$824,148**	**($5,019)**	**$176**
OTPS	$1,997,752	$2,240,321	$2,208,727	$2,221,047	($19,274)	$12,320
Debt Service	—	—	—	—	—	—
Total OTPS	**$1,997,752**	**$2,240,321**	**$2,208,727**	**$2,221,047**	**($19,274)**	**$12,320**
Total Agency Costs	**$2,808,634**	**$3,069,488**	**$3,032,699**	**$3,045,195**	**($24,293)**	**$12,496**
Less Intra-City	$3,864	$6,983	$6,397	$6,397	($586)	$—
Net Agency Cost	$2,804,770	$3,062,505	$3,026,302	$3,038,798	($23,707)	$12,496
Funding						
City	950,729	1,148,133	1,077,146	1,138,452	(9,681)	61,306
Non-City	1,854,041	1,914,372	1,949,156	1,900,346	(14,026)	(48,810)
Personnel (includes FTEs at fiscal year-end)						
City	6,802	6,857	6,959	6,953	96	(6)
Non-City	61	263	167	167	(96)	—
Total	**6,863**	**7,120**	**7,126**	**7,120**	**—**	**(6)**

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 some lower-risk cases, DCP can pursue a non-investigative differential response, known as Collaborative Assessment Response, Engagement and Support (CARES). CARES citywide and requires no investigation determination regarding the neglect allegations that generated the report, and thus leaves no determination on a parents' record, which might later impact employment and other opportunities. In 2020, ACS responded to 50,999 reports of abuse and neglect transmitted to ACS from the State Central Register. These resulted in 41,538 investigations and 2,343 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 an informal meeting 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 in order 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.

While the COVID-19 public health crisis resulted in fewer reports of abuse and neglect in 2020, reports are on the way to returning to pre COVID-19 levels of more than 60,000 reports annually. 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.

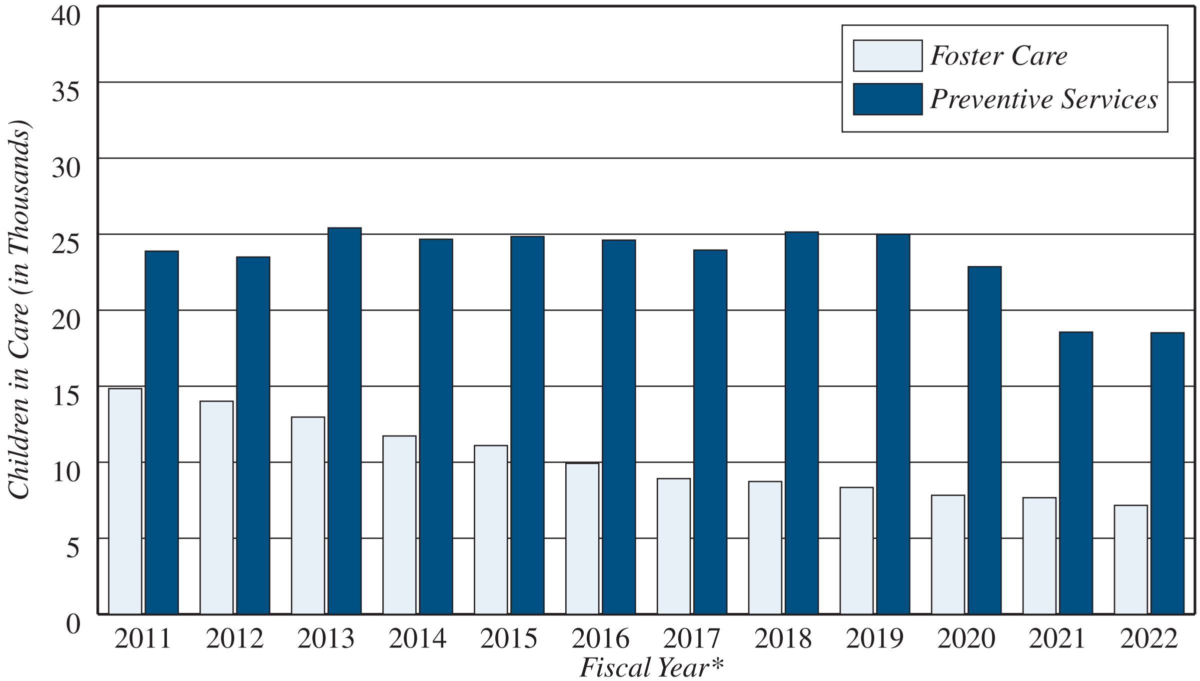
Preventive Services for Children and Families

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 to 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.

Providers are required to help families connect to other services in their communities and are encouraged to engage families in achieving their service goals within 12 months in order to increase the availability of programs to all families in need. In CY 2021, with 7,817 new families were enrolled in ACS prevention services.

ACS launched a redesigned prevention services system on July 1st, 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 development of the models that we offer and in the day-to-day service delivery on individual cases. Services are free and available citywide—in every community, in all 5 boroughs. In CY 2021, ACS served 16,296 families with 35,657 children in prevention services.

CHILDREN IN FOSTER CARE AND PREVENTIVE SERVICES 2011 - 2022



Note: FY22 Foster Care census data reflects the average annual census a/o December CY21.
FY22 census reflects the CFY average census a/o December CY21 *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 number of children entering foster care dropped from 3,591 in 2019 to 2,716 in 2020 and remained about the same in 2021 with 2,741 children entering care. The overall foster care census has continued declining, from 7,671 in 2020 to 7,666 in January 2021 to 7,087 in January 2022.

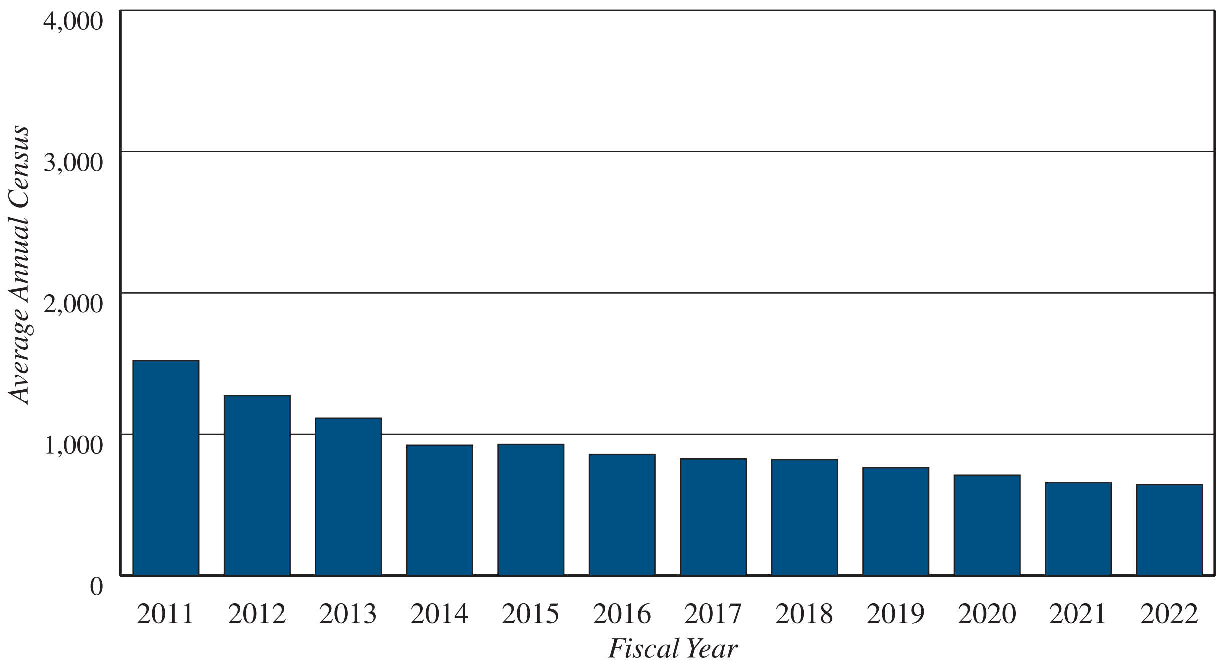
In 2021, ACS continued to implement a range of COVID 19 protocols and practices in order to continue essential child welfare work, which were informed by public health guidance and designed to protect the health and safety of children, families, foster parents and staff. As vaccines became available, 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 numbers 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 worked to advance permanency in the context of the Family Court's limited operations during the pandemic, proactively reviewing thousands of cases to help achieve safe reunification. We implemented a new parent advocate initiative, Parents Supporting Parents (PSP), to empower parents with children in foster care and improve reunification and race equity outcomes. ACS began aggressively implementing an Action Plan to improve services and outcomes for LGBTQAI+ youth. We launched virtual internships to provide young people with valuable career experiences.

RESIDENTIAL CASELOADS 2011 - 2022



Note: Starting in 2012, the residential caseload no longer includes adjudicated juvenile delinquents in congregate settings operated by private not-for-profit agencies.
FY22 census reflects the CFY average census a/o December CY21

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 through streamlining the administrative processes and providing enhanced technical assistance to agencies to reduce time to reunification and expedite adoption and kinship guardianship. The large majority of 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 includes 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.

The Family Court's limited operations during the pandemic has had a significant impact on the number of children exiting foster care to adoption and KinGAP. While the Court was not completing adoptions and KinGAPs, ACS worked with our foster care provider partners to ensure that cases were ready to proceed once the Court began to address these matters again. In 2019, there were 747 adoptions. This dropped to 242 in 2020 and then started to rebound in 2021 with 438 adoptions. The number of children exiting foster care to KinGAP was 398 in 2019 and dropped to 215 in 2020 and then rebounded significantly to 494 children in CY 2021.

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 March 2022, more than 11,827 adopted children were receiving an adoption subsidy and 2,508 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 7 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, health and mental health care, recreation, and case management.

Under Close to Home, which launched in 2012, DYFJ assumed custody of adjudicated juvenile delinquents found to be in need of 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.

Close to Home was implemented using a phased approach. ACS started with the transfer of youth sentenced by the court to Non-Secure Placement (NSP). In the second phase, which began in 2015, DYFJ assumed legal responsibility for juvenile delinquents placed in Limited-Secure Placement (LSP) settings. Currently, the City has 235 NSP beds and 66 LSP beds. However, ACS is in the process of reducing the number of NSP and LSP beds and expects to issue an RFP in the near future with new Close to Home contracts beginning in July of 2023. 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 health and mental health care. As of October 2019, newly arrested 16 and 17-year-olds are now treated as juveniles, and if they are detained it is either at Horizon Juvenile Center, Crossroads Juvenile Detention Center, or in one of our non-secure detention facilities.

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 Dept. 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 ensure families and children have 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 enhance foster well-being for families, children and communities. CFWB provides access to childcare, funds upstream community-based programs, and promotes child safety campaigns, all of which help to strengthen family protective factors, defined as attributes that, when present, mitigate or eliminate risk in families and communities by fortifying their stability and well-being.

Child Care

CFWB administers child care assistance to approximately 47,000 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.

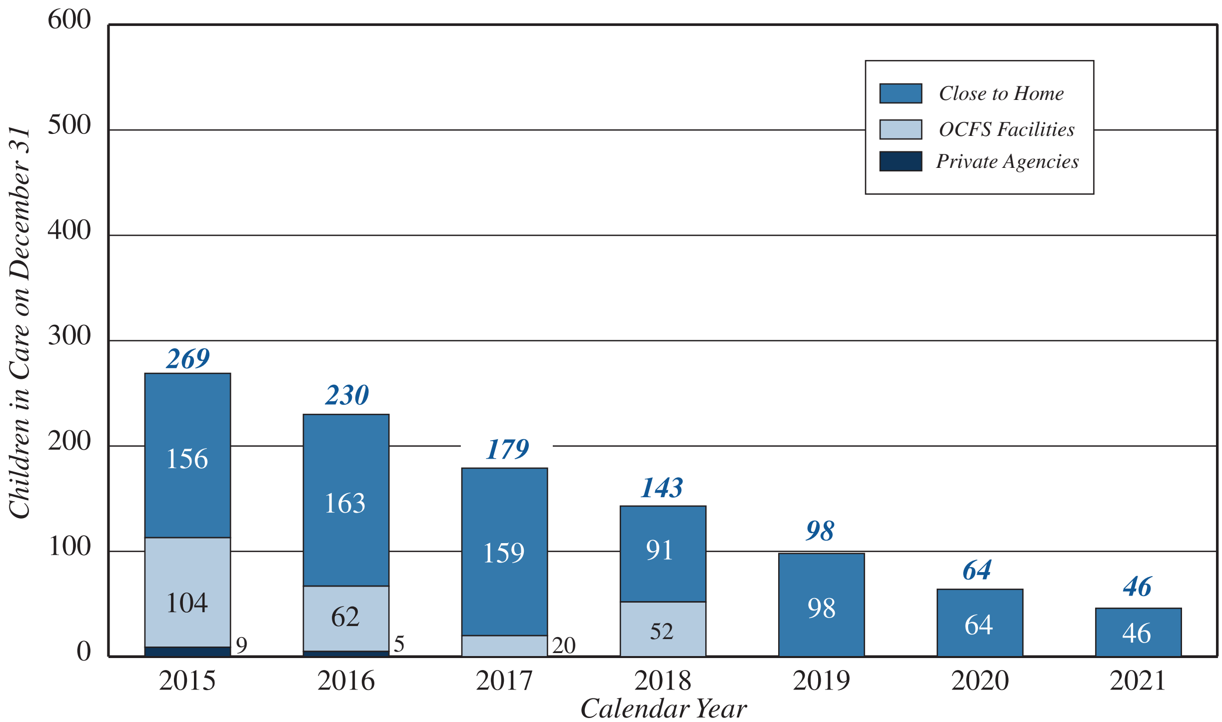
Community-Based Programs

CFWB contracts directly with non-for-profit corporations to manage two community-based initiatives, Community Partnership Programs (Partnerships) and Family Enrichment Centers (FECs). Since 2007, the eleven (11) Partnerships, which are neighborhood provider planning coalitions, have served as local hubs for social service providers, community leaders, and residents, to share local resources and information, address community needs, and design and promote strategies to reduce the need for child welfare involvement. The three (3) FECs are a family-centered, place-based primary prevention program that provide community-designed offerings in a warm, inviting space where neighbors can connect, contribute to their community, find resources, support one another, and build strategies that help families thrive. Since 2018, the FECs have co-designed with the communities in which they are located – East New York, Highbridge and Hunts Point. With a focus on strengthening protective factors, the FECs aim to leverage family and community strengths to bolster social connectedness and access to supports, which all families need to thrive and build resilience. In 2021, ACS announced a plan to expand from 3 to 30 FECs over the next three years and, in Spring 2022, awarded contracts to 9 community-based providers for the first 9 additional Centers.

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 2015 - 2021



* *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 $450 million, of which $401 million are City funds. The Four-Year Capital Plan includes $322.1 million for DYFJ programs, $35.9 million for administrative offices, $62.7 million for equipment and information systems, $22.2 million for City Council child care and child welfare projects, and $6.6 million for Borough President child welfare projects.

Capital Commitments

($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$(1,964)	$5,235	$48,030	$52,707	$56,448	$64,288	$11,494	$11,494	$274,044	$274,044	$—	$—
Child Care	$—	$—	$—	$—	$—	$—	$2,887	$2,887	$5,387	$5,387	$—	$—
Buildings	$32	$78	$2,085	$5,022	$—	$—	$9,123	$19,124	$3,532	$3,532	$1,765	$1,765
MIS	$1,663	$4,368	$9,202	$20,056	$18,437	$43,118	$11,495	$17,018	$4,520	$4,520	$1,626	$2,330
Total	$269	$9,681	$59,317	$77,785	$74,885	$107,406	$34,999	$50,523	$287,483	$287,483	$3,391	$4,095

Highlights of the Four-Year Capital Plan

- $62.7 million will support telecommunications and data infrastructure upgrades and improvements.
- $35.9 million will support the renovation of administrative and field offices as well as the Children's Center.
- $322.1 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) supports programs for families and youth in neighborhoods throughout the five boroughs. DYCD provides a wide range of high-quality youth and community development programs, including 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.

Becoming a Pro-Active Anti-Racist City Agency

DYCD's Theory of Change strengthened the agency efforts in strategic communications, professional development, data management and strategic partnerships. In response of the murders of George Floyd, Breonna Taylor, Ahmaud Arbery, and the many who followed, to fulfill DYCD's mission and vision; help communities recover from the disparate racial impact of COVID-19 and support the international calls for systemic change, the Executive Team has added a new Strategic Plan: DYCD will increase its efforts to be a proactive, anti-racist City agency. The four goals the agency will be pursuing in this area are:

- Center equity in resource allocations (funding+) and pilot equity-based funding model for future RFPs

- Provide anti-racism and implicit bias training and resources to DYCD staff.

- Revise DYCD's equity and mission statements so that it reflects the agency's current anti-racist position.

- Increase pool, awareness, and the hiring of consultants of color who can provide support to CBOs' organizational health, operations, and program quality.

Financial Review

The Department's 2023 Executive Budget provides for operating expenses of $960 million, of which $722 million are City funds.

Expense Budget Highlights

DYCD's 2023 Executive Budget responds to the challenges faced by New York's youth and communities both before and during the pandemic and lays important foundations for the future, including:

- Summer Rising 2.0: Mayor Adams announced Summer Rising 2.0 with an increase of $100 million, which will serve 110,000 elementary and middle school students this summer. Summer 2022 will offer a new opportunity to engage youth and families in joyful and skill-building activities, bringing together the strengths of DYCD-funded summer enrichment initiatives and DOE's academic programs into a coordinated experience for young people.

- Saturday Night Lights: With a budget of $4.3 million, DYCD partnered with the New York Police Department, the City's District Attorneys, the Parks Department, and our Cornerstone and Beacon providers to expand the program to over 100 locations. Each Saturday, from 5 p.m. to 9 p.m., children from 11- to 18-years-of-age participate in sports, including basketball, soccer, volleyball, dance, martial arts, and others. Programs take place in gyms and local parks, weather permitting. Investments in community safety provides a positive alternative to youth during vulnerable hours.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$46,788	$54,006	$42,839	$44,913	($9,093)	$2,074
Fringe Benefits	—	—	—	—	—	—
OTPS	812,600	992,782	820,013	914,939	(77,843)	94,926
Total	**$859,388**	**$1,046,788**	**$862,852**	**$959,852**	**($86,936)**	**$97,000**
Funding						
City	$452,061	$708,875	$624,617	$721,615	$12,740	$96,998
Other Categorical Grants	7,244	1,128	—	—	(1,128)	—
IFA	—	—	—	—	—	—
State	6,767	6,313	5,275	5,275	(1,038)	—
Federal CD	6,984	7,526	7,145	7,151	(375)	6
Federal Other	241,869	179,872	85,191	85,191	(94,681)	—
Intra-City Other	144,463	143,074	140,624	140,620	(2,454)	(4)
Total	**$859,388**	**$1,046,788**	**$862,852**	**$959,852**	**($86,936)**	**$97,000**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$13,095	$16,290	$16,933	$16,839	$549	($94)
Pensions	7,557	8,512	7,724	7,724	(788)	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	**$20,652**	**$24,802**	**$24,657**	**$24,563**	**($239)**	**($94)**
Funding						
City	19,934	24,274	24,114	24,037	(237)	(77)
Non-City	718	528	543	526	(2)	(17)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$46,788	$54,006	$42,839	$44,913	($9,093)	$2,074
Fringe Benefits	13,095	16,290	16,933	16,839	549	(94)
Pensions	7,557	8,512	7,724	7,724	(788)	—
Total PS	**$67,440**	**$78,808**	**$67,496**	**$69,476**	**($9,332)**	**$1,980**
OTPS	$812,600	$992,782	$820,013	$914,939	($77,843)	$94,926
Debt Service	—	—	—	—	—	—
Total OTPS	**$812,600**	**$992,782**	**$820,013**	**$914,939**	**($77,843)**	**$94,926**
Total Agency Costs	**$880,040**	**$1,071,590**	**$887,509**	**$984,415**	**($87,175)**	**$96,906**
Less Intra-City	$144,463	$143,074	$140,624	$140,620	($2,454)	($4)
Net Agency Cost	$735,577	$928,516	$746,885	$843,795	($84,721)	$96,910
Funding						
City	471,995	733,149	648,731	745,652	12,503	96,921
Non-City	263,582	195,367	98,154	98,143	(97,224)	(11)
Personnel (includes FTEs at fiscal year-end)						
City	449	481	429	477	(4)	48
Non-City	69	88	81	81	(7)	—
Total	**518**	**569**	**510**	**558**	**(11)**	**48**

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 2021-2022 COMPASS served more than 108,000 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 Drop-In Centers. In 2022, 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 2021, 74,884 youth and young adults participated in SYEP across 14,525 worksites. Mayor Adams announced a record breaking 100,000 slots in 2023, of which 90,000 will be placed by DYCD and the remaining by other City agencies.

In 2022, 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 trainings, credentials and certifications, and paid internships. The program will serve 980 participants this year (900 participants if you exclude ACS)

In 2022, DYCD received approximately $22.7 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 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 2022, DYCD's funding for adult literacy services is $17.1 million and it is projected that 16,062 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.

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 2021, the Department received $16.2 million in CSBG funding for these programs, which provides immigrant services, family support services, youth development, senior support, and housing assistance to 9,113 participants. Following a Request for Proposal, new contracts are expected to start 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 2022, the Department allocated $2.7 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, 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. discoverDYCD can be used to apply for most of DYCD funded program; the Summer Youth Employment Program is scheduled to be added to the platform next year.

DEPARTMENT FOR THE AGING

The Department for the Aging ("DFTA" 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. DFTA serves as an advocate for the City's older adult population through legislative activity and public policy initiatives.

Financial Review

The Department's 2023 Executive Budget provides for operating expenses of $479.2 million, of which $288.4 million are City funds. In addition, the Department's Ten-Year Capital Plan includes $60 million.

Expense Budget Highlights

DFTA's 2023 Executive Budget responds to the challenges faced by New York's aging population during the COVID-19 pandemic and lays important foundations for the future, including Geriatric Mental Health and Home Delivered Meals.

Geriatric Mental Health Expansion

The City will invest $3.2 million in expanding mental health services at Older Adult Centers ("OACs"). DFTA's Geriatric Mental Health program places licensed mental health clinicians in older adult centers to provide members with accessible mental health services. The program is expanding: clinicians will be placed in 40 additional OACs citywide; there are currently 48 OAC sites and this would increase the total to 88 sites. At each OAC, licensed mental health clinicians utilize engagement and workshops on mental health topics to de-stigmatize mental health, screen participants for depression and anxiety, provide on-site counseling, and provide referrals.

Home Delivered Meals

The City will invest $2.3 million in 2022 and $9.4 million in 2023 to increase the rate per meal to cover increased cost of food, fuel and labor cost. DFTA contracts with community-based providers to home-deliver nutritious meals to homebound older adults, age 60 and older, and their dependents if they have a disability. Home-delivered meals providers are funded by DFTA to deliver meals Monday through Friday. DFTA partners with City Meals On Wheels to deliver meals on weekends and holidays.

Transition for eligible Recovery Clients

The City will invest $14.9M in 2023 for additional home delivered meals and case management services for clients that will transfer from DFTA's temporary recovery meals to permanent home delivered meals. Of the $14.9 million, $8.8 million will go towards home delivered meals for approximately 3,000 clients and $6 million will go towards case management services to coincide with the 3,000 new clients.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$31,380	$30,944	$30,836	$31,481	$537	$645
Fringe Benefits	—	—	—	—	—	—
OTPS	324,230	530,448	428,814	447,759	(82,689)	18,945
Total	**$355,610**	**$561,392**	**$459,650**	**$479,240**	**($82,152)**	**$19,590**
Funding						
City	$227,829	$331,385	$273,032	$288,440	($42,945)	$15,408
Other Categorical Grants	79	—	—	—	—	—
IFA	—	—	—	—	—	—
State	46,386	44,413	44,155	44,401	(12)	246
Federal CD	2,679	3,267	2,252	2,252	(1,015)	—
Federal Other	77,275	180,207	139,696	143,632	(36,575)	3,936
Intra-City Other	1,362	2,120	515	515	(1,605)	—
Total	**$355,610**	**$561,392**	**$459,650**	**$479,240**	**($82,152)**	**$19,590**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$8,965	$11,390	$12,143	$11,987	$597	($156)
Pensions	5,199	5,582	5,180	5,180	(402)	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	**$14,164**	**$16,972**	**$17,323**	**$17,167**	**$195**	**($156)**
Funding						
City	13,232	16,048	16,626	16,380	332	(246)
Non-City	932	924	697	787	(137)	90
Full Agency Costs (including Central Accounts)						
Salary and Wages	$31,380	$30,944	$30,836	$31,481	$537	$645
Fringe Benefits	8,965	11,390	12,143	11,987	597	(156)
Pensions	5,199	5,582	5,180	5,180	(402)	—
Total PS	**$45,544**	**$47,916**	**$48,159**	**$48,648**	**$732**	**$489**
OTPS	$324,230	$530,448	$428,814	$447,759	($82,689)	$18,945
Debt Service	—	—	—	—	—	—
Total OTPS	**$324,230**	**$530,448**	**$428,814**	**$447,759**	**($82,689)**	**$18,945**
Total Agency Costs	**$369,774**	**$578,364**	**$476,973**	**$496,407**	**($81,957)**	**$19,434**
Less Intra-City	$1,362	$2,120	$515	$515	($1,605)	$—
Net Agency Cost	$368,412	$576,244	$476,458	$495,892	($80,352)	$19,434
Funding						
City	241,061	347,433	289,658	304,820	(42,613)	15,162
Non-City	127,351	228,811	186,800	191,072	(37,739)	4,272
Personnel (includes FTEs at fiscal year-end)						
City	222	226	229	225	(1)	(4)
Non-City	406	225	154	143	(82)	(11)
Total	**628**	**451**	**383**	**368**	**(83)**	**(15)**

Programmatic Review and Service Impact

Older Adult Centers

The core of DFTA's service portfolio is a citywide network of 277 Older Adult Centers, which every day offers older New Yorkers meals, socialization, recreation, benefits counseling and 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, Home Delivered Meals, and Homecare

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 2023, $45 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. DFTA has 15 contracts for home delivered meals, which offer older adults the option of frozen, fresh-chilled or hot meal deliveries. In 2023, $60 million will support 5.1 million home delivered meals. In addition, in 2023 approximately 3,400 clients will benefit from homecare services annually.

Senior Employment and Foster Grandparent Services

DFTA 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.

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 2023, $2 million is provided for the foster grandparent program.

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

DFTA'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, DFTA's transportation services program offers group transportation to enhance community engagement for seniors by offering recreational, social, and educational trips. Each year, DFTA's $5.1M transportation program provides over 250,000 one-way trips citywide. DFTA's older adult centers provide over 350,000 one way trips each year.

Caregiver Services

DFTA'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

DFTA's Geriatric Mental Health initiative provides, mental health services on-site at 48 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. DFTA will be expanding to an additional 40 sites in TRIE neighborhoods in Fiscal Year 2023. DFTA will have a total of 88 sites providing this service. The 2023 budget has $6.4 million for older adult center geriatric mental health programs.

DFTA is always looking how to innovate the provision of mental health services and have a greater reach for mental health services. As such, DFTA 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 Strategy for 2023-2026 totals $33.5 million. The Four-Year Capital Strategy includes funding for information technology projects to improve operations as well as funding for rehabilitation of senior centers throughout the City.

Capital Commitments

($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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
Elec. Date Processing	$251	$251	$5,842	$5,842	$2,089	$2,089	$2,547	$2,547	$—	$—	$365	$365
Building Renovations & Vehicles	2,060	2,060	8,246	8,246	2,274	$2,274	2,940	2,940	10,648	10,648	12,636	12,636
Total	$2,311	$2,311	$14,088	$14,088	$4,363	$4,363	$5,487	$5,487	$10,648	$10,648	$13,001	$13,001

Four-Year Capital Strategy Highlights

- The Department's Four-Year Capital Strategy includes rehabilitation of senior centers, with focus on structural and accessibility issues ($28.5 million); computer and network upgrade and equipment purchase ($5.0 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.

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 the Chief Medical Examiner (OCME) determines the cause and manner of deaths occurring in the City, and operates the county mortuaries and the accredited Forensic Biology Laboratory.

Financial Review

The Department's 2023 Executive Budget provides for operating expenses of $2.2 billion. Capital commitments of $538.8 million are also provided, an increase of $262.1 million above the 2022 Plan amount.

Revenue Forecast

The Department generates revenue from licenses, permits, inspection and service fees. In 2023, the Department will generate $32 million in revenue from these sources.

Expense Budget Highlights

Budgetary Priorities

- Funding for the creation of health-centered teams to perform outreach and engagement in the subway, as announced in the Subway Safety Plan.
- Funding for the creation of a dedicated gun crime unit in OCME to reduce lab turnaround times for DNA swabs.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

			($ in 000's)		Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages ………..	$591,329	$604,473	$580,011	$588,631	($15,842)	$8,620
Fringe Benefits ………….	1,854	3,011	859	859	(2,152)	—
OTPS ……………..………	1,588,137	2,576,976	1,486,424	1,580,823	(996,153)	94,399
Total ……………..………	**$2,181,320**	**$3,184,460**	**$2,067,294**	**$2,170,313**	**($1,014,147)**	**$103,019**
Funding						
City ……………..………	$1,101,687	$1,118,964	$1,037,250	$1,096,897	($22,067)	$59,647
Other Categorical Grants …	2,190	18,869	1,443	1,451	(17,418)	8
IFA ……………..………	—	—	—	—	—	—
State ……………..………	459,651	542,749	549,509	554,552	11,803	5,043
Federal CD ……………..…	—	—	—	—	—	—
Federal Other ……………..	603,080	1,486,536	469,248	507,569	(978,967)	38,321
Intra-City Other ………….	14,712	17,342	9,844	9,844	(7,498)	—
Total ……………..………	**$2,181,320**	**$3,184,460**	**$2,067,294**	**$2,170,313**	**($1,014,147)**	**$103,019**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits ………….	$183,466	$208,380	$210,516	$213,550	$5,170	$3,034
Pensions ……………..…	93,630	101,026	97,921	97,921	(3,105)	—
Other Than Personal Service (OTPS)						
Debt Service …………….	63,401	73,172	86,678	72,133	(1,039)	(14,545)
Total Additional Costs	**$340,497**	**$382,578**	**$395,115**	**$383,604**	**$1,026**	**($11,511)**
Funding						
City ……………..………	297,300	355,600	366,982	355,673	73	(11,309)
Non-City ……………..…	43,197	26,978	28,133	27,931	953	(202)
Full Agency Costs (including Central Accounts)						
Salary and Wages ……….	$591,329	$604,473	$580,011	$588,631	($15,842)	$8,620
Fringe Benefits ………….	185,320	211,391	211,375	214,409	3,018	3,034
Pensions ……………..…	93,630	101,026	97,921	97,921	(3,105)	—
Total PS ……………..…	**$870,279**	**$916,890**	**$889,307**	**$900,961**	**($15,929)**	**$11,654**
OTPS ……………..……	$1,588,137	$2,576,976	$1,486,424	$1,580,823	($996,153)	$94,399
Debt Service ……………..	63,401	73,172	86,678	72,133	(1,039)	(14,545)
Total OTPS	**$1,651,538**	**$2,650,148**	**$1,573,102**	**$1,652,956**	**($997,192)**	**$79,854**
Total Agency Costs …….	**$2,521,817**	**$3,567,038**	**$2,462,409**	**$2,553,917**	**($1,013,121)**	**$91,508**
Less Intra-City ……………	$14,712	$17,342	$9,844	$9,844	($7,498)	$—
Net Agency Cost …………	$2,507,105	$3,549,696	$2,452,565	$2,544,073	($1,005,623)	$91,508
Funding						
City ……………..………	1,398,987	1,474,564	1,404,232	1,452,570	(21,994)	48,338
Non-City ……………..…	1,108,118	2,075,132	1,048,333	1,091,503	(983,629)	43,170
Personnel (includes FTEs at fiscal year-end)						
City ……………..………	5,178	5,797	5,625	5,737	(60)	112
Non-City ……………..…	1,364	1,589	1,476	1,476	(113)	—
Total ……………..………	**6,542**	**7,386**	**7,101**	**7,213**	**(173)**	**112**

Programmatic Review and Service Impact

Take Care New York (TCNY)

Take Care New York (TCNY) is a comprehensive health policy for New York City laying out the Department's plans and priorities to advance anti-racism public health practice, reduce health inequities, and strengthen the City's collective approach to ensuring that all New Yorkers can realize their full health potential, regardless of who they are, where they are from, or where they live. The Department first launched TCNY in 2004 and has updated it approximately every 4 years. The next iteration of TCNY includes a new framework illuminating the connections between structural racism and health outcomes, as well as clear priorities for eliminating health inequities. These priorities include creating healthier neighborhoods, promoting healthy childhoods, and bridging public health and health care. To date, more than 5,000 New Yorkers have been engaged in shaping the framework and priorities through street outreach, virtual action planning meetings, and community story circles. Over the next four years, the Department will continue to engage New Yorkers, as well as our sister agencies, the private sector, academia, and community-based organizations to realize our TCNY priorities through an all of government, all of society approach to health equity.

Health Department's Response to COVID-19

The Department's Incident Command Structure was activated on January 30, 2020, in order to respond to the COVD-19 pandemic, and staff have collectively worked over 3.5 million hours on the response, while doing their "day jobs" of controlling other disease outbreaks, preventing HIV, implementing evidence and equity-based policies to address maternal mortality, child health, asthma, and mental health issues, and inspecting our restaurants, child care centers, and cooling towers, to name a few. Through our place-based efforts in communities, our staff and community partners have reached millions of New Yorkers with COVID-19 prevention information and resources via more than 24,000 outreach events. Staff have knocked on more than 1.7 million doors.

This work is bolstered by members of our Public Health Corps – a new partnership between the Department and NYC Health + Hospitals to expand and strengthen our community-based public health workforce and infrastructure and promote health equity for the communities hit hardest by the COVID-19 pandemic. Through this partnership, millions of tests have been conducted, including those in schools, and self-test kits have been distributed on the ground in the community. The Department has worked with congregate care settings, schools, and businesses to address clusters of cases and provide tools to help them control the spread of COVID-19 during surges, such as those due to the Delta and Omicron variants, and in times of lower transmission as well.

Due to our cross-agency, health care provider, and community partner efforts, about 6.5 million New Yorkers are fully vaccinated as of today, including nearly 88% of all adults. Over the past two years, we have also worked hand-in-hand with our sister agencies, elected officials, community and faith groups, and business, healthcare, and social service leaders to break down silos and reimagine government and private sector partnerships, all with a shared goal – to save lives, prevent suffering, and ensure equity for our fellow New Yorkers.

Mental Hygiene Services

Division of Mental Hygiene (MHy)

Among people, families, and communities with/or affected by mental health conditions; intellectual and developmental disabilities; substance use disorder; and/or intersections with the criminal-legal system, while prioritizing reducing racial and other inequities, the Division of Mental Hygiene's aims to (1) promote mental wellness and wellbeing, and participation in family, community, and work; (2) promote healthy social emotional development; and (3) decrease morbidity, mortality, and premature mortality.

Bureau of Mental Health (BMH)

BMH develops, funds, and implements evidence-based/informed programs, initiatives, and BMH develops, funds, and implements evidence-based/informed programs and policies to promote the mental health and well-being of all New Yorkers, including those with serious mental illnesses. Key programs include: supportive housing, mobile treatment, NYC Well, mobile crisis, crisis respite, clubhouses, Assisted Outpatient Treatment (AOT), and NYC Supportive Transition and Recovery Team (START). BMH also monitors and assesses population-level mental health, engagement in mental health treatment, and the needs of individuals with mental illness.

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 eliminate disparities and reduce overall morbidity and mortality among people who use alcohol and drugs. 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 distribution, 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 Mental Hygiene Community Engagement, Policy, and Practice (CEPP)

Leads cross-cutting policy, practice change, and research; engages and supports community action; and invites and includes peer perspectives to integrate equitable access to behavioral health across sectors and settings. CEPP is organized into five offices including Behavioral Health Emergency Preparedness and Response; Community Engagement and Training; Consumer Affairs; Data Aggregation, Translation and Analytics; and Policy and Practice. Key programs and initiatives include Connections to Care: Building Resilience for Youth, Community Covid Conversations (3C), Behavioral Health Parity Project, Commercial Insurance Behavioral Health Access Project, NYC Project Hope, Resilience and Emotional Support Team (REST), and Justice Peer Initiative.

Bureau of Children, Youth, and Families (CYF)

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.

Bureau of Health Promotion of Justice-Impacted Populations (HPJIP)

The Bureau of Health Promotion for Justice-Impacted Populations (HPJIP) aims to reduce the negative social and health consequences of criminal legal system involvement through innovative policy, data, programs, 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.

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.

Public Health Services

Center for Healthy 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 while serving 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 s in premature morbidity and mortality exist. Through place-based programming; collaborations with key stakeholders, including co-located partners; 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, 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 placed-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. BFAS also includes the Office of Health Insurance Services (OHIS), which provides community-facing programs and on-the ground programmatic work that maximize health insurance coverage opportunities and increase access to healthcare and social support services for all New Yorkers. OHIS applies a health equity lens to all efforts with a focus on connecting communities most at-risk to equitable resources.

Disease Control

Bureau of Hepatitis, HIV, and Sexually Transmitted Infections (BHHS)

In July 2021, the Division of Disease Control underwent a reorganization and created a new bureau, Bureau of Hepatitis, HIV, and Sexually Transmitted Infections (BHHS), to bring together the Division's work on viral hepatitis, HIV, and sexually transmitted infections (STIs). Its mission is to improve the lives of New Yorkers by ending transmission, illness, stigma, and inequities related to viral hepatitis, HIV, and STIs. BHHS' 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' work on viral hepatitis is guided by the first-ever viral hepatitis elimination plan for New York City (NYC), 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 planning is underway.

BHHS' 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 end the HIV epidemic. Released in March 2021, the Plan is the product of a nearly year-long community planning process. It is organized around four pillars: Diagnose, Treat, Prevent, and Respond. It identifies seven priority populations and uses 17 population-level metrics to track progress toward Plan goals. Implementation is underway.

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. Collaborating 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 new Bureau of Public Health Clinics (BPHC), created in July 2021 to centralize and streamline clinical operations, oversees the Department's eight Sexual Health Clinics, four Tuberculosis (TB) Chest Centers, and eight COVID-19 Express testing clinics. BPHC offers services at clinics located throughout NYC, regardless of immigration status or ability to pay.

- BPHC's Sexual Health Clinics 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 Long-Acting Reversible Contraception (LARC)); behavioral health services; and navigation for referrals and follow-up care. The Chelsea Sexual Health clinic includes 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 min with test results available within hours via the patient portal. BPHC is planning to expand Quickie clinic and LARC services across Sexual Health Clinics in 2023.

- 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. COVID-19 vaccinations are also offered at three clinical sites.

Bureau of Communicable Diseases (BCD)

The Bureau of Communicable Diseases (BCD) tracks 73 infectious diseases and investigates outbreaks to rapidly detect, characterize and respond to infectious disease threats and prevent or control 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, animal contact, and mosquito and tick bites, as well as the potential threat of bioterrorism 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, 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 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 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 percent positivity, 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. 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 vaccine breakthrough infections.

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).

In May 2020, BOI began planning for COVID-19 vaccination availability with a focus on ensuring equitable access. COVID-19 vaccine distribution began in December 2021 and BOI continues to manage COVID-19 vaccination program provider enrollment, vaccine ordering and distribution, operational and clinical support, site visits and data tracking. BOI has also had a team to respond to the large number of COVID-19 vaccine immunization record requests and record corrections. Further, BOI is actively preparing for the expected availability of COVID-19 vaccine for children ages 6 months through 4 years of age. BOI is also engaged in several programs to assess vaccine effectiveness in different settings and the effect of vaccine policies.

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 implement expanded school vaccine requirements. We anticipate incorporating COVID-19 vaccination activities into routine immunization work.

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's Bio-Threat Response laboratory analyzed the anthrax-laden letter received at the NBC News office in NYC in 2001. In 2014, PHL was one of the first laboratories to implement Ebola testing and diagnosed NYC's case. PHL was also integral in pinpointing the sources of the large-scale Legionnaire's disease outbreaks using whole genome sequencing technology in the summer of 2015 and fall of 2018. As part of efforts to strengthen NYC as a leader in biotechnology and biopreparedness, a new state of the art PHL building is planned with groundbreaking in the summer of 2022.

PHL tests for traditional infectious diseases such as HIV and other STIs, tuberculosis, influenza, and agents of foodborne illnesses. PHL also collaborates with other city agencies and state and federal partners to respond to public health challenges and emerging public health threats in NYC and beyond. This includes being on the forefront of the COVID-19 response. PHL was the first lab in early March 2020 and for a little while the only lab to conduct COVID-19 testing in NYC; began sequencing of COVID-19 in May of 2020 and has been instrumental in ongoing efforts to detect emerging variants in NYC; launched COVID Express Quickie Labs at Health Department clinic sites across NYC in August 2020, where specimens are collected and tested on site using rapid advanced PCR testing platform that allows patients to receive their test result usually within hours; and partnered with NYC Department of Environmental Protection and other collaborators to analyze COVID-19 wastewater surveillance data.

Bureau of Division Management and Systems Coordination (BDMSC)

The Bureau of Division Management and Systems Coordination (BDMSC) manages all human resources activities and fiscal administration for the Division of Disease Control's bureaus; develops and implements innovative initiatives for surveillance, informatics, and emergency preparedness; facilitates and project manages strategic cross-cutting initiatives between the Division's bureaus; and maintains a portfolio of communications projects, policy initiatives, research projects, and community engagement activities, with a focus on programs and projects for priority populations such as racial and ethnic communities, immigrants, and LGBQ and transgender and gender non-conforming New Yorkers.

Environmental Health Services

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. The 2023 budget reflects continued commitment to these and other initiatives.

Emergency Preparedness and Response

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) to rapidly distribute lifesaving medication to New Yorkers and Post Emergency Canvassing Operations (PECO) to canvass residents sheltering in place following a public health threat. 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, NYC isolation hotel operations and the distribution of critical personal protective equipment (PPE) and other life-saving 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 recover from any emergency that impacts the health of New Yorkers.

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.
- Coordination of the agency-wide Data for Equity Workgroup, which was named as a resolution of the Board of Health declaration of racism as a public health crisis; and initiatives to embed equity into Division programs through an equity action plan and racial equity project planning tool.

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, including coordinating efforts to describe long COVID among New Yorkers. In addition, the Division will continue to expand its public health surveillance approaches, including conducting additional population surveys through Healthy NYC, a mechanism established during the pandemic for engaging a representative panel of New Yorkers. Additionally, the Division will continue to develop and reinforce its racial equity work across the division, including engaging staff and using a racial equity project planning tool to set and implement equitable 2023 goals, expanding workforce equity efforts to focus on supporting front-facing staff, and continuing to normalize conversations about race, racism and racial equity.

Family and Child Health

The Department's Division of Family and Child Health (FCH) is dedicated to giving every family in New York City the best start in life and to supporting them over their life course. FCH promotes primary and reproductive health services, health equity, social justice, safety and well-being for families and children. To that end, the Division is charged with the creation and oversight of programs, policies, services, and environments that support physical and socio-emotional health.

FCH is comprised of the Bureau of Maternal, Infant and Reproductive Health (BMIRH), the Office of School Health (OSH), a Bureau of Administration, and the Bureau of Early Intervention (BEI).

To advance its vision of helping New Yorkers reach their full potential, the Division 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, the Division works with City hospitals through the Maternity Hospital Quality Improvement Network (MHQIN), and the New York City Breastfeeding Hospital Collaborative to implement evidence-based practices to increase breastfeeding initiation, duration, and exclusivity. The Division also provides home visiting services for mothers, infants, and families, including those residing in homeless shelters, through Nurse Family Partnership, the Newborn Home Visiting Program, and the Newborn Home Visiting Program's Shelter Initiative Model, which was fully implemented in 2016. The Division also partners with over 50 community-based organizations through its Sexual and Reproductive Justice Community Engagement Group, to implement initiatives to assure that all people have the power and resources to make healthy decisions about their bodies, sexuality, and reproduction.

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.

The Division maintains a multifaceted approach to ensuring that all individuals have access to quality, comprehensive services. That includes the full range of FDA-approved contraceptive methods, and resources to make informed decisions about sexual and reproductive health. This includes working with hospitals through the Quality Improvement Network for Contraceptive Access to increase access to contraception in post-partum, post-abortion, and primary care settings.

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 placing a nurse in every school and having 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 expanded vision, asthma case management, oral health, and mental health services.

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 (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.

The 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.

Capital Review

The 2023-2026 Four-Year Plan totals $750 million, 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 shows capital commitments by program area over the FY 2023 - 2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$299	$299	$1,431	$1,431	$2,378	$2,378	$6,438	$6,438	$13,300	$13,300	$—	$—
Animal Care	$5,375	$5,375	$4,492	$4,492	$109,240	$109,240	$750	$750	$—	$—	$1,721	$1,721
Renovations	$33,899	$33,899	$15,838	$15,947	$77,053	$77,091	$12,664	$12,664	$7,929	$7,977	$4,838	$4,880
Equipment	$3,051	$3,051	$22,804	$22,844	$53,240	$53,242	$15,698	$15,698	$1,116	$1,116	$13,653	$14,184
Information Technology	$9,415	$10,417	$849	$1,037	$2,976	$3,517	$7,530	$8,461	$2,671	$3,001	$10,137	$11,494
Laboratories	$3,881	$3,881	$229,943	$229,943	$285,026	$285,026	$40,000	$40,000	$40,000	$40,000	$—	$—
OCME	$2,420	$2,420	$702	$950	$8,279	$8,279	$12,539	$12,539	$13,791	$13,791	$3,189	$3,189
Total	$58,340	$59,342	$276,059	$276,644	$538,192	$538,773	$95,619	$96,550	$78,807	$79,185	$33,538	$35,468

Highlights of the 2023-2026 Four-Year Plan Capital Strategy:

The Department's 2023-2026 Four-Year Capital Strategy features several important projects, including:

- A new Public Health Laboratory ($365 million).
- Renovation of various public health facilities ($102.6 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 ($111.7 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 ($26.5 million).
- Purchase of equipment and vehicles, and upgrades of IT infrastructure within the Office of Chief Medical Examiner ($37.8 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 2023 Executive Budget provides for operating expenses of $2.3 billion, a decrease of $163 million from the amount forecasted for 2022. This variance is driven largely by Federal grant funding that has not been reflected in 2023 and a lower allocation in 2023 for uniformed operations.

Capital commitments of $395 million are also provided in 2023. This represents an increase of $268 million from the amount forecasted for 2022. The 2023 forecast is higher primarily due to higher planned commitments for communications technology and facilities upgrades.

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 2023, the revenue estimate for the Fire Department is $103.5 million.

The Department also collects revenue from Emergency Medical Services (EMS) ambulance transports. In 2023, total EMS revenue is projected at $371 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 2022, in partnership with NYC Service.
- Expand mental health teams and training to respond to non-violent 911 mental health emergencies, at a cost of $37 million.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$1,918,951	$2,072,775	$1,881,634	$2,000,057	($72,718)	$118,423
Fringe Benefits	20,173	27,440	26,552	26,556	(884)	4
OTPS	296,248	350,853	242,857	261,950	(88,903)	19,093
Total	**$2,235,372**	**$2,451,068**	**$2,151,043**	**$2,288,563**	**($162,505)**	**$137,520**
Funding						
City	$1,692,487	$1,938,746	$1,726,808	$1,866,581	($72,165)	$139,773
Other Categorical Grants	335,958	396,259	370,495	370,495	(25,764)	—
IFA	430	567	567	567	—	—
State	1,968	2,222	1,750	1,750	(472)	—
Federal CD	—	—	—	—	—	—
Federal Other	203,643	111,646	50,904	48,651	(62,995)	(2,253)
Intra-City Other	886	1,628	519	519	(1,109)	—
Total	**$2,235,372**	**$2,451,068**	**$2,151,043**	**$2,288,563**	**($162,505)**	**$137,520**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$759,039	$891,035	$915,532	$937,337	$46,302	$21,805
Pensions	1,539,567	1,536,896	1,611,432	1,611,432	74,536	—
Other Than Personal Service (OTPS)						
Debt Service	177,033	231,052	273,701	242,867	11,815	(30,834)
Total Additional Costs	**$2,475,639**	**$2,658,983**	**$2,800,665**	**$2,791,636**	**$132,653**	**($9,029)**
Funding						
City	2,421,793	2,604,458	2,746,347	2,737,803	133,345	(8,544)
Non-City	53,846	54,525	54,318	53,833	(692)	(485)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$1,918,951	$2,072,775	$1,881,634	$2,000,057	($72,718)	$118,423
Fringe Benefits	779,212	918,475	942,084	963,893	45,418	21,809
Pensions	1,539,567	1,536,896	1,611,432	1,611,432	74,536	—
Total PS	**$4,237,730**	**$4,528,146**	**$4,435,150**	**$4,575,382**	**$47,236**	**$140,232**
OTPS	$296,248	$350,853	$242,857	$261,950	($88,903)	$19,093
Debt Service	177,033	231,052	273,701	242,867	11,815	(30,834)
Total OTPS	**$473,281**	**$581,905**	**$516,558**	**$504,817**	**($77,088)**	**($11,741)**
Total Agency Costs	**$4,711,011**	**$5,110,051**	**$4,951,708**	**$5,080,199**	**($29,852)**	**$128,491**
Less Intra-City	$886	$1,628	$519	$519	($1,109)	$—
Net Agency Cost	$4,710,125	$5,108,423	$4,951,189	$5,079,680	($28,743)	$128,491
Funding						
City	4,114,280	4,543,204	4,473,155	4,604,384	61,180	131,229
Non-City	595,845	565,219	478,034	475,296	(89,923)	(2,738)
Personnel (includes FTEs at fiscal year-end)						
City	17,008	17,192	17,241	17,428	236	187
Non-City	132	135	122	122	(13)	—
Total	**17,140**	**17,327**	**17,363**	**17,550**	**223**	**187**

Programmatic Review and Service Impact

In 2022 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 2023. The Department anticipates that it will respond to over 1.5 million medical incidents in 2023.

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 820 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 and EMSCAD implementation is expected to begin.

Capital Review

The 2023-2026 Four-Year Capital Plan totals $1 billion. 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 2023-2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$18,684	$27,580	$2,221	$7,337	$37,654	$90,168	$7,906	$33,501	$3,378	$10,378	$1,000	$1,000
Electronic Data Processing	19,385	19,385	15,909	$15,909	38,124	38,124	7,118	7,118	2,710	2,710	6,000	6,000
Reconstruction/Modernization of Facilities	22,694	22,694	33,904	34,070	134,029	135,582	165,909	167,598	88,944	88,944	50,720	50,720
Vehicles and Equipment	45,587	45,587	69,011	69,496	130,170	130,920	81,072	81,072	95,975	95,975	90,982	90,982
Total	$106,350	$115,246	$121,045	$126,812	$339,977	$394,794	$262,005	$289,289	$191,007	$198,007	$148,702	$148,702

Highlights of the 2023-2026 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 ($443 million).

- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment ($399 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 ($95 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 ($13 million).

- The replacement of end-of-life information technology and communications equipment ($81 million).

The 2023 Plan for the Department totals $395 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 ($106 million).

- The reconstruction of Engine Company 268 in Queens ($30 million).

- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment ($131 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 ($58 million).

- The purchase of mobile radios to enhance emergency response capabilities ($18 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 ($13 million).

- The replacement of end of life information technology and communications equipment ($40 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 2023 Executive Budget provides for operating expenses of $1.83 billion, a decrease of $186 million from the 2022 forecast, primarily due a lower allocation for uniformed operations.

Capital commitments of $351 million are also provided in 2023, an increase of $167 million from the 2022 Plan amount, primarily due to higher planned commitments for facilities rehabilitation projects and vehicle purchases.

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 2023 revenue estimate is $17.4 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. Due to a heavier snow season, the cost of clearing snow and ice was higher than the previous five-year spending average. As a result, the 2022 snow budget has been increased to $110 million. The Department's 2023 snow removal budget is $96 million, based on the previous five-year spending average, as required by the City Charter.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$1,176,839	$1,175,643	$1,006,001	$1,016,136	($159,507)	$10,135
Fringe Benefits	39,599	44,630	41,998	42,261	(2,369)	263
OTPS	1,162,263	799,557	735,405	775,456	(24,101)	40,051
Total	**$2,378,701**	**$2,019,830**	**$1,783,404**	**$1,833,853**	**($185,977)**	**$50,449**
Funding						
City	$1,274,027	$1,537,765	$1,759,614	$1,810,063	$272,298	$50,449
Other Categorical Grants	3,456	1,556	750	750	(806)	—
IFA	5,714	5,734	5,735	5,735	1	—
State	—	9,235	—	—	(9,235)	—
Federal CD	412	48	—	—	(48)	—
Federal Other	1,092,703	458,264	7,600	7,600	(450,664)	—
Intra-City Other	2,389	7,228	9,705	9,705	2,477	—
Total	**$2,378,701**	**$2,019,830**	**$1,783,404**	**$1,833,853**	**($185,977)**	**$50,449**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$424,139	$487,795	$495,788	$502,744	$14,949	$6,956
Pensions	291,374	285,022	286,648	286,648	1,626	—
Other Than Personal Service (OTPS)						
Debt Service	269,795	319,744	378,766	296,323	(23,421)	(82,443)
Total Additional Costs	**$985,308**	**$1,092,561**	**$1,161,202**	**$1,085,715**	**($6,846)**	**($75,487)**
Funding						
City	946,908	1,074,655	1,142,501	1,068,790	(5,865)	(73,711)
Non-City	38,400	17,906	18,701	16,925	(981)	(1,776)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$1,176,839	$1,175,643	$1,006,001	$1,016,136	($159,507)	$10,135
Fringe Benefits	463,738	532,425	537,786	545,005	12,580	7,219
Pensions	291,374	285,022	286,648	286,648	1,626	—
Total PS	**$1,931,951**	**$1,993,090**	**$1,830,435**	**$1,847,789**	**($145,301)**	**$17,354**
OTPS	$1,162,263	$799,557	$735,405	$775,456	($24,101)	$40,051
Debt Service	269,795	319,744	378,766	296,323	(23,421)	(82,443)
Total OTPS	**$1,432,058**	**$1,119,301**	**$1,114,171**	**$1,071,779**	**($47,522)**	**($42,392)**
Total Agency Costs	**$3,364,009**	**$3,112,391**	**$2,944,606**	**$2,919,568**	**($192,823)**	**($25,038)**
Less Intra-City	$2,389	$7,228	$9,705	$9,705	$2,477	$—
Net Agency Cost	$3,361,620	$3,105,163	$2,934,901	$2,909,863	($195,300)	($25,038)
Funding						
City	2,220,935	2,612,420	2,902,115	2,878,853	266,433	(23,262)
Non-City	1,140,685	492,743	32,786	31,010	(461,733)	(1,776)
Personnel (includes FTEs at fiscal year-end)						
City	9,279	9,565	9,563	9,650	85	87
Non-City	50	117	117	117	—	—
Total	**9,329**	**9,682**	**9,680**	**9,767**	**85**	**87**

Programmatic Review and Service Impact

The Department's main administrative and planning divisions include the Bureau of Financial Management and Administration and the Bureau of Recycling and Sustainability. The two 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.

Long Term Solid Waste Management

In accordance with the 2006 Solid Waste Management Plan (SWMP), the Department is nearing completion of a sustainable, resilient, and equitable five borough solid waste management system to replace existing short-term contracts and reduce truck traffic and greenhouse gas emissions by relying on barge or rail export of waste in clean, sealed containers. The Department has opened four converted Marine Transfer Stations and has procured all long-term contracts necessary to carry out the SWMP.

For Staten Island waste, the Department operates a facility at the closed Fresh Kills landfill that containerizes waste for rail transport via a rail link connecting Staten Island to the national rail freight network. In addition, the Department maintains long term solid waste management contracts with vendors to export refuse by rail for all of the Bronx, a portion of Brooklyn, and a portion of Queens.

Bureau of 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 2022, the paper recycling program is anticipated to generate an average of $12.55 of revenue per ton from various vendors, or $4.3 million.

In 2023, the Department will continue the current residential and school organics collection programs. The Department will expand organics collection to additional schools and establish new organics drop-off sites. 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 its waste export contracts.

SWM is also responsible for the Fresh Kills landfill closure activities. The Financial Plan includes funds for closure activities including final capping of the landfill, leachate treatment and control, methane gas collection and flaring, maintenance and security of the site and waterways, and environmental monitoring.

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. BBM continues to work in conjunction with the New York Power Authority to reduce the Department's overall electrical consumption, particularly peak loads during high temperature summer days.

The Bureau of Facilities Planning and Engineering oversees Sanitation's capital construction and reconstruction projects. Over the next four years, the Department is funded to initiate construction to replace the aging Bronx 9, 10, and 11 garage complex. The Department also has funding to begin construction of 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 2023-2026 Capital Plan totals $1.7 billion. The Plan 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 renovation and construction; 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 2023-2026 Capital Plan totals $1.7 billion. The table below shows capital commitments by program area over the 2023-2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$3,840	$3,840	$1,558	$1,558	$24,194	$24,194	$20,945	$20,945	$24,375	$24,375	$4,070	$4,070
Garages and Facilities	187,950	187,950	65,600	66,683	149,015	151,986	361,605	369,425	152,265	152,265	45,531	45,531
Equipment	44,565	44,565	108,466	110,248	154,897	154,897	258,573	258,573	253,283	253,283	237,293	237,293
Information Technology and Telecommunications	6,274	6,274	5,925	5,925	20,401	20,401	5,890	5,890	3,227	3,227	3,689	3,689
Total	$242,629	$242,629	$181,549	$184,414	$348,507	$351,478	$647,013	$654,833	$433,150	$433,150	$290,583	$290,583

Highlights of the 2023-2026 Four-Year Capital Plan

- Construction of a new garage for Bronx Community Districts 9, 10 and 11 ($305 million)

- Construction and reconstruction of other garages and facilities ($414 million)

- Construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan ($74 million)

- Replacement of vehicles and other equipment ($904 million)

- Information technology and telecommunications ($33 million)

The 2023 Capital Plan provides $351 million in 2023 including:

- Construction and reconstruction of various DSNY facilities, Citywide ($152 million).

- Construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan ($24 million).

- Replacement of vehicles and other equipment ($155 million).

- Information technology and telecommunications ($20 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 2023 Executive Budget provides for operating expenses of $601.4 million, a decrease of $29.4 million below the amount forecasted in 2022 as a result of one-time Federal stimulus funding coming to an end. Capital commitments of $815.8 million are also provided, an increase of $87.0 million above the 2022 Plan amount.

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 $65.2 million from these sources in 2023.

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.

- 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 2023 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.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

($ in 000's)	2021 Actual	2022 Forecast	2023 Preliminary Budget	2023 Executive Budget	Increase/(Decrease) 2022 Forecast	Increase/(Decrease) 2023 Preliminary Budget
Expenditures						
Salary and Wages	$405,347	$460,357	$409,308	$447,232	($13,125)	$37,924
Fringe Benefits	2,804	6,830	3,165	3,165	(3,665)	—
OTPS	118,481	163,578	144,652	151,015	(12,563)	6,363
Total	**$526,632**	**$630,765**	**$557,125**	**$601,412**	**($29,353)**	**$44,287**
Funding						
City	$389,543	$446,223	$433,753	$477,233	$31,010	$43,480
Other Categorical Grants	12,188	19,334	3,324	3,324	(16,010)	—
IFA	51,419	50,962	55,060	55,060	4,098	—
State	1,021	2,550	343	343	(2,207)	—
Federal CD	4,638	6,038	2,634	2,634	(3,404)	—
Federal Other	34,017	59,690	—	807	(58,883)	807
Intra-City Other	33,806	45,968	62,011	62,011	16,043	—
Total	**$526,632**	**$630,765**	**$557,125**	**$601,412**	**($29,353)**	**$44,287**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$137,889	$166,201	$168,526	$168,670	$2,469	$144
Pensions	75,425	78,897	67,376	67,376	(11,521)	—
Other Than Personal Service (OTPS)						
Debt Service	395,682	425,499	504,041	490,419	64,920	(13,622)
Total Additional Costs	**$608,996**	**$670,597**	**$739,943**	**$726,465**	**$55,868**	**($13,478)**
Funding						
City	573,947	650,579	715,431	701,989	51,410	(13,442)
Non-City	35,049	20,018	24,512	24,476	4,458	(36)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$405,347	$460,357	$409,308	$447,232	($13,125)	$37,924
Fringe Benefits	140,693	173,031	171,691	171,835	(1,196)	144
Pensions	75,425	78,897	67,376	67,376	(11,521)	—
Total PS	**$621,465**	**$712,285**	**$648,375**	**$686,443**	**($25,842)**	**$38,068**
OTPS	$118,481	$163,578	$144,652	$151,015	($12,563)	$6,363
Debt Service	395,682	425,499	504,041	490,419	64,920	(13,622)
Total OTPS	**$514,163**	**$589,077**	**$648,693**	**$641,434**	**$52,357**	**($7,259)**
Total Agency Costs	**$1,135,628**	**$1,301,362**	**$1,297,068**	**$1,327,877**	**$26,515**	**$30,809**
Less Intra-City	$33,806	$45,968	$62,011	$62,011	$16,043	$—
Net Agency Cost	$1,101,822	$1,255,394	$1,235,057	$1,265,866	$10,472	$30,809
Funding						
City	963,490	1,096,802	1,149,184	1,179,222	82,420	30,038
Non-City	138,332	158,592	85,873	86,644	(71,948)	771
Personnel (includes FTEs at fiscal year-end)						
City	5,108	6,680	6,604	7,358	678	754
Non-City	2,156	2,051	705	725	(1,326)	20
Total	**7,264**	**8,731**	**7,309**	**8,083**	**(648)**	**774**

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 83 percent acceptable for overall condition and 90 percent acceptable for cleanliness in 2022.

NYC Parks is dedicated to strategic planning guided by a clear principle: distribute city resources in a fair and focused manner that reflects this administration's commitment to equity. Parks' signature equity effort and the centerpiece of this strategic blueprint is the Community Parks Initiative (or CPI), with more than $450 million dollars in the Capital Commitment Plan dedicated to delivering capital funding, enhanced programming, targeted improvements, and partnership development to support high need neighborhood parks. Historically, CPI funding has allowed the Parks Department to reimagine and re-create a total of 67 parks, and to date, NYC Parks has opened 64 newly reconstructed parks and playgrounds under this initiative. Dedicated baseline capital funding will allow the Parks Department to continue this transformative program and reconstruct 10 new sites per year.

To ensure that the City's parks are beautiful, welcoming, and accessible to all New Yorkers, the department launched "Parks Without Borders," an exciting new design initiative. This program focuses on the edges, entrances and adjacent spaces of city parks, where they most directly interact with the surrounding community. The Parks Department is focused on creating more access to parks and creating more usable parkland by opening up entrances and edges and reclaiming unused park space. The Parks Department announced eight signature projects to showcase this new approach and has incorporated Parks Without Borders into ongoing projects wherever possible. Parks has completed seven of the eight projects, the remaining project is currently moving through design.

Given the needs of a fast-growing city, a commitment to equity also means a need to continue improving our parks and playgrounds in all neighborhoods by updating aging infrastructure. The Parks Department is nearing completion of major improvements at five large parks, one in each borough, known as the Anchor Parks Initiative. These parks act as anchors to their surrounding communities by providing large, diverse recreational resources. Anchor Parks invests in new resources like soccer fields, comfort stations, running tracks and walking paths, transforming these parks for the 750,000 New Yorkers who live in the neighborhoods that surround them, and make these older parks feel new again. The Anchor Parks projects were created with input gathered at well-attended public scoping meetings, so that the priority improvements at each park have been shaped by the local residents that know these parks best. The initiative has resulted in multi-phased projects at the Anchor sites, four of which are already complete.

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. Even during COVID adjustments, when in-person community input meetings were not possible, we pivoted to digital engagement to ensure that the upcoming projects we continue to design are based on local residents' guidance.

Capital Review

The Four-Year Plan totals $3.6 billion, including $3.3 billion in City funds. The table below shows capital commitments by program area over the FY 2023-2026 period.

Capital Commitments
($000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$7,038	$12,131	$24,389	$89,424	$72,627	$84,255	$30,617	$30,617	$4,375	$4,684	$39,293	$39,293
Land Acquisition and Tree Planting	21,455	33,755	64,920	91,435	29,720	75,509	50,641	50,963	100,233	100,233	80,316	80,949
Major Recreation Facilities and Facility Reconstruction	47,924	50,266	140,235	144,010	70,110	83,396	142,742	142,820	212,379	235,492	47,427	51,346
Neighborhood Parks and Playgrounds	99,906	112,457	235,804	248,150	246,245	279,765	333,840	376,390	244,621	263,712	351,430	370,620
Vehicles and Equipment	3,234	3,234	33,573	33,573	5,074	5,074	957	1,412	4,075	4,075	213	213
Large, Major and Regional Park Reconstruction	267,295	271,655	108,351	122,107	222,280	285,455	122,437	122,981	497,211	510,727	397,953	405,417
Zoos	0	0	91	91	2,292	2,292	292	292	0	0	13,009	13,009
Total	$446,852	$483,498	$607,363	$728,790	$648,348	$815,746	$681,526	$725,475	$1,062,894	$1,118,923	$929,641	$960,847

Highlights of the 2023-2026 Four-Year Plan

The 2023-2026 Plan includes $3.6 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 ($237.3 million).
- Continued implementation of the Community Parks Initiative ($67.7 million).
- Reconstruction of recreation centers, Citywide ($300.7 million).
- Reconstruction of the Red Hook Ballfields and Recreation Area in Brooklyn ($32.6 million).
- Improvements to DPR's green infrastructure including the construction of new greenways ($181.1 million).
- Reconstruction of Flushing Meadows Corona Park in Queens ($46.3 million).
- Rehabilitation of DPR-owned pedestrian bridges including the Riverside Park Amtrak Overbuild in Manhattan ($707.6 million).
- Reconstruction of citywide waterfront infrastructure including the Orchard Beach Pavilion in the Bronx ($144.8 million).
- Improvements to Clove Lakes Park in Staten Island ($13.6 million).

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 2023 Executive Budget provides for operating expenses of $1.6 billion. It also provides capital commitments of $11.1 billion to be financed by Water Finance Authority funds and $424.1 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 2023 is $18.9 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 2,541 personnel and $675.4 million are dedicated to this function. In addition, there are 302 police and security force personnel ($36.9 million), including 221 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 1,815 personnel and $551.0 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 ($108.9 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 ($65.7 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 182 personnel and $15.8 million dedicated to this function.

- The Department will continue implementation of the City's Green Infrastructure Plan with 229 personnel and $23.1 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 ($7.4 million).

Restructuring and Streamlining

The Department expects to achieve a savings of $1.1 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 $0.4 million.

- The Department will save $0.7 million through vacancy reductions.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

($ in 000's)					Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$596,626	$623,006	$621,444	$622,741	($265)	$1,297
Fringe Benefits	3,717	5,097	3,297	3,297	(1,800)	—
OTPS	809,921	974,842	854,913	973,453	(1,389)	118,540
Total	**$1,410,264**	**$1,602,945**	**$1,479,654**	**$1,599,491**	**($3,454)**	**$119,837**
Funding						
City	$1,274,876	$1,472,724	$1,407,106	$1,525,742	$53,018	$118,636
Other Categorical Grants	10,337	7,868	—	—	(7,868)	—
IFA	65,326	67,769	67,773	67,773	4	—
State	865	2,284	—	—	(2,284)	—
Federal CD	44,392	906	—	740	(166)	740
Federal Other	12,547	48,770	4,153	4,611	(44,159)	458
Intra-City Other	1,921	2,624	622	625	(1,999)	3
Total	**$1,410,264**	**$1,602,945**	**$1,479,654**	**$1,599,491**	**($3,454)**	**$119,837**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$197,996	$239,966	$248,252	$252,534	$12,568	$4,282
Pensions	102,850	109,867	99,103	99,103	(10,764)	—
Other Than Personal Service (OTPS)						
Debt Service	65,169	51,089	60,519	76,096	25,007	15,577
Total Additional Costs	**$366,015**	**$400,922**	**$407,874**	**$427,733**	**$26,811**	**$19,859**
Funding						
City	350,348	384,813	389,473	408,936	24,123	19,463
Non-City	15,667	16,109	18,401	18,797	2,688	396
Full Agency Costs (including Central Accounts)						
Salary and Wages	$596,626	$623,006	$621,444	$622,741	($265)	$1,297
Fringe Benefits	201,713	245,063	251,549	255,831	10,768	4,282
Pensions	102,850	109,867	99,103	99,103	(10,764)	—
Total PS	**$901,189**	**$977,936**	**$972,096**	**$977,675**	**($261)**	**$5,579**
OTPS	$809,921	$974,842	$854,913	$973,453	($1,389)	$118,540
Debt Service	65,169	51,089	60,519	76,096	25,007	15,577
Total OTPS	**$875,090**	**$1,025,931**	**$915,432**	**$1,049,549**	**$23,618**	**$134,117**
Total Agency Costs	**$1,776,279**	**$2,003,867**	**$1,887,528**	**$2,027,224**	**$23,357**	**$139,696**
Less Intra-City	$1,921	$2,624	$622	$625	($1,999)	$3
Net Agency Cost	$1,774,358	$2,001,243	$1,886,906	$2,026,599	$25,356	$139,693
Funding						
City	1,625,224	1,857,537	1,796,579	1,934,678	77,141	138,099
Non-City	149,134	143,706	90,327	91,921	(51,785)	1,594
Personnel (includes FTEs at fiscal year-end)						
City	266	249	283	282	33	(1)
Non-City	5,567	6,252	6,295	6,304	52	9
Total	**5,833**	**6,501**	**6,578**	**6,586**	**85**	**8**

Programmatic Review and Service Impact

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 836,600 water and sewer customer accounts, of which 30,300 are billed on a flat-rate system. Currently, more than 833,300 accounts are metered, while just over 3,300 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 41,281 property owners receive the Home Water credit, another 40,000 apartment units receive the Multi-Family Credit, and 3,915 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 2022, 231,766 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 $3.5 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 $146.5 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 221 officers dedicated to this function.

Capital Review

Overview

The Four Year Capital Plan for 2023 through 2026 provides a total of $11.6 billion from the following sources: $11.1 billion financed by Water Finance Authority funds and $424.1 million in non-City funds.

The table below shows capital commitments by program area over the 2021-2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$705,532	$706,241	$1,044,879	$1,069,295	$1,213,524	$1,319,449	$1,183,970	$1,282,016	$1,190,025	$1,194,525	$861,587	$927,324
Water Mains	327,765	328,615	322,740	331,565	396,145	401,745	704,636	724,160	712,151	773,151	532,453	589,829
Sewers	216,201	233,251	788,723	809,925	628,834	628,846	797,844	797,844	425,292	425,292	778,514	784,814
Water Supply	455,476	455,476	80,447	80,447	23,581	23,581	521,463	521,463	227,542	227,542	642,519	642,519
Equipment	34,639	34,639	53,392	53,878	127,964	128,054	43,379	43,379	36,439	36,439	101,907	101,907
Total	$1,739,613	$1,758,222	$2,290,181	$2,345,110	$2,390,048	$2,501,675	$3,251,292	$3,368,862	$2,591,449	$2,656,949	$2,916,980	$3,046,393

The major elements of the Four-Year Capital Plan include:

- Extension and reconstruction of storm, sanitary, and combined sewers ($2.6 billion).

- Investments to maintain the operational integrity of existing wastewater resource recovery facilities ($3.0 billion). 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 ($302.4 million).

- Replacement and extension of trunk and distribution water mains and ancillary work ($1.3 billion).

- Disinfection and mitigation of Combined Sewer Overflow (CSO) to achieve waterbody-specific water quality standards ($1.1 billion). This includes the construction of two CSO holding tanks to improve water quality in the Gowanus Canal ($844.4 million) and the long term control plan for CSO mitigation in the Bronx River ($154.2 million).

- Construction of a comprehensive sewer system in Southeast Queens, including strategically selected projects to deliver near-term and long-term flooding relief ($891.0 million).

- 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 ($820.1 million).

- Reducing CSOs through the use of green infrastructure ($524.4 million), 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 ($183.7 million).

- Construction related to the activation of the Brooklyn/Queens section of City Tunnel No. 3 ($179.6 million). 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 ($260.4 million).

- Reconstruction of Hillview Reservoir, including new chemical addition facilities, flow control improvements, and electrical upgrades ($345.8 million).

- Reconstruction of upstate and in-City dams, including the rehabilitation of the New Croton Dam ($15.0 million) and excluding the Olive Bridge Dam already noted. This will ensure the long-term reliability of the City's reservoir infrastructure ($182.7 million).

- 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 ($11.0 million); mandated studies and facility upgrades to reduce nitrogen levels in treated wastewater ($29.0 million); and enhancement of the existing chlorination system at various WRRFs in order to meet stricter chlorine discharge limits ($55.8 million).

- Continuation of various filtration avoidance measures and land acquisition in the upstate watershed in support of the 10-year 2017 Filtration Avoidance Determination ($135.8 million).

- Complete rehabilitation and optimization of the Catskill Aqueduct ($44.9 million). This total includes reconstruction of the Lower Catskill Aqueduct connecting the Catskill/Delaware Ultraviolet Facility with Hillview Reservoir ($10.0 million) and the inspection and repair of deep-rock pressure tunnels that maintain tunnel pressure for water distribution ($16.8 million).

- Emergency rehabilitation and replacement of sewers and water mains in the event of line breaks ($474.9 million).

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 2023 Executive Budget provides for operating expenses of $1.4 billion. Capital commitments of $2.3 billion are planned for 2023. The 2023-2026 Capital Commitment Plan provides for $10.4 billion in capital funds, including $924.4 million in Federal, State, and private funding.

Revenue Forecast

The Department of Transportation collects revenue from parking meters and parking garages, franchises, concessions, revocable consents for electrical transformers, street opening and sidewalk interruption permits, and other sources. In 2023, the Department will collect $455.2 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Funding of $656.6 million for the traffic and transportation planning and management programs, including $67.8 million for energy costs associated with all streetlights and traffic signals throughout the City, and $209.5 million for the maintenance of approximately 13,440 signalized intersections and over 333,670 streetlights Citywide.
- Funding of $203.2 million 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 $150.2 million for the operation of the Staten Island Ferry and regulation of private ferry services.
- Funding of $54.2 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 $20.5 million for the in-house bridge flag/corrective repair program.

Restructuring and Streamlining

- The Department expects to save $2.3 million in 2022 as a result of a re-estimate of facility costs.
- The Department expects to save $4.2 million in 2022 due to less than expected spending for parking meter transactions, equipment, and traffic control device purchases.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$533,959	$553,363	$569,511	$600,713	$47,350	$31,202
Fringe Benefits	6,360	5,110	4,980	4,980	(130)	—
OTPS	601,924	742,771	754,737	824,253	81,482	69,516
Total	**$1,142,243**	**$1,301,244**	**$1,329,228**	**$1,429,946**	**$128,702**	**$100,718**
Funding						
City	$662,781	$759,096	$814,836	$890,694	$131,598	$75,858
Other Categorical Grants	26,169	5,787	1,717	2,717	(3,070)	1,000
IFA	225,949	259,464	275,344	275,344	15,880	—
State	132,683	116,040	113,442	131,689	15,649	18,247
Federal CD	—	—	—	—	—	—
Federal Other	91,367	155,471	121,277	126,890	(28,581)	5,613
Intra-City Other	3,294	5,386	2,612	2,612	(2,774)	—
Total	**$1,142,243**	**$1,301,244**	**$1,329,228**	**$1,429,946**	**$128,702**	**$100,718**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$194,476	$231,654	$238,139	$243,960	$12,306	$5,821
Pensions	89,921	97,547	89,194	89,194	(8,353)	—
Other Than Personal Service (OTPS)						
Debt Service	828,505	943,067	1,117,148	970,324	27,257	(146,824)
Total Additional Costs	**$1,112,902**	**$1,272,268**	**$1,444,481**	**$1,303,478**	**$31,210**	**($141,003)**
Funding						
City	1,018,895	1,170,270	1,336,203	1,197,517	27,247	(138,686)
Non-City	94,007	101,998	108,278	105,961	3,963	(2,317)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$533,959	$553,363	$569,511	$600,713	$47,350	$31,202
Fringe Benefits	200,836	236,764	243,119	248,940	12,176	5,821
Pensions	89,921	97,547	89,194	89,194	(8,353)	—
Total PS	**$824,716**	**$887,674**	**$901,824**	**$938,847**	**$51,173**	**$37,023**
OTPS	$601,924	$742,771	$754,737	$824,253	$81,482	$69,516
Debt Service	828,505	943,067	1,117,148	970,324	27,257	(146,824)
Total OTPS	**$1,430,429**	**$1,685,838**	**$1,871,885**	**$1,794,577**	**$108,739**	**($77,308)**
Total Agency Costs	**$2,255,145**	**$2,573,512**	**$2,773,709**	**$2,733,424**	**$159,912**	**($40,285)**
Less Intra-City	$3,294	$5,386	$2,612	$2,612	($2,774)	$—
Net Agency Cost	$2,251,851	$2,568,126	$2,771,097	$2,730,812	$162,686	($40,285)
Funding						
City	1,681,676	1,929,366	2,151,039	2,088,211	158,845	(62,828)
Non-City	570,175	638,760	620,058	642,601	3,841	22,543
Personnel (includes FTEs at fiscal year-end)						
City	2,460	2,565	2,687	2,744	179	57
Non-City	3,099	3,481	3,334	3,356	(125)	22
Total	**5,559**	**6,046**	**6,021**	**6,100**	**54**	**79**

Programmatic Review and Service Impact

Bridges

The Division of Bridges is responsible for the reconstruction, repair, maintenance, and operation of approximately 792 City-owned bridge and tunnel structures. In 2023, the Division of Bridges provides for 771 positions and has an operating budget of $116.2 million.

The Bridge program in the 2023 Executive Budget continues the City's commitment to preserve and maintain its infrastructure. The Bridge "Flag" and Correction Repair program corrects mostly structural and safety deficiencies on bridges by using both in-house and contract forces. Furthermore, the Bridge Preventive Maintenance program includes the oiling, sweeping, cleaning, 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. In 2021, 73.6 percent of streets were rated in good condition. The Permits Management and Construction Control programs are responsible for regulating the excavation and various other uses of City streets and sidewalks. In 2023, Roadway Repair and Maintenance has a budget totaling $340.0 million and 1,711 positions.

Traffic Operations and Transportation Planning and Management

The Division of Traffic Operations maintains and collects revenue from approximately 89,300 metered spaces and operates 37 municipal parking facilities, approximately 13,440 signalized intersections, and 333,670 streetlights, while the Division of Transportation Planning and Management installs and maintains an estimated one million traffic signs and over 350 million linear feet of pavement markings. The 2023 Executive Budget for the Division of Traffic Operations and Division of Transportation Planning and Management provides for 1,714 positions and an operating budget of $656.6 million.

The Division of Traffic Operations will install Accessible Pedestrian Signals (APS) at 400 signalized intersections in 2022, the largest such program in the country. APS delivers traffic signal information to blind and visually-impaired pedestrians, indicating when it is safe to cross an intersection. The installation of Leading Pedestrian Intervals, signal retiming for 25 mph, speed cameras, and other safety programs continue to support the Department's overarching Vision Zero goals.

The Division of Transportation Planning and Management continues to plan and implement Street Improvement Projects to further the goals of providing safe, sustainable and attractive transportation options to New Yorkers, and ensuring the reliability and high quality of the transportation network. Projects implemented under the Safe Streets for Seniors, School Safety, 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. The Better Buses program speeds up buses by providing high-quality transit enhancements through Bus Lanes, Busways, and Transit Signal Priority. Expansion of the bike network increases the safety and convenience of cycling, leading to a continued increase in the number of people who commute by bicycle. Installation of pedestrian plazas and shared streets throughout the City uses existing streets and sidewalks to provide valuable open space in areas in need of space for community gathering, greening, and active programming. Installation of bicycle parking, seating, and wayfinding signage to encourage walking, cycling and transit use.

The Department also manages the New York City Plaza program, a community-based program to improve the public realm by creating pedestrian plazas. In total, the Department oversees 85 plazas that are now in various phases of planning, design, construction, or are complete. Of these, 65 are currently open to the public.

Transit Operations (Ferries)

The Department of Transportation operates and maintains the Staten Island Ferry and its terminals, as well as regulates private ferry operations. The 2023 Executive Budget for Ferries provides for 690 positions and an operating budget of $150.2 million.

The Staten Island Ferry carried approximately 7.6 million passengers in 2021 and achieved an on-time performance rating of 97.6 percent. Privately operated commuter ferries, including those sponsored by the Economic Development Corporation, carried 5.8 million passengers.

Capital Review

The Department of Transportation's 2023-2026 Capital Commitment Plan totals $10.4 billion for the reconstruction of transportation infrastructure, of which approximately 91 percent is City-funded. The table below shows commitments by program area between 2023 and 2026.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$367,808	$451,917	780,131	851,482	1,056,648	1,178,850	1,219,807	1,286,672	1,396,400	1,452,124	1,520,213	1,564,133
Highway Bridges	135,725	142,858	236,429	306,699	523,530	690,547	533,433	606,718	1,467,672	1,544,329	956,610	1,068,975
Waterway Bridges	(73,002)	(73,002)	99,482	347,356	82,616	82,616	4,444	5,031	676	676	-	-
Traffic	134,706	140,084	123,740	134,320	159,028	200,441	136,715	138,359	108,979	144,526	100,581	101,926
Vehicles/Equipment	4,434	4,434	30,327	30,327	13,228	14,576	10,955	10,955	4,607	4,607	14,221	14,221
Ferries	(7,658)	(6,025)	20,354	51,265	70,417	116,987	18,019	34,081	21,680	72,343	8,899	20,121
Total	$562,013	$660,266	$1,290,463	$1,721,449	$1,905,467	$2,284,017	$1,923,373	$2,081,816	$3,000,014	$3,218,605	$2,600,524	$2,769,376

The Highlights of the 2023-2026 Capital Plan include:

- Complete rehabilitative work of bridge structures scheduled for life extension ($1.5 billion), including the Boston Road Bridge over the Hutchinson River Parkway ($71.7 million) and the Grand Street Bridge over Newtown Creek ($273.0 million).
- Complete reconstruction or rehabilitation of bridge structures currently rated "fair" or "good" ($2.3 billion), including projects along the Brooklyn-Queens Expressway (BQE) ($760.1 million) and the Shore Road Bridge over the Hutchinson River Parkway ($323.4 million).
- Street reconstruction ($2.4 billion), including the reconstruction of Queens Boulevard, Phase 1 ($65.4 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 ($1.0 billion).
- Installation and reconstruction of pedestrian ramps to comply with accessibility requirements ($1.6 billion) and replacement of sidewalks ($191.2 million).
- Installation of traffic signals ($485.8 million), including accessible pedestrian signals ($186.7 million).
- Ferry terminal and facility improvements ($175.5 million).
- Upgrade and replacement of lampposts, luminaires, and associated infrastructure ($31.1 million).
- Installation of thermoplastic markings for traffic control ($21.3 million).
- Enhancements to multiple technology and telecommunications systems ($18.7 million).
- Reconstruction and upgrade of parking meters, garages, and lots ($12.9 million).
- Upgrade and replacement of electrical distribution systems along the City's streets ($10.0 million).

The Highlights of the 2023 Capital Plan include:

- Complete rehabilitative work of bridge structures scheduled for life extension ($437.4 million) including the Boston Road Bridge over the Hutchinson River Parkway ($71.7 million) and the Pelham Parkway Bridge over the Hutchinson River Parkway ($51.6 million).
- Street reconstruction projects ($484.0 million), including the reconstruction of Trinity Place ($46.3 million) and South Brooklyn Crosstown Select Bus Service Route ($79.4 million).

- Resurfacing of approximately 1,100 lane miles of local streets and arterial highway and 50 miles of bike lanes ($262.7 million).

- Reconstruction of sidewalks and pedestrian ramps ($379.3 million).

- Installation of traffic signals ($154.7 million), including accessible pedestrian signals ($47.8 million).

- Improvements to Ferry terminal buildings ($107.1 million).

HOUSING PRESERVATION AND DEVELOPMENT

The New York City Department of Housing Preservation and Development (HPD) is the largest municipal housing preservation and development agency in the nation. Established in 1978, the agency's mission is to promote the quality and affordability of the City's housing and the strength and diversity of its many neighborhoods.

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.

Through these goals, HPD works to ensure that all New Yorkers live in safe and habitable homes.

Financial Review

HPD's 2023 Executive Budget provides for operating expenses of $1.2 billion, of which approximately $332 million is City funds. The budgeted headcount of 2,698 full-time positions is funded at $202 million while other than personal services are projected at $987 million. Nearly $825 million, or 69 percent of the agency's expense budget, is supported by Federal and State funding programs. HPD's operating budget described above includes $236 million in funding for the New York City Housing Authority (NYCHA), of which $203 million is City funds. In addition, HPD has planned capital commitments of $2.1 billion in 2023.

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 $38.9 million in 2023.

Expense Budget Highlights

Providing Core Services

In 2023, 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 2022, the agency supported over 42,000 households. Another $599 million in subsidy payments are planned for 2023, in line with 2022 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 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$183,454	$201,847	$196,293	$201,909	$62	$5,616
Fringe Benefits	127	28	28	28	—	—
OTPS	946,322	1,257,816	849,496	986,652	(271,164)	137,156
Total	**$1,129,903**	**$1,459,691**	**$1,045,817**	**$1,188,589**	**($271,102)**	**$142,772**
Funding						
City	$275,331	$342,966	$319,573	$332,468	($10,498)	$12,895
Other Categorical Grants	4,127	26,099	4,799	4,728	(21,371)	(71)
IFA	19,828	21,613	24,615	24,615	3,002	—
State	722	2,963	1,075	1,075	(1,888)	—
Federal CD	240,704	354,207	182,205	181,627	(172,580)	(578)
Federal Other	586,586	707,747	511,625	642,151	(65,596)	130,526
Intra-City Other	2,605	4,096	1,925	1,925	(2,171)	—
Total	**$1,129,903**	**$1,459,691**	**$1,045,817**	**$1,188,589**	**($271,102)**	**$142,772**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$64,282	$88,491	$87,342	$87,674	($817)	$332
Pensions	30,967	33,383	30,305	30,305	(3,078)	—
Other Than Personal Service (OTPS)						
Debt Service	529,182	552,020	653,917	749,443	197,423	95,526
Total Additional Costs	**$624,431**	**$673,894**	**$771,564**	**$867,422**	**$193,528**	**$95,858**
Funding						
City	570,218	619,224	717,715	809,498	190,274	91,783
Non-City	54,213	54,670	53,849	57,924	3,254	4,075
Full Agency Costs (including Central Accounts)						
Salary and Wages	$183,454	$201,847	$196,293	$201,909	$62	$5,616
Fringe Benefits	64,409	88,519	87,370	87,702	(817)	332
Pensions	30,967	33,383	30,305	30,305	(3,078)	—
Total PS	**$278,830**	**$323,749**	**$313,968**	**$319,916**	**($3,833)**	**$5,948**
OTPS	$946,322	$1,257,816	$849,496	$986,652	($271,164)	$137,156
Debt Service	529,182	552,020	653,917	749,443	197,423	95,526
Total OTPS	**$1,475,504**	**$1,809,836**	**$1,503,413**	**$1,736,095**	**($73,741)**	**$232,682**
Total Agency Costs	**$1,754,334**	**$2,133,585**	**$1,817,381**	**$2,056,011**	**($77,574)**	**$238,630**
Less Intra-City	$2,605	$4,096	$1,925	$1,925	($2,171)	$—
Net Agency Cost	$1,751,729	$2,129,489	$1,815,456	$2,054,086	($75,403)	$238,630
Funding						
City	845,549	962,190	1,037,288	1,141,966	179,776	104,678
Non-City	906,180	1,167,299	778,168	912,120	(255,179)	133,952
Personnel (includes FTEs at fiscal year-end)						
City	748	793	794	857	64	63
Non-City	1,587	1,878	1,859	1,872	(6)	13
Total	**2,335**	**2,671**	**2,653**	**2,729**	**58**	**76**

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 Executive Deputy Commissioner, External Affairs, Financial Management, 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 2023-2026 Four-Year Plan totals $7.5 billion, including $7.4 billion in City funding and $128 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 agency's capital budget will support a constant level of production through 2031. The 2022-2031 capital plan totals $17.6 billion, including $17.3 billion in City funding and $320 million in Federal funds.

The table below shows actual and planned capital commitments by program area over the 2021-2026 period.

Capital Commitments
($ in 000's)

	FY21 Actuals		FY22 Plan		FY23 Plan		FY24 Plan		FY25 Plan		FY26 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	$414,842	$414,842	$611,531	$611,531	$597,853	$597,853	$742,128	$742,128	$594,321	$594,321	$595,532	$595,532
Other Housing Support	2,946	2,946	47,249	47,249	33,856	33,856	12,383	12,383	33,045	33,045	24,336	24,336
Disposition	55,704	55,704	105,957	105,957	62,024	62,024	43,082	43,082	77,974	77,974	79,616	79,616
Preservation	436,894	436,894	340,604	340,604	373,382	373,382	432,265	432,265	493,711	493,711	525,786	525,786
Special Needs	84,183	123,448	379,220	411,220	331,706	363,706	236,056	268,056	305,610	337,610	304,517	336,517
NYCHA Preservation Programs	—	—	—	—	667,899	667,899	156,420	156,420	145,495	145,495	544,841	544,841
Total	**$994,569**	**$1,033,834**	**$1,484,561**	**$1,516,561**	**$2,066,720**	**$2,098,720**	**$1,622,334**	**$1,654,334**	**$1,650,156**	**$1,682,156**	**$2,074,628**	**$2,106,628**

Highlights of the Four-Year Plan

Under the 2023-2026 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 $1.8 billion will support activities to preserve existing affordable housing stock while creating long-term affordability by providing moderate to substantial rehabilitation.
- Funding of $2.5 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 $1.3 billion (inclusive of $128 million of Federal HOME funds) will support senior and supportive housing initiatives funded through various Special Needs Housing loan programs.
- Funding of $263 million will rehabilitate City-owned housing units and return them to responsible private ownership.
- Funding of $104 million will be used in support of other ancillary housing investments. This primarily encompasses acquisition/demolition, infrastructure for large-scale developments, and technology projects that will enhance agency operations.

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 Department of Housing and Urban Development (HUD)'s Rental Assistance Demonstration program.

- Funding of $1.5 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 2023 Executive Budget for the Department of Citywide Administrative Services provides $1.5 billion, a decrease of $121.7 million below the amount forecasted for 2022. This decrease is primarily attributable to federal grants which were provided in 2022 for the purchase of Personal Protective Equipment (PPE) supplies and other COVID-related goods and services to combat the pandemic that are not currently budgeted in 2023. The $8.8 billion DCAS Ten-Year Capital Plan includes $2.3 billion for the renovation, reconstruction, and outfitting of Public Buildings, $3.9 billion for energy efficiency initiatives, $20 million for Real Property, and $2.5 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 and mortgage payments. It also holds auctions for vehicles from the City's Fleet as well as other City property and collects civil service exam fees. In 2022, DCAS anticipates collecting $53.3 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The 2023 Executive Budget provides total funds of $1.50 billion for the Department, of which $898.4 million is for goods and services that agencies purchase from DCAS through intra-City agreements, including the following: utilities ($740.2 million), leases ($108.9 million), storehouse supplies ($18.7 million), maintenance and repair of facilities and vehicles ($20.6 million), personnel training ($0.9 million), and other services ($8.8 million).

- The 2023 Executive Budget provides a total of $292.7 million for DCAS Facilities Management, including $62.1 million in State funding for lease and maintenance services of court facilities. Of the total $292.7 million budgeted for Facilities Management, the City has budgeted $142.7 million for leases and $114.7 million for building maintenance. Facilities Management provides maintenance and construction services for 55 public buildings including 29 court facilities.

- The 2023 Executive Budget provides a total of $19.1 million for Real Estate Services. Real Estate Services purchases, sells, and leases real property; and locates space for City agencies.

- The 2023 Executive Budget provides a total of $26.9 million for DCAS Police and contractual security coverage at DCAS-managed buildings.

Restructuring and Streamlining

- Since 2014, DCAS has invested more than $700 million in approximately 10,300 energy conservation measures across 2,000 buildings, comprising more than 70 percent of City government's building square footage. DCAS has also installed over 16 megawatts of solar photovoltaic (PV) systems on City assets and is planning to install a further 43 megawatts of capacity in the near-term. The investments have decreased energy use by about 2.9 million MMBtus or about as much energy as used by 200,000 City residences, avoided more than $90 million in annual energy costs, and reduced emissions by about 266,000 metric tons, the equivalent of removing 58,000 cars from the road. In total, City government has reduced greenhouse gas emissions by 27 percent, compared to 25 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 and to comply with Mayoral Executive Order 90 of 2022 to transition the City fleet to electric by 2035. DCAS manages the largest electric fleet in New York State, with 3,100 electric vehicles, and is ordering over 1,300 new electric replacement vehicles before the end of calendar year 2022. To support the growing EV fleet, the DCAS also manages the state's largest charging infrastructure network with over 1,070 electric vehicle charging ports so far, including 89 solar-powered electric vehicle carports with another 77 units in procurement and 100 fast charging stations with another 200 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 chargers open to the public to increase access to charging infrastructure.

- DCAS provides City agencies with guidance on personnel matters during emergency events including managing the remote and on-site work policies for the municipal workforce. In March 2020, DCAS developed guidance on the City's remote work policy and later, before the workforce moved away from remote work in September 2021, the policies guiding a safe return to the office.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$203,674	$214,178	$215,337	$210,581	($3,597)	($4,756)
Fringe Benefits	3,429	2,255	2,255	2,255	—	—
OTPS	1,460,175	1,404,243	1,136,504	1,286,123	(118,120)	149,619
Total	**$1,667,278**	**$1,620,676**	**$1,354,096**	**$1,498,959**	**($121,717)**	**$144,863**
Funding						
City	$217,983	$410,124	$386,970	$436,563	$26,439	$49,593
Other Categorical Grants	80,539	104,419	87,083	97,623	(6,796)	10,540
IFA	1,426	1,416	1,416	1,416	—	—
State	55,848	69,241	62,799	62,805	(6,436)	6
Federal CD	21,366	105	—	—	(105)	—
Federal Other	563,617	143,245	2,147	2,147	(141,098)	—
Intra-City Other	726,499	892,126	813,681	898,405	6,279	84,724
Total	**$1,667,278**	**$1,620,676**	**$1,354,096**	**$1,498,959**	**($121,717)**	**$144,863**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$63,827	$104,592	$84,308	$83,115	($21,477)	($1,193)
Pensions	36,526	40,337	34,188	34,188	(6,149)	—
Other Than Personal Service (OTPS)						
Debt Service	646,842	758,412	888,861	826,373	67,961	(62,488)
Total Additional Costs	**$747,195**	**$903,341**	**$1,007,357**	**$943,676**	**$40,335**	**($63,681)**
Funding						
City	713,759	846,461	974,286	911,317	64,856	(62,969)
Non-City	33,436	56,880	33,071	32,359	(24,521)	(712)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$203,674	$214,178	$215,337	$210,581	($3,597)	($4,756)
Fringe Benefits	67,256	106,847	86,563	85,370	(21,477)	(1,193)
Pensions	36,526	40,337	34,188	34,188	(6,149)	—
Total PS	**$307,456**	**$361,362**	**$336,088**	**$330,139**	**($31,223)**	**($5,949)**
OTPS	$1,460,175	$1,404,243	$1,136,504	$1,286,123	($118,120)	$149,619
Debt Service	646,842	758,412	888,861	826,373	67,961	(62,488)
Total OTPS	**$2,107,017**	**$2,162,655**	**$2,025,365**	**$2,112,496**	**($50,159)**	**$87,131**
Total Agency Costs	**$2,414,473**	**$2,524,017**	**$2,361,453**	**$2,442,635**	**($81,382)**	**$81,182**
Less Intra-City	$726,499	$892,126	$813,681	$898,405	$6,279	$84,724
Net Agency Cost	$1,687,974	$1,631,891	$1,547,772	$1,544,230	($87,661)	($3,542)
Funding						
City	931,742	1,256,585	1,361,256	1,347,880	91,295	(13,376)
Non-City	756,232	375,306	186,516	196,350	(178,956)	9,834
Personnel (includes FTEs at fiscal year-end)						
City	1,681	1,882	1,906	1,922	40	16
Non-City	562	737	709	709	(28)	—
Total	**2,243**	**2,619**	**2,615**	**2,631**	**12**	**16**

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 renewable energy. 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. In Fiscal Year 2021, DCAS purchased approximately $2.7 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 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 30,000 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 1,070 EV charging sites. Fleet Management oversees the vehicle maintenance contracts while managing the City's fuel, vehicle collisions, defensive driver training and alternative energy programs. DCAS directs efforts to improve fleet management Citywide in areas of safety, sustainability, transparency, emergency preparedness, 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 2022-2031 Ten-Year Capital Strategy totals $8.5 billion which includes $4.9 billion in the 2023-2026 Four-Year Plan. The table below reflects capital commitments by program area over the FY 2021-2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$23,645	$23,645	$69,429	$69,429	$93,729	$93,729	$77,973	$77,973	$93,431	$93,431	$24,680	$24,680
Renovation of Other City-Owned Facilities	124,370	124,370	17,251	17,251	48,135	48,135	23,800	23,800	72,000	72,000	67,860	67,860
Rehabilitation of Court Buildings	—	—	—	—	—	—	—	—	—	—	—	—
Legal Mandates and Correction of Unsafe Conditions	61,329	61,329	41,405	41,405	77,931	77,931	50,046	50,046	53,332	53,332	151	151
Renovation of Leased Space	7,422	7,422	21,789	21,789	36,266	36,266	15,915	15,915	774	774	-	-
Equipment and Interagency Services	7,077	7,077	22,683	22,683	34,741	34,741	2,556	2,556	2,148	2,148	4,840	4,840
Communications Equipment	3,501	3,501	1,478	1,478	1,209	1,209	—	—	—	—	—	—
Board of Elections	—	—	(11)	(11)	—	—	—	—	—	—	—	—
Miscellaneous Construction	3,027	3,027	25,027	25,027	43,587	43,587	1,187	1,187	1	1	—	—
Acquisition of Real Property	3,200	3,200	11,000	14,650	23,000	23,000	—	—	—	—	—	—
Energy Efficiency and Sustainability	101,343	101,343	225,252	225,252	408,515	408,515	499,522	499,522	405,414	405,414	364,449	364,449
Resiliency and Protective Measures	9,475	184,943	351,956	507,144	600,564	701,447	694,188	828,050	671,838	710,379	161,886	176,944
Rehabilitation of Waterfront & Non-Waterfront Properties	(349)	(349)	2,732	2,732	11,211	11,211	—	—	3,965	3,965	44	44
Total	$344,040	$519,508	$789,991	$948,829	$1,378,888	$1,479,771	$1,365,187	$1,499,049	$1,302,903	$1,341,444	$623,910	$638,968

Ten Year Capital Strategy (FY 2022-FY2031)

- Reconstruction and rehabilitation of public buildings and City-owned facilities ($842.1 million), including projects at the Manhattan Municipal Building ($92.9 million), 137 Centre Street ($45.0 million), 100 Gold Street ($50.1 million), 253 Broadway ($37.4 million), and 280 Broadway ($26.8 million) in Manhattan, 2556 Bainbridge Avenue ($34.7 million) and 1932 Arthur Avenue ($60.2 million) in the Bronx, Queens Borough Hall ($25.6 million), and 10 Richmond Terrace in Staten Island ($8.6 million).

- Legal mandates ($605.5 million), including fire/life safety upgrades to ensure Local Law 5 compliance ($422.4 million), fuel tank replacement and remediation ($86.5 million), façade upgrades to ensure Local Law 11 compliance ($34.2 million), and upgrades to bathrooms and other facilities to ensure ADA compliance ($16.9 million).

- Renovation of leased space ($265.1 million).

- Equipment and interagency services ($148.0 million), including development of a Real Estate Management System ($5.3 million).

- Renovation of other City-owned facilities ($306 million), including the reconstruction of 70 Mulberry Street ($170.0 million).

- Miscellaneous construction in other facilities ($116.4 million).

- Acquisition of real property ($32.5 million).

- Board of Elections modernization ($10.4 million).

- Rehabilitation of court buildings ($0.2 million).

- Communications equipment ($3.0 million).

- Rehabilitation of waterfront properties ($20.0 million).

- Citywide agency resiliency and waterfront rehabilitation ($2.6 billion)., including the East Side Coastal Resiliency project ($1.4 billion), the Brooklyn Bridge – Montgomery Coastal Resiliency project ($524.0 million), rehabilitation of the substructure of Harlem River Park between 125th and 135th).

- Energy efficiency measures and building retrofits ($3.9 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program ($316.9 million), Solar panels at citywide facilities ($40.5 million), Local Law 87 deep retrofits ($14.8 million), and other energy efficiency upgrades for various projects ($3.5 billion). The One City, Built to Last plan will achieve an 80 percent reduction in GHG emissions from 2005 levels by 2050.

The 2023-2026 Plan provides $4.9 billion and includes:

- Legal mandates ($181.5 million), including fire/life safety upgrades to ensure Local Law 5 compliance ($106.3 million), fuel tank replacement and remediation ($12.0 million), façade upgrades to ensure Local Law 11 compliance ($3.6 million), and upgrades to bathrooms and other facilities to ensure ADA compliance ($8.0 million).

- Reconstruction and rehabilitation of public buildings and City-owned facilities ($289.8 million), including projects at the Manhattan Municipal Building ($24.4 million), 100 Gold Street in Manhattan ($31.4 million), 253 Broadway in Manhattan ($25.8 million), 1932 Arthur Avenue in the Bronx ($24.3 million), 280 Broadway in Manhattan ($29.1 million), Queens Borough Hall ($19.8 million), and 10 Richmond Terrace in Staten Island ($8.6 million).

- Renovation of leased space ($81.3 million), including the renovation of the Brooklyn District Attorney's office at 350 Jay St ($16.0 million).

- Energy efficiency measures and building retrofits ($1.7 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program and other building retrofits ($1.5 billion), solar panels at Citywide facilities ($38.2 million), and other funding for the City's electric vehicle fleet and charging infrastructure ($88.7 million). The One City, Built to Last plan will achieve an 80 percent reduction in GHG emissions from 2005 levels by 2050.

- Equipment and interagency services ($43.0 million), including the development of a learning management and Civil Service testing systems ($5.1 million).

- Miscellaneous construction in other facilities ($43.6 million).

- Renovation of other City-owned facilities ($211.8 million), including the reconstruction of 70 Mulberry Street ($170.0 million).

- Acquisition of real property ($23.0 million)

- Communications equipment ($1.2 million)

- Rehabilitation of waterfront properties ($12.2 million) and non-waterfront properties ($3.0 million)

- Citywide agency resiliency and waterfront rehabilitation ($2.4 billion) including East Side Coastal Resiliency ($957.9 million), and Brooklyn Bridge to Montgomery Coastal Resiliency ($509.1 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 Office (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 2023 Executive Budget provides for an operating budget of $716.5 million, a decrease of $276.9 million over the amount forecasted for 2022. This change is largely attributable to non-city funds that were added in Fiscal Year 2022 to support the City's response to COVID-19 and OTI's role in the vaccine rollout.

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 $146.2 million in revenue for 2023.

Expense Budget Highlights

Budgetary Priorities: Providing Core IT Services

- The Office's 2023 Executive Budget includes $146.1 million for services that OTI purchases on behalf of client agencies, including telecommunications, data, and consultant services.

- The Office's 2023 Executive Budget provides $266.8 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 2023 Executive Budget provides $55.7 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 2023 Executive Budget provides $26.0 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 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

			($ in 000's)		Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$162,149	$166,401	$173,196	$176,165	$9,764	$2,969
Fringe Benefits	—	160	—	—	(160)	—
OTPS	808,585	826,823	533,731	540,367	(286,456)	6,636
Total	**$970,734**	**$993,384**	**$706,927**	**$716,532**	**($276,852)**	**$9,605**
Funding						
City	$598,229	$564,699	$555,287	$557,311	($7,388)	$2,024
Other Categorical Grants	3,201	17,740	2,650	6,650	(11,090)	4,000
IFA	1,765	1,743	6	2,053	310	2,047
State	4,660	6,065	1,805	1,805	(4,260)	—
Federal CD	42,652	4,136	1,639	1,639	(2,497)	—
Federal Other	96,032	182,856	1,575	925	(181,931)	(650)
Intra-City Other	224,195	216,145	143,965	146,149	(69,996)	2,184
Total	**$970,734**	**$993,384**	**$706,927**	**$716,532**	**($276,852)**	**$9,605**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$41,186	$54,788	$57,038	$57,799	$3,011	$761
Pensions	25,434	28,722	26,767	26,767	(1,955)	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	**$66,620**	**$83,510**	**$83,805**	**$84,566**	**$1,056**	**$761**
Funding						
City	62,171	80,304	80,472	81,343	1,039	871
Non-City	4,449	3,206	3,333	3,223	17	(110)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$162,149	$166,401	$173,196	$176,165	$9,764	$2,969
Fringe Benefits	41,186	54,948	57,038	57,799	2,851	761
Pensions	25,434	28,722	26,767	26,767	(1,955)	—
Total PS	**$228,769**	**$250,071**	**$257,001**	**$260,731**	**$10,660**	**$3,730**
OTPS	$808,585	$826,823	$533,731	$540,367	($286,456)	$6,636
Debt Service	—	—	—	—	—	—
Total OTPS	**$808,585**	**$826,823**	**$533,731**	**$540,367**	**($286,456)**	**$6,636**
Total Agency Costs	**$1,037,354**	**$1,076,894**	**$790,732**	**$801,098**	**($275,796)**	**$10,366**
Less Intra-City	$224,195	$216,145	$143,965	$146,149	($69,996)	$2,184
Net Agency Cost	$813,159	$860,749	$646,767	$654,949	($205,800)	$8,182
Funding						
City	660,400	645,003	635,759	638,654	(6,349)	2,895
Non-City	152,759	215,746	11,008	16,295	(199,451)	5,287
Personnel (includes FTEs at fiscal year-end)						
City	1,594	1,710	1,700	1,709	(1)	9
Non-City	52	51	34	51	—	17
Total	**1,646**	**1,761**	**1,734**	**1,760**	**(1)**	**26**

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 is 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's franchisee has resumed installation of the LinkNYC kiosks, growing the network to over 1,800 as of April 2022, committing to complete no less than 4,000 kiosks, and giving priority to 13 equity community districts across the 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.

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 are 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 and implementation of EMSCAD is expected to begin in the coming fiscal year. 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 2023-2026 includes $278.4 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 will 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 aims to unlock economic potential and create economic security for all New Yorkers by connecting people to quality jobs, building stronger businesses, and fostering thriving neighborhoods across the five boroughs. SBS operates workforce training and development programs; provides services to support the growth of small businesses; and administers the Minority and Women-owned Business Enterprise (M/WBE) Program. SBS also contracts with NYCEDC, NYC & Company, 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 400 businesses employ over 10,000 people at the Navy Yard's 300-acre campus, generating $2 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 2023 Executive Budget provides $253.9 million in operating expenses at SBS, comprised of $193.6 million of City funding and $60.3 million of non-City sources. The SBS operating budget includes allocations for NYCEDC, the Mayor's Office of Environmental Remediation (MOER), NYC & Company and TGI.

Capital commitments of $2.5 billion are forecast in the 2023-2026 Capital Plan. Of this amount, $2.3 billion reflects City capital commitments. The remaining $195.6 million reflects Federal and State commitments.

Expense Budget Highlights

SBS

- The Workforce Development Division helps New Yorkers build careers and connects them to opportunities. Through Bridge Programs, strategic partnerships and targeted trainings, this division trains New Yorkers and connects them to jobs. The 2023 Executive Budget provides $63.3 million in City, Federal, and State funds to this division in 2023.

- The Business Services Division helps businesses to start, operate and grow, while the Neighborhood Development Division strengthens commercial neighborhoods and supports the City's network of 76 Business Improvement Districts (BIDs). The 2023 Executive Budget provides $43.6 million and $7.7 million in City and Federal funds, respectively, to support these efforts in 2023.

- The Division of Economic and Financial Opportunity (DEFO) certifies minority- and women-owned businesses (M/WBEs) for government contracts, provides technical assistance to M/WBEs, and works to ensure parity in the City's hiring practices. The City's M/WBE Program is held accountable through the Mayor's Office of M/WBEs oversight. The office also provides support as a One-Stop resource for M/WBEs interested in doing business with the City and its agencies. The Executive Budget provides $7.4 million in City and Federal funds to DEFO in 2023. Supplemental private funds which also support M/WBEs are not reflected in the 2023 Executive Budget.

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 $68.0 million in City, Federal, and State funds in 2023. Proceeds will continue to support EDC's efforts to activate economic potential, support burgeoning industries and effectively manage City assets.

NYC and Co.

- Through a contract with SBS, NYC & Company will receive $31.2 million in City funding in 2023 for its work to promote the City as the country's premier tourist destination, serve as the City's official marketing organization, and to provide partnership services. Funding will support the "It's time to Make it NYC" marketing campaign which will continue to help NYC's tourism industry recover from the COVID-19 pandemic.

Trust for Governors Island

- Through a contract with SBS, the 2023 Executive budget will provide TGI $19.2 million in City funding towards the management and operation of the Island in 2022, 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 is self-sustaining and 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 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$25,972	$28,286	$28,341	$32,548	$4,262	$4,207
Fringe Benefits	—	—	—	—	—	—
OTPS	201,038	573,579	150,221	221,330	(352,249)	71,109
Total	**$227,010**	**$601,865**	**$178,562**	**$253,878**	**($347,987)**	**$75,316**
Funding						
City	$169,871	$181,800	$123,843	$193,643	$11,843	$69,800
Other Categorical Grants	3,324	36	—	—	(36)	—
IFA	—	—	—	—	—	—
State	2,091	1,054	2,000	—	(1,054)	(2,000)
Federal CD	4,804	18,108	5,655	5,655	(12,453)	—
Federal Other	45,238	396,850	46,504	54,020	(342,830)	7,516
Intra-City Other	1,682	4,017	560	560	(3,457)	—
Total	**$227,010**	**$601,865**	**$178,562**	**$253,878**	**($347,987)**	**$75,316**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$7,590	$10,042	$10,412	$10,320	$278	($92)
Pensions	4,215	4,733	4,287	4,287	(446)	—
Other Than Personal Service (OTPS)						
Debt Service	91,333	68,734	80,298	80,969	12,235	671
Total Additional Costs	**$103,138**	**$83,509**	**$94,997**	**$95,576**	**$12,067**	**$579**
Funding						
City	96,909	77,330	88,679	89,185	11,855	506
Non-City	6,229	6,179	6,318	6,391	212	73
Full Agency Costs (including Central Accounts)						
Salary and Wages	$25,972	$28,286	$28,341	$32,548	$4,262	$4,207
Fringe Benefits	7,590	10,042	10,412	10,320	278	(92)
Pensions	4,215	4,733	4,287	4,287	(446)	—
Total PS	**$37,777**	**$43,061**	**$43,040**	**$47,155**	**$4,094**	**$4,115**
OTPS	$201,038	$573,579	$150,221	$221,330	($352,249)	$71,109
Debt Service	91,333	68,734	80,298	80,969	12,235	671
Total OTPS	**$292,371**	**$642,313**	**$230,519**	**$302,299**	**($340,014)**	**$71,780**
Total Agency Costs	**$330,148**	**$685,374**	**$273,559**	**$349,454**	**($335,920)**	**$75,895**
Less Intra-City	$1,682	$4,017	$560	$560	($3,457)	$—
Net Agency Cost	$328,466	$681,357	$272,999	$348,894	($332,463)	$75,895
Funding						
City	266,780	259,130	212,522	282,828	23,698	70,306
Non-City	61,686	422,227	60,477	66,066	(356,161)	5,589
Personnel (includes FTEs at fiscal year-end)						
City	179	202	201	239	37	38
Non-City	98	139	129	128	(11)	(1)
Total	**277**	**341**	**330**	**367**	**26**	**37**

Capital Review

The primary goal of the Ten-Year Capital Plan is to encourage development in order to create and retain jobs in New York City, to bolster the City's tax base, and to maintain City-owned facilities in a state of good repair. The 2022-2031 Ten-Year Capital Strategy totals $6.1 billion in capital funding which includes $2.5 billion in the 2023-2026 Four-Year Plan.

The following chart shows Capital Plan commitments by major function over the 2023-2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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
Commercial Development	$4,734	$5,272	$29,338	$33,498	$—	$429	$350	$350	$2,879	$4,879	$38,008	$42,308
Community Development	$62,184	$62,184	$58,080	$58,095	$50,948	$50,948	$1,000	$1,000	$4,208	$4,208	$900	$900
Industrial Development	$113,991	$118,753	$108,580	$146,267	$183,457	$260,251	$92,499	$92,499	$92,027	$92,027	$85,895	$85,895
Market Development	$3,382	$3,382	$2,192	$2,192	$31,474	$32,469	$18,292	$18,612	$39,742	$39,742	$958	$958
Miscellaneous	$34,608	$58,019	$196,254	$242,854	$232,774	$240,987	$216,209	$216,209	$294,183	$294,236	$198,530	$198,530
Neighborhood Revitalization	$131,688	$131,183	$144,945	$148,182	$228,599	$274,818	$77,686	$77,686	$70,798	$80,798	$99,718	$99,718
Waterfront Development	$8,463	$7,810	$56,198	$71,191	$59,063	$100,110	$45,914	$49,100	$46,563	$46,816	$63,300	$65,152
Port Development	$84	$84	$—	$—	$—	$—	$—	$—	$—	$—	$—	$—
Total	$359,134	$386,687	$595,587	$702,279	$786,315	$960,012	$451,950	$455,456	$550,400	$562,706	$487,309	$493,461

Highlights of the 2023-2026 Four Year Capital Plan:

- A total of $132 million for onsite and offsite remediation and infrastructure work at Willets Point which will activate six acres of unused land for affordable housing and community use.
- A total of $142 million for infrastructure improvements and neighborhood development at the Hunts Point Market, including $24 million to develop energy resilient resources for the Hunts Point market.
- A total of $121 million 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.
- A total of $79 million for Offshore Wind Industry development to transform NYC into a global hub for the industry, including $10 million to develop staging and manufacturing facilities at South Brooklyn Marine Terminal, and $10 million for CUNY for capital costs associated with workforce development programs across CUNY campuses.
- A total of $84 million for Life Sciences Initiatives to fund lab space and equipment for cure-producing research in labs and incubators, including $35 million for lab space at Brooklyn Army Terminal and $13 million for the Montefiore Biotechnology Accelerated Research Center.
- A total of $93 million for site and infrastructure work at Bush Terminal, including $71 million for the development of the Made in New York campus.
- A total of $261 million for development, management and rehabilitation of City-owned waterfront and pier sites Citywide, including $93 million for the Financial District and South Street Seaport Coastal Resiliency project.
- A total of $408 million for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support future redevelopment at Brooklyn Navy Yard.
- A total of $197 million 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 59 branches, a Central Library and the Center for Brooklyn History. The New York Public Library (NYPL) is made up of 89 neighborhood branches throughout the Bronx (35 branches), Manhattan (40 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 2023 Executive Budget provides for operating expenses of $419.1 million. It also provides for City funded capital commitments of $578.4 million and $10.0 million in non-City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2023, the operating subsidy for the Brooklyn Public Library will be $115.2 million.
- In 2023, the operating subsidy for the New York Public Library will be $153.5 million.
- In 2023, the operating subsidy for the New York Public Library's research libraries will be $30.6 million.
- In 2023, the operating subsidy for the Queens Public Library will be $119.9 million.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

($ in 000's)			2023		Increase/(Decrease)	
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	2022 Forecast	2023 Preliminary Budget
Expenditures						
Salary and Wages	$—	$—	$—	$—	$—	$—
Fringe Benefits	—	—	—	—	—	—
OTPS	429,879	429,001	418,140	419,084	(9,917)	944
Total	**$429,879**	**$429,001**	**$418,140**	**$419,084**	**($9,917)**	**$944**
Funding						
City	$423,433	$421,977	$418,140	$419,084	($2,893)	$944
Other Categorical Grants	37	113	—	—	(113)	—
IFA	—	—	—	—	—	—
State	—	—	—	—	—	—
Federal CD	—	—	—	—	—	—
Federal Other	—	24	—	—	(24)	—
Intra-City Other	6,409	6,887	—	—	(6,887)	—
Total	**$429,879**	**$429,001**	**$418,140**	**$419,084**	**($9,917)**	**$944**
Additional Costs Centrally Funded						
Other Than Personal Service (OTPS)						
Fringe Benefits	$2,321	$2,391	$2,603	$2,545	$154	($58)
Pensions	35,263	38,251	29,571	29,571	(8,680)	—
Debt Service	74,551	79,385	94,039	102,554	23,169	8,515
Total Additional Costs	**$112,135**	**$120,027**	**$126,213**	**$134,670**	**$14,643**	**$8,457**
Funding						
City	109,934	118,139	124,179	132,353	14,214	8,174
Non-City	2,201	1,888	2,034	2,317	429	283
Full Agency Costs (including Central Accounts)						
Fringe Benefits	$2,321	$2,391	$2,603	$2,545	$154	($58)
OTPS	429,879	429,001	418,140	419,084	(9,917)	944
Pensions	35,263	38,251	29,571	29,571	(8,680)	—
Debt Service	74,551	79,385	94,039	102,554	23,169	8,515
Total OTPS	**$542,014**	**$549,028**	**$544,353**	**$553,754**	**$4,726**	**$9,401**
Total Agency Costs	**$542,014**	**$549,028**	**$544,353**	**$553,754**	**$4,726**	**$9,401**
Less Intra-City	$6,409	$6,887	$—	$—	($6,887)	$—
Net Agency Cost	$535,605	$542,141	$544,353	$553,754	$11,613	$9,401
Funding						
City	533,367	540,116	542,319	551,437	11,321	9,118
Non-City	2,238	2,025	2,034	2,317	292	283
Personnel (includes FTEs at fiscal year-end)						
City	—	—	—	—	—	—
Non-City	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**

* *The 2023 Executive Budget provides an estimated 4,124 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:

- The new Roosevelt Island branch, more than doubling the size of the former location, opened in January 2021.
- The Stavros Niarchos Foundation Library, NYPL's central circulating branch in Midtown, fully opened to the public in June 2021.
- 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.
- In November 2021, QPL reopened the Glendale Library following rehabilitation of the interior and exterior, and accessibility improvements to the branch.
- In January 2022, QPL reopened the Steinway Library following new elevator installation, interior upgrades, and entrance accessibility improvements.
- The new Far Rockaway branch is expected to be opened by September 2022.
- In fall 2021, BPL opened its first new branch in over 30-years with the Adams Street Library.
- Fit-out of Brooklyn Heights and Brower Park library branches are near completion and expected to open in summer 2022.
- The newly-renovated East Flatbush Library is near completion and will reopen in Summer 2022.

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 Fiscal Year 2022. BPL successfully restored services throughout Brooklyn after the prolonged Covid-19 related closure in a manner that balances public health concerns with patrons' need for in-person library services. BPL vastly expanded its digital offerings with 550,000 audio and ebooks, up from 350,000 pre-pandemic levels. BPL also hosted 11,762 virtual and outdoor programs with an attendance of just under 740,000 individuals. BPL pressed forward with its strategy to address significant deferred maintenance needs by partnering with the City to undertake self-managed Capital grant projects and reopened the Greenpoint library in October 2020 as a 15,000 square foot library and environmental education center. In October 2020, BPL also entered an exciting partnership with the Brooklyn Historical Society to create the Center for Brooklyn History. By combining the historical collections of the Library's Brooklyn Collections and those of the Brooklyn Historical Society, the Center for Brooklyn History will meet the needs of the borough's diverse community with the largest collection of Brooklyn's historical artifacts and scholarship.
- 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 for all New Yorkers, regardless of their background or means. After temporarily closing all of its physical locations in March 2020 due to Covid-19, NYPL pivoted to hybrid service models which expanded digital offerings and reintroduced in-person services with an emphasis on public health and equity. By July 2021, all available NYPL locations reopened for modified full in-person service including browsing and computer usage. In FY21, NYPL circulated approximately 10 million physical and digital items, and offered 28,500 free programs attracting 736,000 attendees. The Library continues to provide initiatives to serve New Yorkers during this unprecedented time including virtual storytimes for children and their caregivers, live tutoring for students in partnership with Brainfuse, the "Get Lit With All Of It" book club in partnership with WNYC, multilingual resources and virtual ESOL classes, and one-on-one support programs for job-seekers. Along with the Brooklyn and Queens public library systems, NYPL waived all late fines beginning in October 2021, which lowered the barrier to access for thousands of library card holders. Since

waiving and forgiving late fines, NYPL has seen activity on nearly 10,000 cards that otherwise would have been blocked. At the Stephen A. Schwarzman Building at 42nd Street and Fifth Avenue, NYPL has opened the Polonsky Exhibition of The New York Public Library's Treasures, a permanent exhibition of some of the most extraordinary items from NYPL's research collections. In addition to reintroducing onsite research at its four research centers, NYPL continues to offer expanded digital access to research collections through the "Scan and Deliver" service for patrons to request selections of books and scholarly journals for digital delivery. NYPL has partnered with the City on initiatives to help manage and recover from the pandemic while serving those New Yorkers most affected by its impacts by distributing rapid Covid tests at 48 branches and offering vaccinations at 24 branches.

- As the COVID-19 pandemic enters its third year, Queens Public Library continues to work to build a more equitable city and provide access to opportunity for all, addressing challenges such as learning loss, unemployment, digital inclusion, health and mental health issues, and social isolation. In the past year, the Library resumed full service at all of its available locations, brought back in-person programming for the first time since March 2020 while maintaining robust virtual programming, eliminated late fines, expanded our digital collections, and grew our hotspot lending program. Through our ongoing partnership with the City to combat the coronavirus, QPL started distributing free COVID-19 test kits to the public in addition to making our locations available for use as vaccination and testing sites. In-person visits climbed to 2.9 million, and circulation of e-materials and print materials rose to 2.2 million and 5.5 million, respectively. We hosted 230,000 computer sessions, 343,000 WiFi sessions and 19,000 educational programs which drew 304,000 people.

Capital Review

The 2023-2026 Four-Year Capital Strategy for the Libraries totals $588.4 million. The table below reflects capital commitments by system over the 2023-2026 period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$22,926	$22,926	$21,742	$21,742	$30,942	$30,942	$66,270	$66,270	$33,248	$33,248	$32,866	$32,866
New York Public Library	17,157	17,157	130,444	130,444	76,020	76,020	46,738	46,738	14,777	14,777	19,655	19,655
NYPL Research Libraries	-20	-20	277	277	5,095	5,095	3,012	3,012	415	415	136	136
Queens Borough Public Library	3,618	5,761	23,431	23,431	54,185	54,185	61,902	61,902	61,522	67,682	71,590	75,443
Total	$43,681	$45,824	$175,894	$175,894	$166,242	$166,242	$177,922	$177,922	$109,962	$116,122	$124,247	$128,100

Highlights of the Four-Year Plan include:

Brooklyn Public Library (BPL):

The 2023-2026 Four-Year Capital Strategy allocates $163.3 million for various renovations and improvements at BPL branches, including:

- Complete overhaul of the Brownsville branch Library ($26.1 million, in addition to $1.1 million in 2022).
- Renovation and construction of the 2nd floor at Midwood Library ($7.4 million, in addition to $0.2 million in 2022).
- Infrastructure upgrades at Stone Avenue Library ($5.2 million).
- Comprehensive renovation of Borough Park Library ($20.7 million).
- Critical maintenance and improvement of Red Hook Library ($14.4 million).

New York Public Library (NYPL), which includes projects in the Bronx, Manhattan, and Staten Island:

The 2023-2026 Four-Year Capital Strategy allocates $165.8 million for various renovations and improvements at NYPL branches and research libraries, including:

- Interior and exterior renovation of the Hamilton Fish Library in Manhattan ($11.1 million, in addition to $0.1 million in 2022).
- Construction of the new Westchester Square Library in the Bronx ($37.9 million, in addition to $0.9 million in 2022).
- Branch expansion at the Woodlawn Library in the Bronx ($10.3 million).
- A new HVAC system at the New Dorp Library in Staten Island ($3.7 million, in addition to $0.5 million in 2022).
- Partial renovation of the Castle Hill Library in the Bronx ($9.3 million, in addition to $0.6 million in 2022).

Queens Public Library (QPL):

The 2023-2026 Four-Year Capital Strategy allocates $259.2 million for various renovations, replacement branches, and improvements for QPL branches, including:

- Gut renovation of the Briarwood Library ($11.7 million).
- Roof and masonry repair of the Ridgewood Library ($4.2 million).
- Renovation and ADA compliance upgrades at Astoria Library ($12.7 million).
- Expansion and Resiliency of the Arverne Library ($14.6 million, in addition to $0.5 million in 2022).
- Construction of a new Rego Park Library ($33.9 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 2022, DCLA also provided program grants and support services for more than 1,000 cultural organizations citywide, including groups such as BonxArt Space, Pregones/Puerto Rican Traveling Theater, Coney Island History Project, Billie Holiday Theatre, Ballet Hispanco, New York International Children's Film Festival, Harlem Needle Arts, South Asian Women's Creative Collective, Alley Pond Environmental Center, Universal Temple of the Arts, and Staten Island Ballet Theater.

Financial Review

The Department of Cultural Affairs' 2023 Executive Budget provides for operating expenses of \$155.0 million. It also provides for City funded capital commitments of \$872.1 million and \$32.6 million in non-City funds.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The City's 34 CIG institutions will receive operating support of \$111.1 million, including \$43.7 million in energy subsidies.
- In the 2023 Executive Budget, various cultural organizations citywide will receive program grants totaling \$37.1 million.
- The 2023 Executive Budget contains \$6.8 million in operating funds for the Department of Cultural Affairs' staff, rent, supplies, and equipment.

Summary of Agency Financial Data

The following table compares 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$5,321	$5,582	$4,799	$5,133	($449)	$334
Fringe Benefits	—	—	—	—	—	—
OTPS	179,761	227,590	140,682	149,899	(77,691)	9,217
Total	**$185,082**	**$233,172**	**$145,481**	**$155,032**	**($78,140)**	**$9,551**
Funding						
City	$179,329	$213,822	$145,167	$154,718	($59,104)	$9,551
Other Categorical Grants	521	172	—	—	(172)	—
IFA	208	288	288	288	—	—
State	—	—	—	—	—	—
Federal CD	119	—	—	—	—	—
Federal Other	—	13,818	—	—	(13,818)	—
Intra-City Other	4,905	5,072	26	26	(5,046)	—
Total	**$185,082**	**$233,172**	**$145,481**	**$155,032**	**($78,140)**	**$9,551**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$1,442	$1,858	$1,874	$1,880	$22	$6
Pensions	9,038	10,833	11,729	11,729	896	—
Other Than Personal Service (OTPS)						
Debt Service	173,522	241,324	285,870	261,649	20,325	(24,221)
Total Additional Costs	**$184,002**	**$254,015**	**$299,473**	**$275,258**	**$21,243**	**($24,215)**
Funding						
City	178,785	248,223	293,239	269,296	21,073	(23,943)
Non-City	5,217	5,792	6,234	5,962	170	(272)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$5,321	$5,582	$4,799	$5,133	($449)	$334
Fringe Benefits	1,442	1,858	1,874	1,880	22	6
Pensions	9,038	10,833	11,729	11,729	896	—
Total PS	**$15,801**	**$18,273**	**$18,402**	**$18,742**	**$469**	**$340**
OTPS	$179,761	$227,590	$140,682	$149,899	($77,691)	$9,217
Debt Service	173,522	241,324	285,870	261,649	20,325	(24,221)
Total OTPS	**$353,283**	**$468,914**	**$426,552**	**$411,548**	**($57,366)**	**($15,004)**
Total Agency Costs	**$369,084**	**$487,187**	**$444,954**	**$430,290**	**($56,897)**	**($14,664)**
Less Intra-City	$4,905	$5,072	$26	$26	($5,046)	$—
Net Agency Cost	$364,179	$482,115	$444,928	$430,264	($51,851)	($14,664)
Funding						
City	358,114	462,045	438,406	424,014	(38,031)	(14,392)
Non-City	6,065	20,070	6,522	6,250	(13,820)	(272)
Personnel (includes FTEs at fiscal year-end)						
City	61	68	57	63	(5)	6
Non-City	5	4	3	3	(1)	—
Total	**66**	**72**	**60**	**66**	**(6)**	**6**

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. As part of a long-term reform project, the work of the agency continues to be shaped by efforts to foster greater equity in cultural funding. DCLA is also focused on supporting an equitable recovery for the City's cultural sector so that it can, in turn, help drive the City's broader recovery. To this end, DCLA has continued to survey and assess the needs of the cultural sector, using quantitative and qualitative reports to shape the agency's work and shape advocacy efforts for much-needed support from other levels of government and private philanthropy.

    1. Support for more than 1,000 organizations through the Cultural Development Fund included funding for both COVID relief and reopening/recovery to communities in areas hit hard by the pandemic, including arts educators who continue to suffer major job losses, as well as support for language access programming and engagement for people with disabilities.

    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. During the unique challenges of the past two years, CIGs continued to advance mission related work, and fulfilled their mandate to public service. They continue to work toward achieving goals outlined in their DEIA plans and submitted reports on year-one accomplishments to DCLA. In addition, they created opportunities for students, educators, and the public to experience their collections and programs physically and virtually. They are emerging from the pandemic with an enhanced connection to community and continue to collaborate with the city on important initiatives such as distributing Covid test kits and providing free memberships through IDNYC.

    3. DCLA continues to support individual artists through the re-grant program with the 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 Fiscal Year 2022, DCLA continues its Public Artists in Residence (PAIR) program, which creates more avenues for artists to work with government agencies. In Fiscal Year 2022, DCLA launched three new residencies with three new City agency partners: the Department of Records and Information Services, the Department of Design and Construction, and the Department of Sanitation. 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 Fiscal Year 2022, eight commissions for Percent for Art are slated for completion, including Tatiana Arrocha at Snug Harbor Music Hall on Staten Island and Iman Raad at PS 384 Hunters Point Elementary in Queens. Percent for Art also selected sixteen artists for new commissions, which included future works by Andrea Belag for New Fire Station EC 268 in Queens, Tijay Mohammed for P.S. at Edward L Grant Highway in the Bronx, and Misha Kahn for Douglaston Library in Queens. By the end of the fiscal year the program expects to select seven more 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 landfill and providing them, free of charge to thousands of arts organizations, nonprofits, NYC public schools, and City agencies. MFTA continued their service throughout the COVID-19 pandemic, distributing donations throughout the City to help New York's neediest. Thus far in Fiscal Year 2022, MFTA has processed more than 1,400 donations valued at $10.8 million.

Capital Review

The 2023-2026 Four-Year Capital Strategy for the Department of Cultural Affairs totals $904.7 million for over 200 cultural organizations in the five boroughs. The table below reflects capital commitments by program area over the 2023-2026 year period.

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$51,063	$126,436	$69,860	$70,860	$80,732	$106,740	$248,657	$249,657	$325,605	$331,178	$217,143	$217,143
Total	**$51,063**	**$126,436**	**$69,860**	**$70,860**	**$80,732**	**$106,740**	**$248,657**	**$249,657**	**$325,605**	**$331,178**	**$217,143**	**$217,143**

Highlights of the Four-Year Plan:

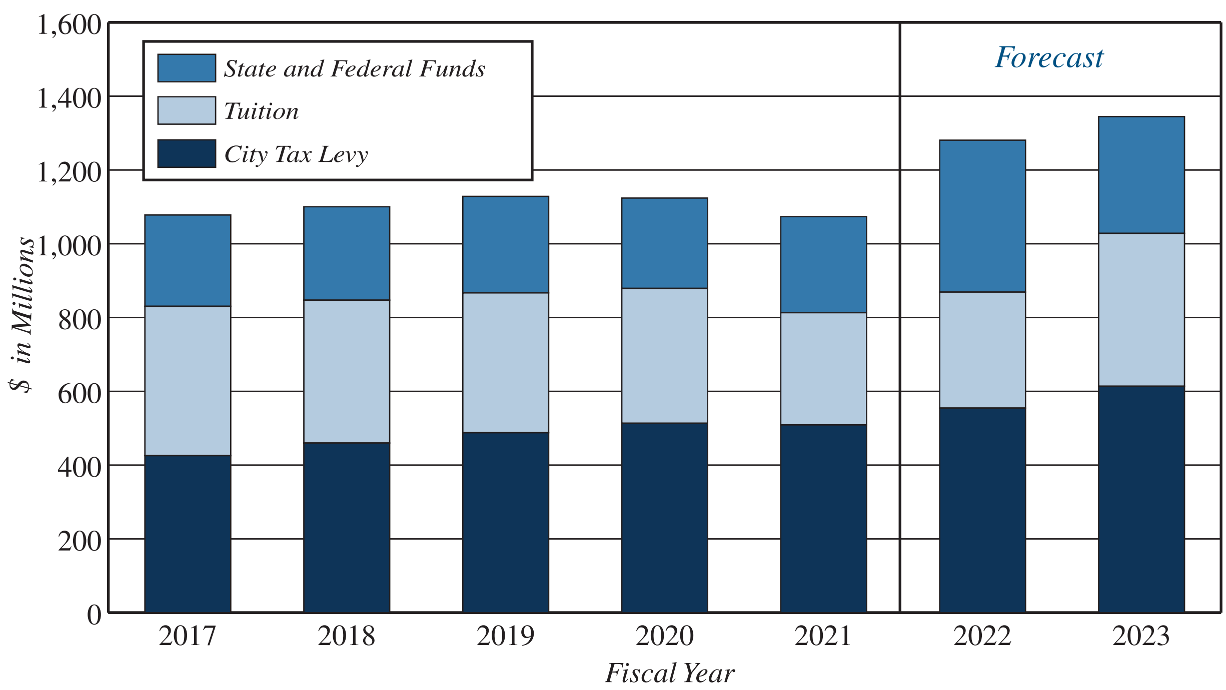
- Rehabilitation of the 97 Orchard Street building and exhibit build-out at the Lower East Side Tenement Museum ($4.6M).
- Comprehensive renovation of the Public Theater's Delacorte Theater in Central Park ($41.7M)
- Renovation of the Queens Botanical Garden Education Building ($24.6M)
- Construction of a Visitor/Education Center at the Queens County Farm Museum ($23.0M).
- Renovation of the building envelope for the Brooklyn Museum ($8.9M)
- Renovation of the Sea Cliffs Exhibit at the New York Aquarium in Brooklyn ($9.7M).
- Site-wide infrastructure upgrades for Snug Harbor Cultural Center and Botanical Garden ($4.9M, in addition to $3.6M in FY22).
- Restoration of Clove Road for the Staten Island Zoo ($8.9M).
- Renovation of the South Wing Atrium for the Bronx Museum of the Arts ($18.6M, in addition to $2.9M in FY22).
- Switchgear and electrical service upgrades for the Bronx Zoo ($4.3M).

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. In 2022, CUNY currently serves more than 240,000 degree-seeking students with approximately 170,000 in the senior colleges and 70,000 in the community colleges as well as 160,000 continuing education students.

COMMUNITY COLLEGE EXPENDITURES BY SOURCE 2017 - 2023



** 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. State and Federal dollars are combined and include Community Development funds.*

Source: NYC OMB

Financial Review

The City University of New York's 2023 Executive Budget totals $1,405.1 million, a slight net increase of $219.5 thousand from the 2022 forecast of $1,404.9 million. The Senior College lump sum appropriation of $35 million remains unchanged from 2022. Additionally, $92.0 million in pension and other fringe costs attributable to higher education are budgeted in separate agencies, bringing CUNY's total 2023 budget to $1,497.1 million.

Revenue Forecast

Total non-City revenues for two-year colleges decrease by $95.2 million from $462.5 million in 2022 to $367.3 million in 2023. The decrease is mostly attributable to a $93.7 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), 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 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.

Juneteenth Economic Justice Plan

The Executive budget includes continued funding for the Juneteenth Economic Justice Plan which invests in scholarships, academic and career advisement, financial assistance, and job opportunities for thousands of New York City's brightest young talent, including those attending Medgar Evers College.

- Accelerate, Complete, Engage (ACE) Expansion: The program is designed to help students earn their bachelor's degrees on time. Components of ACE include full-time study, career development, and academic support. ACE also provides participants with monthly Metrocards, textbooks, tuition support, and academic advisement and tutoring.

- Brooklyn Recovery Corps at Medgar Evers College: Based off the successful Recovery Corps model, 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 2023 Executive Budget with the 2023 Preliminary Budget, the 2022 forecast and actual expenditures for 2021, including fringe benefits, pensions, and debt service.

	($ in 000's)				Increase/(Decrease)	
			2023		2022	2023
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	$653,218	$558,729	$701,509	$704,704	$145,975	$3,195
Fringe Benefits	183,279	211,110	233,058	234,688	23,578	1,630
OTPS	322,937	635,053	417,854	465,721	(169,332)	47,867
Total	**$1,159,434**	**$1,404,892**	**$1,352,421**	**$1,405,113**	**$221**	**$52,692**
Funding						
City	$782,493	$824,919	$971,672	$991,426	$166,507	$19,754
Other Categorical Grants	15,786	14,076	14,077	14,077	1	—
IFA	—	—	—	—	—	—
State	231,044	277,590	276,923	276,110	(1,480)	(813)
Federal CD	93	—	—	—	—	—
Federal Other	31,164	170,867	77,119	77,119	(93,748)	—
Intra-City Other	98,854	117,440	12,630	46,381	(71,059)	33,751
Total	**$1,159,434**	**$1,404,892**	**$1,352,421**	**$1,405,113**	**$221**	**$52,692**
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	$3,504	$3,677	$3,906	$3,902	$225	($4)
Pensions	84,387	95,512	88,064	88,064	(7,448)	—
Other Than Personal Service (OTPS)						
Debt Service	60,474	69,138	80,301	65,245	(3,893)	(15,056)
Total Additional Costs	**$148,365**	**$168,327**	**$172,271**	**$157,211**	**($11,116)**	**($15,060)**
Funding						
City	146,790	166,940	170,777	155,990	(10,950)	(14,787)
Non-City	1,575	1,387	1,494	1,221	(166)	(273)
Full Agency Costs (including Central Accounts)						
Salary and Wages	$653,218	$558,729	$701,509	$704,704	$145,975	$3,195
Fringe Benefits	186,783	214,787	236,964	238,590	23,803	1,626
Pensions	84,387	95,512	88,064	88,064	(7,448)	—
Total PS	**$924,388**	**$869,028**	**$1,026,537**	**$1,031,358**	**$162,330**	**$4,821**
OTPS	$322,937	$635,053	$417,854	$465,721	($169,332)	$47,867
Debt Service	60,474	69,138	80,301	65,245	(3,893)	(15,056)
Total OTPS	**$383,411**	**$704,191**	**$498,155**	**$530,966**	**($173,225)**	**$32,811**
Total Agency Costs	**$1,307,799**	**$1,573,219**	**$1,524,692**	**$1,562,324**	**($10,895)**	**$37,632**
Less Intra-City	$98,854	$117,440	$12,630	$46,381	($71,059)	$33,751
Net Agency Cost	$1,208,945	$1,455,779	$1,512,062	$1,515,943	$60,164	$3,881
Funding						
City	929,283	991,859	1,142,449	1,147,416	155,557	4,967
Non-City	279,662	463,920	369,613	368,527	(95,393)	(1,086)
Personnel (includes FTEs at fiscal year-end)						
City	7,646	9,983	10,158	10,158	175	—
Non-City	—	—	—	—	—	—
Total	**7,646**	**9,983**	**10,158**	**10,158**	**175**	**—**

Capital Review

The City University of New York's 2023-2026 Four Year Capital Plan totals $464.5 million. Approximately 24 percent of CUNY's 2023-2026 capital funds are reflected in 2023, totaling $113.4 million. The table below shows commitments by program area over the FY 2023- 2026 period.

Capital Commitments
($ in 000's)

	2021 Actuals		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$809	$809	$225	$225	$—	$—	$57	$57	$—	$—	$13,468	$13,468
Renovation/Rehabilitation of Roofs, Classrooms, etc	1,967	1,967	49,727	53,995	96,142	96,142	133,605	133,605	119,998	119,998	58,987	58,987
Purchase & Installation of EDP and Other Equipment	210	210	759	759	16,966	16,966	18,721	18,721	2,983	2,983	152	152
Electrical, Mechanical & HVAC	695	695	—	—	—	—	—	—	—	—	—	—
Other Projects	—	—	—	—	260	260	1,774	1,774	1,404	1,404	—	—
Total	$3,681	$3,681	$50,711	$54,979	$113,368	$113,368	$154,157	$154,157	$124,385	$124,385	$72,607	$72,607

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.

CUNY's 2023-2026 four-year capital highlights include:

$408.7 million in reconstruction projects that support:

- Bronx Community College - $53.5 million. Funding supports improvements to the schools mechanical HVAC systems, a renovation to the school's mechanical ventilation systems, phase six of the modernization of the schools underground utility infrastructure and upgrades to the Carl Polowcyk hall academic building.
- Kingsborough Community College - $18 million. This allows the campus to upgrade its hot and chilled water loops damaged by Hurricane Sandy and Rehabilitation of the Performing Arts Center.
- Critical Maintenance - $10 million. Funding supports a state-of-good-repair program that will systematically address Community College needs by replacing or renovating systems that are past their useful lives which is essential to maintaining a state of good working order for facilities and infrastructure. Projects include, exterior and interior finishes, roofs, doors and windows, and equipment and distribution systems to name a few.
- Hostos Community College - $7 million. This provides funding for the design, and construction of 500 Grand Concourse's second and sub-basement.
- Queensborough Community College - $5.6 million. This includes an ADA-compliant reconstruction of bathrooms project will modernize the college's lavatory facilities and an upgrade of the campus's boiler plant to continue the modernization of the college's physical plant.

$38.8 million in data processing and equipment that supports:

- College of Staten Island - $4 million. This project will upgrade the existing fiber distribution plant across multiple locations.

- New York City Technical College - $2 million. This allows the purchasing of state-of-the-art instructional technology, including digital imaging systems, laser technology, 3-D printers etc. for the campus.

Uncommitted resources from 2022 will roll into 2023 and will further fund projects that will be accomplished during the next four-year plan period.

CITYWIDE SUSTAINABILITY AND RESILIENCY

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. In 2022, the City's first comprehensive study of environmental justice, the Environmental Justice for All Report, will identify communities that have been disproportionately impacted by environmental burdens to help ensure that investments in sustainability and resiliency are equitable.

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 27 percent. The 2023-2026 capital plan 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 over $700 million in more than 10,300 energy conservation measures across almost 2,000 buildings, comprising more than 70 percent of City government’s building square footage. The investments have decreased energy use by about 2.9 million MMBtus or about as much energy as used by more than 200,000 City residences, avoided almost $90 million in annual energy costs, and reduced emissions by nearly 266,000 metric tons, the equivalent of removing 58,000 cars from the road. The City is continuing this work to reduce energy use, with active and planned projects expected to reduce annual emissions by an additional 211,000 metric tons by 2030.

Renewable Energy

To fulfil the commitment to power New York City government with 100 percent clean and renewable electricity by 2025, 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

Under the NYC Clean Fleet Initiative, the City will reduce its fleet emissions by 50 percent by 2025 and will transition to all electric by 2035. The City manages the largest electric fleet in New York State, with 3,100 electric vehicles, and is ordering over 1,300 new electric replacement vehicles expected to be delivered in 2022. To support the growing electric fleet, the City also manages the state’s largest charging infrastructure network with over 1,070 electric vehicle charging ports, including 89 solar-powered electric vehicle carports with another 77 units in procurement, and 100 fast charging stations with another 200 being installed over the next two years. Fast chargers can charge electric vehicles in a fraction of the time of traditional chargers and the Department of Citywide Administrative Services is partnering with the Department of Parks and Recreation to make at least 20 of the new fast chargers available to the public to increase access to charging infrastructure. The Department of Transportation is also installing electric vehicle chargers at City-owned parking facilities and working with Con Edison to install 120 curbside chargers at locations across the City as part of a four-year demonstration project.

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. In 2022, the City is beginning to implement the New York City Streets Plan, which involves installing new protected bus and bike lanes and introducing transit signal priority to more intersections throughout the City.

Waste Recovery

Diverting organic waste from traditional landfills is another way to reduce the city's emissions. In 2023, the City will continue the current residential and school organics collection program, expand organics collection to additional schools, and establish new organics drop-off sites.

Highlights of the 2023-2026 Four-Year Plan

- Building energy retrofits across City facilities ($1.5 billion) including high energy efficiency lighting and building systems upgrades at City schools ($900.8 million).

- Projects to increase renewable energy availability including installing solar panels at Citywide facilities ($38.2 million), offshore wind connections and industry at the South Brooklyn Marine Terminal ($79.4 million), and expanding hydroelectric capacity ($30.9 million).

- Electric school bus purchases ($128.4 million) and electric vehicle charging infrastructure installations for City operations and public use ($98.7 million).

- Emissions reductions from Wastewater Resource Recovery Facilities (WRRFs) including capturing fugitive emissions at the North River WRRF ($47.5 million).

Preparing for Climate Change

Investing in a Resilient City

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.

Hurricane Sandy made clear the need for large-scale resilient infrastructure and coastal protection projects. These infrastructure upgrade, 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. More recently, Hurricanes Henri and Ida demonstrated the need to protect the city from the challenges posed by extreme rainfall events and were followed by a $2.5 billion commitment to invest in stormwater infrastructure and resiliency. The City continues to install grey infrastructure, such as building out a comprehensive storm sewer system in Southeast Queens, and green infrastructure, such as rain gardens and Bluebelt wetlands, to manage stormwater and protect water quality. To manage heavy rainfall, the City is working across agencies to develop Cloudburst management projects that will use grey and green infrastructure to absorb, store, and transport rainwater. In 2022, the City will release a new strategic plan for climate adaptation in NYC that will evaluate the relative impacts of climate hazards, incorporate the latest findings in climate science and best practices for climate adaptation, and identify short, medium, and long-term multi-layered strategies for mitigating climate risk.

Designing for Resiliency

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, ranging in cost from $3 million to up to $1 billion, 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.

Highlights of the 2023-2026 Four-Year Plan

- Coastal protection along the East Side of Manhattan from East 25th Street to Montgomery Street ($1.1 billion), from Brooklyn Bridge to Montgomery Street ($509.1 million), and along Staten Island's East Shore ($168.2 million).

- Grey infrastructure construction projects such as sewer expansions and road regrading in Southeast Queens ($1.0 billion) and capturing combined sewer overflows ($1.1 billion), to reduce flooding and prevent water pollution during storm events.

- Green infrastructure and onsite stormwater management on streets, parks, playgrounds, and NYCHA campuses ($649.0 million), including "cloudburst" neighborhood stormwater management strategies.

- Use of natural systems to manage water, including developing natural drainage corridors ("Bluebelts") in Staten Island and restoring or "daylighting" Tibbets Brook in the Bronx ($387.6 million).

- Increase of shade and cooling across the city through planting street trees and park trees and the reforestation and restoration of natural areas ($190.9 million).

PENSIONS AND OTHER FRINGE BENEFITS

Pension Overview

The Executive Budget for 2023 includes $9,665 million in expenditures for City pension contributions, a decrease of $62 million from the amount carried in 2022. The City's pension contribution for 2023 and beyond reflects payroll adjustments, estimated 2021 asset gains, and are based on the actuarial assumptions and methods originally proposed by the Chief Actuary (known as the "Original 2021 A&M").

These projections reflect a resetting of the actuarial value of assets equal to the market value of assets, referred to as the Market Restart, as well as the recognition of future asset gains or losses over subsequent five-year periods at 20 percent per year. These projections also incorporate updated post-retirement mortality tables to reflect the latest improvement scale released by the Society of Actuaries (MP-2020).

In addition, the 2023 budget includes a reserve for costs that could arise from recommendations pursuant to an independent actuarial audit being performed.

In the table below: (1) $9,556 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 covers employees of City libraries, the Cultural Institutions Retirement System that covers non-City employees of day care centers and certain cultural institutions, and the Teachers' Insurance and Annuity Association (TIAA) that covers certain CUNY employees and 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)

			2023		Increase/(Decrease)	
	2021 Actual	2022 Forecast	Preliminary Budget	Executive Budget	2022 Forecast	Preliminary Budget
Expenditures						
Personal Service						
City Actuarial Systems	$9,355,962	$9,612,319	$9,556,343	$9,556,343	$(55,976)	$—
Non-City Systems..................	89,837	114,305	108,064	108,064	(6,241)	—
Non-Actuarial	125	350	350	350	—	—
Total	**$9,445,924**	**$9,726,975**	**$9,664,758**	**$9,664,758**	**$(62,217)**	**$-**
Funding						
City	$9,301,645	$9,582,696	$9,520,479	$9,520,479	$(62,217)	$—
State	32,025	32,025	32,025	32,025	—	—
Federal	—	—	—	—	—	—
Intra-City Other	112,254	112,254	112,254	112,254	—	—
Total	**$9,445,924**	**$9,726,975**	**$9,664,758**	**$9,664,758**	**$(62,217)**	**$—**

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 720,000 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 health insurance estimates reflect the agreed upon health care savings resulting from both the May 2014 and the June 2018 agreements reached between the City and the Municipal Labor Committee. Together, these two agreements are expected to produce recurring annual savings of $1.9 billion.

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 2021, the Trust paid out approximately $2.8 billion in benefit payments, and had a year-end balance of $4.2 billion, or $3.8 billion net of a $425 million prepayment towards fiscal 2022. 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 2021, the City's reported net OPEB obligation was $118.0 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 2022 and 2023.

Fringe Benefits

($ in 000's)

	2022 Forecast	2023 Executive	Increase/ (Decrease)
Workers' Compensation	$409,696	$443,396	$33,700
Health Insurance Plans	4,929,216	4,722,859	(206,356)
Uniform Allowances	2,784	1,039	(1,745)
Social Security Contributions	1,309,360	1,378,194	68,835
Unemployment Insurance Benefits	23,854	24,854	1,000
Supplementary Employee Welfare Benefits	848,568	686,881	(161,687)
Workers' Compensation - Other	45,900	47,700	1,800
Total	**$7,569,378**	**$7,304,924**	**$(264,454)**
Funding			
City	$6,724,059	$6,544,264	$(179,795)
Other Categorical	183,369	183,352	(17)
State	188,090	154,566	(33,524)
Interfund Agreements	81,476	97,101	15,625
Intra-City	111,710	101,955	(9,754)
Federal	280,674	223,685	(56,989)
• CD	25,903	25,683	(221)
• Other	254,771	198,003	(56,768)
Total	**$7,569,378**	**$7,304,924**	**$(264,454)**

JUDGMENTS AND CLAIMS

The Executive Budget for 2023 includes an appropriation of $1,058 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 public health system in the country, includes 10 acute care hospitals, five skilled nursing facilities, and nearly 60 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 2022 with a negative net budget variance of $142 million due to COVID-19-related disbursements not yet fully covered through federal relief dollars. Adjusting for COVID-19 spending, the system remains on track, with an underlying positive budget performance. The system's patient care receipts are $376 million better thus far this year versus the same period last year. This continues the positive momentum it had last year where patient care revenues exceeded 2019 by nearly $400 million.

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 $396 million in revenue and has a projected line of sight of $679 million for the full year. Finally, the staffing investments that were implemented starting in 2019 have continued to be consistent with the overall system needs.

Recent System-wide Achievements

COVID-19

Health + Hospitals has had many extraordinary accomplishments over the past year, even as we have battled a global pandemic. This is all thanks to the commitment of our dedicated and heroic staff. Efforts include:

- Testing – Over the last year, the Test & Trace Corps (T2) has administered over 10 million no-cost COVID-19 tests to New Yorkers, doubled its mobile testing fleet, and launched in-home COVID-19 tests and vaccinations. Through T2, the system launched Street Health Outreach & Wellness (SHOW) vans to meet the medical and behavioral health needs of people experiencing homelessness. In addition to providing critical COVID-19 tests and vaccinations, the SHOW program has allowed us to provide an array of critical services, including material necessities such as socks and hygiene kits, basic clinical services, behavioral health support, and harm reduction services.

- Vaccinating – As a significant part of the City's larger vaccination efforts, Health + Hospitals has administered more than 1.7 million vaccines doses across our sites.

- Recovering – The system has opened three new COVID-19 Centers of Excellence in communities hardest hit by the pandemic in Brooklyn, the Bronx, and Queens. These centers ensure access to the specialized care New Yorkers need to address long-term respiratory, cognitive, and cardiac conditions caused by the virus.

In addition, the system had several other key accomplishments over the past year, which include:

- Funding for the Maternal Home, which provides case and care management as well as wrap-around services for pregnant people at risk of severe maternal morbidity.

- Expanding our nationally renowned lifestyle medicine service program to six health care sites across all five boroughs and building towards making it the most comprehensive expansion of lifestyle medicine programming in the United States.

- Adding new diabetes services for Staten Island.

- Continuing to integrate best practices in LGBTQ+ affirming care by opening a new gender affirming services practice at NYC Health + Hospitals/ Lincoln, completing the 100th gender affirming service at NYC Health + Hospitals/Metropolitan, and opening a new Pride Center at NYC Health + Hospitals/Jacobi.

- Expanding our Helping Healers Heal (H3) initiative, the system's wellness program which offers emotional first aid to our health care providers, that has now trained over 100 additional Peer Support Champions and conducted over 25,000 proactive unit-based wellness rounds.

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 2021, nearly 115,000 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:

- Opened three new COVID-19 Centers of Excellence.

- Increased to over 400,000 unique primary care patients.

- Enrolled over 70 percent of all patients in our electronic medical records patient portal, MyChart, making the system one of the national leaders in digital health.

- Continued to expand our Virtual ExpressCare, first launched during the initial COVID-19 surge in April 2020, to enable patients to access high-quality, virtual care with the availability of interpreters in over 200 languages, including American Sign Language.

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 2021, equity was embedded into the System's strategic priorities serving as a core foundational element to the NYC 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, NYC 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 2021, NYC Health + Hospitals/ Correctional Health Services (CHS) continued to provide high-quality health services to people in custody by conducting more than 650,000 clinical encounters while advancing innovative health initiatives. This includes its pioneering Outposted Therapeutic Housing Unit (OTxHU) initiative, which will bridge the gap between the care provided in the jails and inpatient hospitals. These secure, clinical units will house patients who have serious medical, mental health, and/ or substance use needs that would benefit from close, regular access to specialty/ subspecialty care. CHS will determine admission and discharge from the units according to patients' clinical needs while the NYC Department of Correction will provide security and custody management.

The first Outposted unit, located at NYC Health + Hospitals/Bellevue, has a planned completion date of spring 2023, followed by the unit at NYC Health + Hospitals/Woodhull in 2024 and NYC Health + Hospitals/North Central Bronx in 2025. The initiative will bring significant investments to all three facilities, with the hospitals benefiting from an infusion of capital funds to renovate and repurpose hospital spaces. CHS has secured $662 million in capital funding for this work.

In addition to leveraging NYC Health + Hospitals' resources to meet the medical, mental health, and substance use treatment needs of people in custody, CHS draws on the Health + Hospitals system to help discharged patients successfully return to their communities. The latest initiative Just Home, a collaboration with NYC Health + Hospitals/Jacobi, will provide permanent housing and supportive services for medically complex, homeless New Yorkers after they leave jail by revitalizing an unused building on the hospital campus.

Individuals with complex medical needs remain in jail longer than they need to due to a lack of appropriate housing in the community, and individuals with justice involvement face particular barriers when trying to reestablish themselves in the community. Just Home will help address these challenges while advancing NYC Health + Hospitals' mission to care for the most vulnerable New Yorkers.

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 has continued to grow, increasing membership by over 50,000 members.

Capital Review

Highlights include:

- NYC Health + Hospitals/Woodhull opened an emergency department expansion.

- NYC Health + Hospitals/Bellevue opened a new same day surgery suite.

- NYC Health + Hospitals/Correctional Health Services kicked off design for the construction of two new Outposted Therapeutic Housing units at NYC Health + Hospitals/Bellevue and NYC Health + Hospitals/Woodhull. Capital has also been allocated for NYC Health + Hospitals/Bellevue/North Central Bronx and pre-design work is currently underway. This pioneering approach will serve as a bridge between jail-based care and acute inpatient hospitalization for certain patients in the care and custody of the City. This innovation will enhance the access quality and continuity of care for patients with complex needs in a more humane and dignified manner. It is anticipated that these projects will be completed by 2025.

- NYC Health + Hospitals completed energy decarbonization projects to help decrease greenhouse gas emissions and support climate resiliency as part of the carbon challenge and NYC roadmap to 80x50 initiatives. In February 2021, NYC Health + Hospitals completed energy efficiency upgrades at the Jacobi Trauma 1 Center Hospital. The state-of-the-art upgrades included a new interior energy efficient lighting system, chiller plant upgrades, boiler plant control upgrades, hot water steam piping insulation, and air handling unit upgrades. These account for a roughly 6.2 percent decrease in campus-wide greenhouse gas consumption.

- NYC Health + Hospitals/Coney Island's new state-of-the-art critical services hospital work is well underway with plans to open 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 the curtainwall is nearing completion with an expected opening still planned for calendar year 2022; other parts of the campus renovation are expected to be completed in calendar year 2023. Portions of the permanent flood wall system have been installed and the system's short-term storm barriers are in place to protect the hospital in the event of a future storm.

NEW YORK CITY TRANSIT

New York City Transit (NYCT) operates the most extensive public transportation system in the nation, which served approximately 1.1 billion subway and bus passengers in calendar year 2021, 748 million 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 4,568 buses on 190 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 1.3 million passengers in 2021.

MTABC operates an extensive public bus transportation system throughout New York City, primarily in the Bronx, Brooklyn, and Queens. MTABC served approximately 68 million passengers in 2021. MTABC is primarily funded through farebox revenues and City subsidies.

MTABC currently operates 1,342 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 $391.7 million for NYCT in fiscal year 2023. 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 2022 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 2022 includes the following key elements:

- CY 2022 fare revenue is projected to be $3.6 billion, a 58 percent increase over the CY 2021 total.

- Tax revenues dedicated for NYCT's use are projected to total $4.8 billion; $1.8 billion from the regional Metropolitan Mass Transportation Operating Assistance Account (MMTOA), $525.9 million from the State "Lock Box" Petroleum Business Tax, and $462.1 million from the Urban Mass Transportation Operating Assistance Account (Urban Account). Additionally, $1.5 billion comes from other State taxes and fees. This includes $697.4 million from the Payroll Mobility Tax, $213.5 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 $338.8 million from the taxi and for-hire vehicle congestion surcharge.

- The City's expected contribution to NYCT's operating budget for CY 2022 totals $435.9 million, including $158.1 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, $215.4 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 2022:

City Subsidies to NYCT, CY 2022
($ in Millions)

• Elderly and Disabled Subsidy	$13.8
• School Fare Subsidy	$45.0
• Operating Assistance	$158.1
• Police Reimbursement	$3.6
• Paratransit	$215.4
TOTAL	$435.9

Based on recent financial reports, NYCT projects that it will close CY 2022 with a cash deficit of $32.4 million. NYCT has projected deficits in CY 2023, CY 2024, and CY 2025 of $305.0 million, $323.5 million, and $325.4 million respectively. These deficits are expected to be offset by gap-closing and other government actions including Federal stimulus funds and potential tax, fee, and further fare increases.

New York City Transit Financial Plan
($ in Millions)

	Calendar Years [1]				
	2021	2022	2023	2024	2025
REVENUES					
Subway / Bus Fare Revenue	$2,280.8	$3,602.8	$3,982.9	$4,042.4	$4,022.9
Other Operating Revenue [2]	$2,960.1	$187.5	$194.8	$198.4	$201.8
Transit Tax and Other Subsidies	$3,901.9	$4,264.3	$4,382.3	$4,492.0	$4,692.2
City Subsidies	$411.2	$435.9	$465.4	$479.9	$493.6
State Subsidies	$214.9	$183.3	$183.3	$183.3	$183.3
TBTA Surplus Transfer	$393.4	$437.3	$392.6	$389.4	$358.6
Capital and Other Reimbursements	$1,078.6	$1,242.1	$1,178.0	$1,185.7	$1,185.2
TOTAL REVENUES	$11,241.1	$10,353.3	$10,779.4	$10,971.1	$11,137.6
EXPENSES					
Salaries & Wages	$4,055.1	$4,163.6	$4,224.3	$4,328.3	$4,441.3
Fringes	$4,206.5	$4,400.7	$4,594.6	$4,821.4	$5,072.9
Reimbursable Overhead	($218.4)	($259.7)	($243.7)	($244.5)	($241.8)
OTPS [3]	$1,895.1	$1,816.4	$1,880.2	$1,880.5	$1,940.2
Paratransit Expenses	$365.2	$423.9	$474.9	$504.7	$527.3
Capital Reimbursable Expenses	$1,078.6	$1,242.1	$1,178.0	$1,185.7	$1,185.2
Transit Police	$3.5	$3.6	$3.6	$3.7	$3.7
Debt Service	$1,376.3	$1,528.5	$1,747.7	$1,800.0	$1,836.4
Depreciation [4]	$2,110.2	$2,152.4	$2,195.5	$2,239.4	$2,284.1
Other Post Employment Benefits [4]	$0.0	$0.0	$0.0	$0.0	$0.0
TOTAL EXPENSES	$14,872.1	$15,471.5	$16,055.0	$16,519.2	$17,049.4
OTHER ACTIONS					
Balance before Adjustments	($3,631.0)	($5,118.3)	($5,275.6)	($5,548.0)	($5,911.8)
Gap-Closing Actions [5]	$0.0	$1,200.5	$1,348.1	$1,553.0	$1,992.6
Cash Flow Adjustments [6]	$3,033.7	$3,780.7	$3,622.5	$3,671.5	$3,593.8
Net Cash from Prior Year	$697.0	$104.8	$0.0	$0.0	$0.0
SURPLUS/(DEFICIT)	$99.7	($32.4)	($305.0)	($323.5)	($325.4)

[1] All Financial Plan figures were provided by NYCT in February 2022 and represent 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] 2021 includes Federal aid.

[3] Includes Inter-agency Loan, NYCT Charge Back of MTA Bus Debt Service, Forward Energy Contracts and Commitments to Capital.

[4] Since February 2004, NYCT has included depreciation in its financial plan. 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.

In addition to its contribution to NYCT, the City expects to contribute $104.5 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 $67.6 million for liabilities related to the Staten Island Rapid Transit Operating Authority, and $515.1 million for liabilities related to the MTA Bus Company. The City will also contribute $12.8 million for E-ZPass courtesy tags used by City agencies.

Overall, the City annually provides the MTA with approximately $1 billion in direct subsidies and $1 billion of in-kind contributions (NYPD Transit Bureau, debt service for MTA capital projects, and homeless outreach).

Capital Review

The City's 2023-2026 Four-Year Capital Plan totals $1.5 billion for NYCT. 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 $1.4 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, $1.3 billion for 2023-2026.

- Funds for NYCT track work, $140.0 million for 2023-2026.

The table below outlines the City's capital commitments to NYCT, SIRTOA and MTABC for the 2021-2026 period:

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$504,363	$504,363	$712,182	$712,182	$90,000	$90,000	$—	$—	$460,000	$460,000	$750,000	$750,000
Trackwork	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Revolving Fund	—	—	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
SIRTOA	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous	—	—	2,691	2,691	—	—	—	—	—	—	—	—
MTABC	972	1,944	49,669	81,054	—	8,909	—	—	—	—	—	—
Total	**$540,335**	**$541,307**	**$809,542**	**$840,927**	**$130,000**	**$138,909**	**$40,000**	**$40,000**	**$500,000**	**$500,000**	**$790,000**	**$790,000**

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 277 developments (162,143 apartments in 2,106 residential buildings), housing over 339,900 tenants throughout the City in their conventional Federal Section 9 Public Housing. 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 formula of the number of units in their portfolio that supports the PHA's direct operations and management of their buildings and units. The Authority also operates a Federal Leased Housing (Section 8) Program, with approximately 92,595 rented apartments housing 201,938 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 24,681 landlords participate in the Section 8 Program. Additionally, NYCHA also serves another 58 developments (15,426 units housing 29,789 residents) that have converted to Project-Based Section 8 through NYCHA's Permanent Affordability Commitment Together (PACT) program, which 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 2029, and the City later committed another $600 million in funds through 2031. 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, makes a determination 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 2023, funding support to NYCHA flowing through the City's budget will total $236 million, $203 million of which is made up of City tax levy funding and another $33 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 2023, the City allocated $145 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 2017-2022 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 $51 million in 2023 for this program. In exchange, NYCHA will set aside a number of units each year to house families referred by DHS who are experiencing homelessness to help reduce the shelter census population.

- 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 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.

- In 2023, the City allocated $32 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 2023-2026 Four-Year Plan of direct City capital subsidy for NYCHA totals $2.5 billion, 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 State appropriations for heating and elevator work to address the estimated $40 billion need of their entire capital stock. The City's Ten-Year Capital Strategy for NYCHA includes the following key elements:

- Funding of $1.4 billion in the 2023-2026 Four-Year Plan to directly help NYCHA meet their obligations under the 2019 Executed Agreement. 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 57 percent of their Four-Year Plan.

- Funding of $399 million in the 2023-2026 Four-Year Plan to replace or repair the roofs on approximately 900 NYCHA buildings. This funding makes up 16 percent of their Four-Year Plan.

- Funding of $673 million in the 2023-2026 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 27 percent of their Four-Year Plan.

The table below outlines the City's capital commitments to NYCHA for the 2022-2026 period and actual commitments in 2021:

Capital Commitments
($ in 000's)

	2021 Actual		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2026 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	$—	$—	$336,506	$336,506	$390,298	$390,298	$445,631	$445,631	$357,594	$357,594	$200,001	$200,001
Roofing Initiative	88,819	88,819	259,800	259,800	87,608	87,608	93,395	93,395	136,373	136,373	81,949	81,949
General Construction	14,270	14,270	440,045	440,045	129,850	129,850	237,635	237,635	163,068	163,068	142,185	142,185
Total	$103,089	$103,089	$1,036,351	$1,036,351	$607,756	$607,756	$776,661	$776,661	$657,035	$657,035	$424,135	$424,135

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's developments through the PACT (Permanent Affordability Commitment Together) 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 buildings and 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 $1.5 billion in the 2023-2026 Four-Year Plan 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)				
	2022	**2023**	**2024**	**2025**	**2026**
Salaries and Wages	$30,291	$30,210	$29,981	$29,815	$29,742
Pensions	9,727	9,665	9,048	8,176	7,561
Other Fringe Benefits*	12,238	12,652	13,762	14,728	15,446
Retiree Health Benefits Prepayment	75	(500)	—	—	—
Reserve for Collective Bargaining	764	1,066	1,358	1,808	2,291
Total	**$53,095**	**$53,093**	**$54,149**	**$54,527**	**$55,040**

** 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

Pension expenses in the City's financial plan are based on draft valuation projections of the City's five major retirement systems prepared by the Office of the Actuary. These draft projections are based on the set of funding assumptions and methods formulated by the City Actuary known as "Original 2021 A&M". These projections incorporate updated post-retirement mortality tables (MP-2020 per the Society of Actuaries), the resetting of the actuarial value of assets to the market value of assets (aka Market Restart), the use of a five-year phase-in schedule to recognize unexpected investment gains or losses, and an updated method to address the funding of New York City's total OTB pension liability.

In addition to the Actuary's draft valuation estimates, certain other adjustments are contained in the financial plan for pensions. These include payroll changes consistent with the City's planned headcount levels beyond the valuation date, as well as asset performance in 2020 and 2021 in which the pension funds earned 4.44 percent and 25.80 percent, respectively. Other adjustments in the financial plan are made for certain benefit modifications, and the projected yearly changes in the administrative expenses of the retirement systems.

The financial plan also includes a reserve in 2023 and beyond to fund potential changes from future actuarial audit recommendations.

Total pension expenses for the financial plan are shown below:

Total Pension Expenses
($ in Millions)

	2022	2023	2024	2025	2026
City Actuarial Systems	$9,612	$9,556	$8,939	$8,068	$7,454
Non-City Systems	114	108	108	108	107
Non-Actuarial*	—	—	—	—	—
Total**	**$9,727**	**$9,665**	**$9,048**	**$8,176**	**$7,561**

** 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 2022, the combined tax rate is 7.65%. The OASDI tax portion of 6.20% is applied to covered earnings capped at $147,000, 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. These expense estimates reflect the health care savings as contained in the May 2014 and the June 2018 labor agreements between the City and the Municipal Labor Committee. These agreements led to recurring annual savings of $1.9 billion per year and are reflected in all years of the financial plan.

Reserve for Collective Bargaining

Approximately 93% of the workforce have settled contracts with the City for the 2017-2021 round of collective bargaining. The pattern framework for this round is 7.95% funding over 43 months term for civilian employees and 36 months for uniformed employees.

The Labor Reserve currently contains pattern funding for the PBA and other unsettled unions at their applicable pattern configurations, it also contains funding for prevailing wage risks for relevant skill trades titles.

The Financial Plan now assumes 0.50% wage increase in each of the first two years of the next labor settlement followed by annual 1% wage increases.

Other Than Personal Services

The following items are included in this category:

	($ in Millions)				
	2022	2023	2024	2025	2026
Administrative OTPS	$34,308	$29,294	$28,361	$28,319	$27,932
Public Assistance	1,651	1,650	1,650	1,650	1,650
Medical Assistance	6,473	6,385	6,385	6,385	6,385
Health + Hospitals	2,687	1,077	912	911	875
Covered Agency Support & Other Subsidies	6,483	5,777	5,606	5,465	5,476
City Debt Service*	6,685	7,816	8,119	8,630	9,407
Prepayment Adjustments	(910)	(4,772)	—	—	—
Capital Stabilization Reserve	—	250	250	250	250
Deposit to the Rainy Day Fund	700	—	—	—	—
General Reserve	50	1,055	1,000	1,000	1,000
Total	**$58,127**	**$48,532**	**$52,283**	**$52,610**	**$52,975**

** Numbers adjusted for prepayments.*

Administrative OTPS

The estimates in this category include new needs and savings in the baseline. For 2024 through 2026, most expenditures have been increased to reflect the effect of inflation. The inflation adjustment, which is shown in a citywide account, represents an estimated annual 2.5 percent increase in 2024 through 2026. Baseline costs for energy and lease requirements are shown in the appropriate operating agency, while out-year inflationary costs are primarily shown in citywide accounts as noted in the following two sections.

Energy

The financial plan includes a Citywide appropriation to provide for the changing cost of energy for 2024 through 2026. Energy costs in each agency, with the exception of HPD, are held constant for 2023 through 2026. 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 $99 million from 2023 to 2026 due to fluctuating commodity prices. Gasoline and fuel oil costs are expected to decrease by $45 million from 2023 to 2026. Heat, light and power costs are expected to increase by $144 million between 2023 and 2026.

Energy Costs
($ in Millions)

	2022	2023	2024	2025	2026
Gasoline	$105	$116	$104	$98	$92
Fuel Oil	103	110	98	93	89
HPD-In Rem / DAMP	9	9	9	9	9
HPD-Emergency Repairs	3	3	3	3	3
Heat, Light and Power	834	867	901	909	1,011
Total	**$1,054**	**$1,105**	**$1,115**	**$1,112**	**$1,204**

Leases

In each agency, the cost of leases is budgeted at a constant level from 2023 through 2026. A citywide adjustment for 2024 through 2026 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 $1.431 billion for leases in 2023, $1.474 billion in 2024, $1.519 billion in 2025 and $1.564 billion in 2026. Of these amounts, the citywide adjustment is $43 million, $87 million, and $133 million respectively in 2024 through 2026.

Public Assistance

The four-year financial plan supports the current monthly average caseload of 377,458 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 for 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 2022 through 2026 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 2022, $1.055 billion for 2023 and $1 billion for 2024 through 2026 to provide for uncontrollable increases in expenditures as well as shortfalls in revenue. The General Reserve for 2023 through 2026 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 2023 through 2026, 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 2022 through 2026 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 $4.772 billion in 2022 has been provided for this purpose.

Below are the detailed estimates for debt service for 2022 through 2026 after prepayments:

($ in Millions)

	Long Term	Short Term	Lease Purchase	Budget Stabilization*	Total City and Lease	TFA	Prepayment Adjustment	Total City, Lease and TFA
2022	$727	$—	$104	$4,772	$5,603	$172	$910	$6,685
2023	1,521	—	107	—	$1,628	1,416	4,772	$7,816
2024	4,575	—	118	—	$4,693	3,426	—	$8,119
2025	4,792	—	117	—	$4,909	3,721	—	$8,630
2026	5,052	—	116	—	$5,168	4,239	—	$9,407

** Amounts in the Budget Stabilization Account are used to prepay the succeeding year's debt service.*

EXHIBIT 2

FISCAL YEAR 2023 EXECUTIVE BUDGET AND PROJECTIONS, FISCAL YEAR 2024 THROUGH FISCAL YEAR 2026

($ in thousands)

Dept. No.	Agency	FY 2021 Actual Expenditures	Fiscal Year 2022 Executive Budget	Fiscal Year 2022 8 Month Actuals July - Feb.	Fiscal Year 2022 Forecast	FY 2023 Executive Budget	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate
002	Mayoralty	$149,520	$161,423	$93,142	$183,956	$204,071	$177,844	$176,896	$176,444
003	Board of Elections	230,858	182,815	117,572	232,521	136,749	136,749	136,749	136,749
004	Campaign Finance Board	141,343	72,592	36,810	50,757	80,021	14,910	14,910	14,910
008	Office of the Actuary	6,103	7,069	4,028	6,858	7,215	7,438	7,438	7,438
010	President,Borough of Manhattan	5,235	5,725	3,381	6,326	5,341	4,908	4,908	4,908
011	President,Borough of the Bronx	4,882	6,860	3,347	7,592	6,343	5,776	5,776	5,776
012	President,Borough of Brooklyn	6,670	8,128	3,908	9,213	7,322	6,435	6,435	6,435
013	President,Borough of Queens	5,917	6,656	4,027	7,478	5,907	5,080	5,080	5,080
014	President,Borough of S.I.	4,582	5,047	2,769	5,608	4,779	4,493	4,493	4,493
015	Office of the Comptroller	102,146	108,523	69,879	109,645	114,251	114,055	113,438	113,438
017	Dept. of Emergency Management	289,479	52,410	740,027	780,217	60,558	33,902	33,332	33,332
021	Office of Admin. Tax Appeals	5,665	5,975	3,925	5,987	5,985	5,985	5,985	5,985
025	Law Department	263,090	289,865	167,237	275,937	279,950	239,692	239,482	239,482
030	Department of City Planning	38,662	43,267	28,144	44,404	48,263	43,270	43,270	43,270
032	Department of Investigation	51,412	53,154	41,870	58,744	49,757	49,893	49,643	49,643
035	NY Public Library - Research	30,691	29,609	29,190	30,662	30,559	30,559	30,559	30,559
037	New York Public Library	158,498	148,858	152,225	159,540	153,484	153,484	153,484	153,484
038	Brooklyn Public Library	118,246	111,000	79,026	117,237	115,168	115,168	115,168	115,168
039	Queens Borough Public Library	122,444	115,745	81,040	121,562	119,873	119,873	119,873	119,873
040	Department of Education	28,545,081	31,425,699	19,807,383	31,981,062	30,952,943	31,145,480	31,398,270	31,295,958
042	City University	1,159,433	1,194,187	684,632	1,404,892	1,405,113	1,302,588	1,318,082	1,319,027
054	Civilian Complaint Review Bd.	20,901	24,529	11,978	23,023	23,548	23,548	23,548	23,548
056	Police Department	5,542,436	5,435,402	3,956,725	5,839,933	5,588,747	5,573,852	5,573,333	5,571,547
057	Fire Department	2,235,372	2,171,878	1,618,312	2,451,068	2,288,563	2,223,082	2,215,457	2,213,649
063	Dept. of Veterans' Services	5,377	6,241	3,668	6,060	6,139	6,139	6,139	6,139
068	Admin. for Children Services	2,534,108	2,686,146	1,787,060	2,755,345	2,736,554	2,734,152	2,725,346	2,704,550
069	Department of Social Services	10,093,485	11,017,465	7,845,794	11,356,139	10,874,591	10,696,327	10,666,009	10,640,734
071	Dept. of Homeless Services	3,044,490	2,155,979	2,033,973	2,818,286	2,356,938	2,320,822	2,320,822	2,301,817
072	Department of Correction	1,259,317	1,176,905	912,009	1,386,255	1,302,735	1,289,029	1,288,932	1,288,770
073	Board of Correction	2,283	2,801	1,419	2,620	3,314	3,314	3,314	3,314
095	Citywide Pension Contributions	9,445,924	10,262,796	6,477,976	9,726,975	9,664,758	9,047,829	8,176,256	7,560,813
098	Miscellaneous	11,347,657	12,947,002	5,710,168	13,831,451	13,127,141	14,401,579	15,161,973	16,098,398
099	Debt Service	8,193,149	3,460,253	490,764	5,774,986	3,043,296	8,118,736	8,630,003	9,406,760
101	Public Advocate	4,619	4,901	2,967	5,456	4,935	4,935	4,935	4,935
102	City Council	75,095	80,513	48,006	80,574	100,000	64,223	64,223	64,223
103	City Clerk	5,205	5,998	3,715	6,023	5,870	5,870	5,870	5,870
125	Department for the Aging	355,612	440,047	340,450	561,392	479,240	475,928	478,874	414,991
126	Department of Cultural Affairs	185,083	170,201	158,459	233,172	155,032	149,834	149,834	149,834
127	Financial Info. Serv. Agency	113,007	112,659	96,689	115,976	112,694	112,594	112,594	112,594
131	Office of Payroll Admin.	14,678	15,111	11,136	15,756	14,941	14,941	14,941	14,941
132	Independent Budget Office	4,707	6,180	3,373	6,665	6,560	6,350	6,351	6,325
133	Equal Employment Practices Com.	1,119	1,387	732	1,336	1,345	1,345	1,345	1,345
134	Civil Service Commission	1,007	1,198	627	1,162	1,162	1,162	1,162	1,162
136	Landmarks Preservation Comm.	6,445	6,837	4,217	7,009	7,187	7,189	7,189	7,189
138	Districting Commission	—	—	—	912	811	—	—	—

EXHIBIT 2

FISCAL YEAR 2023 EXECUTIVE BUDGET AND PROJECTIONS, FISCAL YEAR 2024 THROUGH FISCAL YEAR 2026

($ in thousands)

			Fiscal Year 2022						
Dept. No.	Agency	FY 2021 Actual Expenditures	Executive Budget	8 Month Actuals July - Feb.	Forecast	FY 2023 Executive Budget	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate
156	Taxi & Limousine Commission	$53,228	$55,322	$99,968	$166,065	$56,091	$55,756	$54,891	$54,891
226	Commission on Human Rights	11,851	12,691	8,044	12,826	15,207	15,207	15,207	15,207
260	Youth & Community Development	859,388	835,402	673,263	1,046,788	959,852	963,900	963,277	943,884
312	Conflicts of Interest Board	2,436	2,706	1,598	2,517	2,707	2,673	2,673	2,673
313	Office of Collective Barg.	2,255	2,447	1,653	2,385	2,461	2,461	2,461	2,461
499	Community Boards (All)	17,310	18,951	11,878	20,341	19,577	19,577	19,577	19,577
781	Department of Probation	117,493	123,857	86,442	131,068	121,744	120,239	120,240	119,406
801	Dept. Small Business Services	227,011	317,624	378,194	601,865	253,878	168,510	208,365	150,825
806	Housing Preservation & Dev.	1,129,902	1,085,667	901,740	1,459,691	1,188,589	1,191,819	1,191,387	1,198,613
810	Department of Buildings	197,336	225,706	136,293	206,681	230,633	204,888	202,490	202,490
816	Dept Health & Mental Hygiene	2,181,319	2,138,208	2,290,416	3,184,460	2,170,313	2,022,059	1,999,072	1,965,940
819	Health and Hospitals Corp.	2,522,746	980,027	850,543	2,686,908	1,077,246	911,775	910,963	874,626
820	Office Admin Trials & Hearings	42,162	52,036	29,642	54,412	67,896	68,033	68,171	68,171
826	Dept of Environmental Prot.	1,410,263	1,519,836	1,042,135	1,602,945	1,599,491	1,555,359	1,536,016	1,529,390
827	Department of Sanitation	2,378,699	1,825,604	1,525,609	2,019,830	1,833,853	1,821,330	1,829,574	1,822,696
829	Business Integrity Commission	8,887	9,226	6,426	9,085	9,321	9,385	9,385	9,385
836	Department of Finance	301,066	339,626	220,362	327,701	341,653	338,617	334,181	334,583
841	Department of Transportation	1,142,242	1,244,617	871,430	1,301,244	1,429,946	1,414,300	1,404,653	1,380,324
846	Dept of Parks and Recreation	526,632	587,634	391,904	630,765	601,412	595,074	591,947	592,947
850	Dept. of Design & Construction	349,838	213,915	147,327	273,921	182,695	157,787	158,833	158,764
856	Dept of Citywide Admin Srvces	1,667,278	1,353,129	1,157,488	1,620,676	1,498,959	1,472,069	1,471,532	1,472,377
858	D.O.I.T.T.	970,733	706,879	724,568	993,384	716,532	723,339	728,433	728,415
860	Dept of Records & Info Serv.	10,986	16,892	7,964	17,422	16,582	17,702	17,702	17,702
866	Dept. Cnsmr. & Wkr. Prot.	42,517	46,322	31,473	60,525	69,462	67,667	67,667	67,667
901	District Attorney - N.Y.	134,995	126,412	104,105	164,664	146,181	146,181	146,181	146,181
902	District Attorney - Bronx	92,022	91,999	61,806	99,357	98,250	98,119	98,119	98,119
903	District Attorney - Kings	121,692	119,558	87,138	127,927	127,706	127,956	127,961	127,966
904	District Attorney - Queens	75,505	76,963	54,435	84,915	85,529	85,529	85,529	85,529
905	District Attorney - Richmond	19,234	18,509	13,544	22,813	21,435	21,121	21,138	21,138
906	Off. of Prosec. & Spec. Narc.	25,334	25,497	15,306	26,188	26,164	26,164	26,164	26,164
941	Public Administrator - N.Y.	988	1,251	560	1,215	1,256	1,256	1,256	1,256
942	Public Administrator - Bronx	715	755	461	735	758	758	758	758
943	Public Administrator- Brooklyn	910	917	499	890	918	918	918	918
944	Public Administrator - Queens	610	674	393	655	675	675	675	675
945	Public Administrator - Richmond	576	572	398	598	573	573	573	573
	Prior Payable Adjustment	(869,172)	—	—	(400,000)	—	—	—	—
	General Reserve	—	300,000	—	50,000	1,055,000	1,000,000	1,000,000	1,000,000
	Citywide Savings Initiatives	—	(254,150)	—	—	(105,148)	(106,509)	(107,894)	(109,769)
	Energy Adjustment	—	—	—	—	—	10,446	7,100	98,870
	Lease Adjustment	—	—	—	—	—	42,898	87,083	132,594
	OTPS Inflation Adjustment	—	—	—	—	—	55,519	111,038	166,557
LESS: INTRA-CITY EXPENDITURES		2,006,348	1,890,623	391,779	2,252,652	1,971,860	1,938,508	1,928,917	1,928,306
NET TOTAL EXPENDITURES		$99,701,672	$98,559,694	$65,217,005	$108,968,582	$99,653,290	$104,492,984	$105,208,100	$106,087,137

EXHIBIT 3

ACTUAL REVENUE
($ in Millions)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Taxes:				
Real Property	$26,408	$27,885	$29,816	$31,464
Personal Income	13,372	13,344	13,551	15,101
General Corporation	3,454	4,269	4,547	5,129
Banking Corporation	(17)	(70)	(38)	(110)
Unincorporated Business	2,182	2,029	1,939	2,077
Sales and Use	7,443	7,810	7,372	6,553
Commercial Rent	853	907	864	869
Real Property Transfer	1,388	1,547	1,135	1,045
Mortgage Recording	1,050	1,097	975	897
Utility	371	369	356	356
Cigarette	36	30	25	22
Hotel	597	625	468	85
All Other	630	834	1,054	907
Tax Audit Revenue	1,337	818	1,026	1,139
Total Taxes	59,104	61,494	63,090	65,534
Miscellaneous Revenues:				
Licenses, Franchises, Etc.	776	802	699	625
Interest Income	125	226	137	15
Charges for Services	1,027	1,030	951	863
Water and Sewer Charges	1,390	1,470	1,615	1,687
Rental Income	261	273	258	233
Fines and Forfeitures	1,027	1,109	1,079	1,036
Miscellaneous	413	1,087	530	709
Intra-City Revenue	2,197	2,236	2,129	2,006
Total Miscellaneous	7,216	8,233	7,398	7,174
Unrestricted Intergovernmental Aid:				
Other Federal and State Aid	—	151	11	1
Total Unrestricted Intergovernmental Aid	—	151	11	1
Provision for Disallowance of Categorical Grants	139	113	(5)	(24)
Less Intra-City Revenue	(2,197)	(2,236)	(2,129)	(2,006)
Sub Total City Funds	64,262	67,755	68,365	70,679
Other Categorical Grants	1,255	1,340	1,105	1,177
Transfers from Capital Fund:				
Inter Fund Agreements	637	652	650	634
Total City Funds & Inter Fund & Other Categorical Revenues	66,154	69,747	70,120	72,490
Federal Grants and Contracts Categorical:				
Community Development	1,081	506	558	693
Social Services	3,362	3,553	2,918	3,232
Education	1,786	1,876	1,672	2,498
Other	1,737	1,784	4,433	6,197
Total Federal Grants and Contracts Categorical	7,966	7,719	9,581	12,620
State Grants and Contracts Categorical:				
Social Services	1,611	1,698	1,750	1,834
Education	10,710	11,185	11,493	10,633
Higher Education	255	263	246	231
Department of Health and Mental Hygiene	535	523	428	423
Other	1,342	1,301	1,417	1,476
Total State Grants and Contracts Categorical	14,453	14,970	15,334	14,597
Total Revenues	$88,573	$92,436	$95,035	$99,707

EXHIBIT 4
REVENUE ESTIMATES
($ in Millions)

	Fiscal Year 2022 8 Months Actuals	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Taxes:						
Real Property	$27,462	$29,427	$31,200	$31,692	$31,826	$31,836
Personal Income	9,302	14,716	14,491	14,844	15,462	15,869
General Corporation	2,657	4,873	4,287	4,294	4,444	4,724
Banking Corporation	3	—	—	—	—	—
Unincorporated Business	1,333	2,234	2,178	2,281	2,366	2,463
Sale and Use	5,366	8,129	8,375	8,734	9,175	9,692
Commercial Rent	422	860	862	863	866	868
Real Property Transfer	1,232	1,625	1,395	1,529	1,636	1,688
Mortgage Recording	873	1,174	961	1,015	1,087	1,118
Utility	225	385	379	395	403	418
Cigarette	12	20	18	17	16	16
Hotel	114	285	430	586	696	716
All Other	407	897	823	823	823	823
Tax Audit Revenue	425	871	722	722	722	721
State Tax Relief Program - STAR	146	146	144	142	140	138
Total Taxes	49,979	65,642	66,265	67,937	69,662	71,090
Miscellaneous Revenue:						
Licenses, Franchises, Etc.	426	673	691	693	691	696
Interest Income	4	13	107	161	195	217
Charges for Services	502	904	1,029	1,033	1,033	1,033
Water and Sewer Charges	1,673	1,689	1,785	1,756	1,742	1,736
Rental Income	166	246	250	250	250	250
Fines and Forfeitures	790	1,165	1,076	1,090	1,090	1,090
Miscellaneous	228	411	336	336	335	335
Intra-City Revenue	392	2,253	1,972	1,939	1,929	1,928
Total Miscellaneous	4,181	7,354	7,246	7,258	7,265	7,285
Unrestricted Intergovernmental Aid:						
Other Federal & State Aid	—	792	252	—	—	—
Total Unrestricted Intergovernmental Aid	—	792	252	—	—	—
Reserve for Disallowance of Categorical Grants	—	(15)	(15)	(15)	(15)	(15)
Less: Intra-City Revenue	(392)	(2,253)	(1,972)	(1,939)	(1,929)	(1,928)
Sub Total City Funds	53,768	71,520	71,776	73,241	74,983	76,432
Other Categorical Grants	310	1,173	1,029	1,016	1,015	1,012
Inter Fund Agreements	205	686	735	731	730	730
Total City Funds & Inter Fund & Other Categorical Revenues	$54,283	$73,379	$73,540	$74,988	$76,728	$78,174

EXHIBIT 4
REVENUE ESTIMATES
($ in Millions)

	Fiscal Year 2022 8 Months Actuals	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Federal Grants and Contracts Categorical:						
Community Development	$155	$610	$263	$252	$239	$239
Social Services	1,010	3,558	3,333	3,449	3,447	3,445
Education	292	5,184	3,710	3,323	2,431	1,901
Other	962	9,776	2,050	1,653	1,841	1,390
Total Federal Grants and Contracts Categorical	2,419	19,128	9,356	8,677	7,958	6,975
State Grants and Contracts Categorical:						
Social Services	556	1,890	1,872	1,859	1,855	1,848
Education	2,864	12,182	12,480	12,695	12,888	12,887
Higher Education	56	278	276	276	276	276
Department of Health and Mental Hygiene	205	545	556	576	576	576
Other	181	1,567	1,573	1,485	1,541	1,602
Total State Grants and Contracts Categorical	3,862	16,462	16,757	16,891	17,136	17,189
TOTAL REVENUE	$60,564	$108,969	$99,653	$100,556	$101,822	$102,338

EXHIBIT 5
FULL-TIME and PART-TIME POSITIONS (FTEs)

	6/30/2023 Total	6/30/2023 City	6/30/2024 Total	6/30/2024 City	6/30/2025 Total	6/30/2025 City	6/30/2026 Total	6/30/2026 City
MAYORAL AGENCIES AND ELECTED OFFICIALS:								
Uniformed Forces:								
Police -Uniform	35,030	35,030	35,030	35,030	35,030	35,030	35,030	35,030
Police -Civilian	16,915	16,895	17,040	17,020	17,040	17,020	17,040	17,020
Fire -Uniform	10,952	10,942	10,952	10,942	10,952	10,942	10,952	10,942
Fire -Civilian	6,598	6,486	6,410	6,298	6,401	6,289	6,401	6,289
Correction -Uniform	7,638	7,638	7,638	7,638	7,638	7,638	7,638	7,638
Correction -Civilian	2,030	2,026	2,030	2,026	2,030	2,026	2,026	2,026
Sanitation -Uniform	7,449	7,390	7,448	7,389	7,450	7,450	7,452	7,452
Sanitation -Civilian	2,318	2,260	2,321	2,263	2,321	2,263	2,321	2,263
Subtotal	*88,930*	*88,667*	*88,869*	*88,606*	*88,862*	*88,658*	*88,860*	*88,660*
Health and Welfare:								
Admin. for Children's Services	7,120	6,953	7,120	6,953	7,120	6,953	7,120	6,953
Social Services	12,952	10,165	12,946	10,172	12,946	10,159	12,933	10,159
Homeless Services	2,057	2,036	2,012	1,991	2,012	1,991	1,994	1,991
Health & Mental Hygiene	7,213	5,737	7,250	5,774	7,192	5,742	7,192	5,742
Subtotal	*29,342*	*24,891*	*29,328*	*24,890*	*29,270*	*24,845*	*29,239*	*24,845*
Other Agencies:								
Housing Preservation and Development	2,729	857	2,729	857	2,727	857	2,727	857
Environmental Protection	6,586	282	6,597	284	6,600	287	6,602	289
Finance	2,044	2,032	2,044	2,032	2,044	2,032	2,044	2,032
Transportation	6,100	2,744	6,130	2,774	6,139	2,825	6,140	2,828
Parks	8,083	7,358	8,063	7,358	8,062	7,358	8,062	7,358
Citywide Administrative Services	2,631	1,922	2,631	1,922	2,628	1,919	2,628	1,919
All Other	22,520	19,732	22,074	19,342	22,060	19,330	22,058	19,330
Subtotal	*50,693*	*34,927*	*50,268*	*34,569*	*50,260*	*34,608*	*50,261*	*34,613*
Education:								
Dept. of Education -Pedagogical	127,749	91,382	127,879	91,382	127,008	91,382	124,224	91,382
Dept. of Education -Civilian	26,329	22,459	26,809	22,459	26,819	22,459	25,782	22,459
City University -Pedagogical	6,405	6,405	6,405	6,405	6,405	6,405	6,405	6,405
City University -Civilian	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753
Subtotal	*164,236*	*123,999*	*164,846*	*123,999*	*163,985*	*123,999*	*160,164*	*123,999*
Hiring and Attrition Management:	*(1,004)*	*(1,004)*	*(1,004)*	*(1,004)*	*(1,004)*	*(1,004)*	*(1,004)*	*(1,004)*
Total - Mayoral Agencies and Elected Officials	332,197	271,480	332,307	271,060	331,373	271,106	327,520	271,113
COVERED ORGANIZATIONS[1]:								
Health + Hospitals	37,272	37,272	37,272	37,272	37,272	37,272	37,272	37,272
Housing Authority	12,483	—	12,006	—	11,214	—	10,776	—
Libraries	4,124	4,124	4,192	4,192	4,192	4,192	4,192	4,192
Cultural Institutions[2]	1,288	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	1,059
New York City Employees Retirement System	517	517	517	517	517	517	517	517
Economic Development Corporation	516	516	516	516	516	516	516	516
Teachers Retirement System	374	374	400	400	400	400	400	400
Police Pension Fund	149	149	149	149	149	149	149	149
Fire Pension Fund	50	50	50	50	50	50	50	50
All Other[3]	296	292	297	293	298	294	299	295
Total - Covered Organizations	58,128	45,641	57,746	45,736	56,955	45,737	56,518	45,738
Grand Total	390,325	317,121	390,053	316,796	388,328	316,843	384,038	316,851

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 2023 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - 5 YEAR VALUE
(City $ in 000's)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Uniformed Forces:					
Police	$113,146	$38,545	$13,446	$13,446	$13,446
Fire	42,734	32,572	28,018	28,018	28,018
Sanitation	38,017	47,781	46,307	46,476	51,729
Health and Welfare:					
Admin. for Children's Services	28,978	26,372	26,372	26,372	27,461
Social Services	41,919	8,526	8,526	8,526	8,526
Homeless Services	45,753	62,735	62,735	62,735	62,735
Aging	10,197	5,475	5,475	5,475	5,475
Youth and Community Dev.	21,866	16,864	16,864	16,864	16,864
Health and Mental Hygiene	30,000	—	—	—	—
Other Agencies:					
Housing Preservation and Dev.	36,611	4,705	3,191	3,118	3,118
Finance	13,689	11,318	11,318	11,318	11,318
Transportation	47,031	26,677	25,291	25,262	25,100
Parks and Recreation	14,280	13,150	13,150	13,150	13,150
Citywide Administrative Services	11,597	11,771	11,771	11,771	11,771
All Other Agencies	158,787	65,753	64,954	64,814	64,814
Education:					
Education	355,805	557,496	558,168	558,840	559,456
City University	8,500	14,642	14,642	14,642	14,642
Other:					
Citywide Savings Initiatives	—	13,700	13,700	13,700	13,700
Miscellaneous	28,517	75,385	78,807	82,630	86,505
Debt Service	88,928	178,545	215,631	250,381	260,488
Procurement Savings	—	55,519	55,519	55,519	55,519
Total Program to Eliminate the Gap	**$1,136,355**	**$1,267,531**	**$1,273,885**	**$1,313,057**	**$1,333,835**

Note: Includes initiatives from the April 26, 2022 Executive Budget, and the February 16, 2022 Preliminary Budget. Amounts include current year restorations.

EXHIBIT 6
FY 2023 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - 5 YEAR VALUE
(City $ in 000's)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Other Agencies:					
Mayoralty	$4,697	$4,228	$4,228	$4,228	$4,228
Board of Elections	5,484	4,111	4,111	4,111	4,111
Campaign Finance Board	22,188	461	461	461	461
Actuary	212	223	—	—	—
Emergency Management	1,800	1,161	1,161	1,161	1,161
Administrative Tax Appeals	180	180	180	180	180
Law	14,238	7,131	7,131	7,131	7,131
City Planning	1,989	482	810	810	810
Investigation	1,698	1,487	1,341	1,341	1,341
New York Research Libraries	945	—	—	—	—
New York Public Library	4,760	—	—	—	—
Brooklyn Public Library	3,573	—	—	—	—
Queens Borough Public Library	3,715	—	—	—	—
Civilian Complaint Review Board	1,862	775	775	775	775
Veterans' Services	174	178	178	178	178
Board of Correction	629	—	—	—	—
City Clerk	186	181	181	181	181
Cultural Affairs	3,432	4,490	4,490	4,490	4,490
Financial Info. Services Agency	3,508	3,387	3,387	3,387	3,387
Payroll Admin.	458	462	462	462	462
Equal Employment Practices	41	42	42	42	42
Civil Service	36	36	36	36	36
Landmarks Preservation	562	323	323	323	323
Taxi and Limousine	3,627	1,672	1,672	1,672	1,672
Human Rights	1,628	486	486	486	486
Conflicts of Interest Board	130	50	83	83	83
Collective Bargaining	69	—	—	—	—
Probation	3,985	3,011	3,010	3,010	3,010
Small Business Services	6,583	2,085	2,071	2,005	2,005
Buildings	31,789	6,532	6,278	6,204	6,204
Administrative Trials and Hearings	3,220	2,096	2,096	2,096	2,096
Environmental Protection	1,867	1,000	1,000	1,000	1,000
Business Integrity	272	288	290	290	290
Design and Construction	7,230	207	207	207	207
DOITT	19,139	17,141	17,141	17,141	17,141
Records and Info. Services	499	488	—	—	—
Consumer Affairs	1,273	1,359	1,323	1,323	1,323
PA - Manhattan	38	—	—	—	—
PA - Bronx	23	—	—	—	—
PA - Brooklyn	28	—	—	—	—
PA - Queens	20	—	—	—	—
Subtotal	157,787	65,753	64,954	64,814	64,814
Elected Officials:					
Comptroller	1,000	—	—	—	—
Subtotal	1,000	—	—	—	—
Total All Other Agencies	$158,787	$65,753	$64,954	$64,814	$64,814

EXHIBIT 6A
FY 2023 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - 5 YEAR VALUE
(City $ in 000's)

	Expense	Revenue	Total
Uniformed Forces:			
Police	$38,545	$—	$38,545
Fire	32,572	—	32,572
Sanitation	47,781	—	47,781
Health and Welfare:			
Admin. for Children's Services	26,372	—	26,372
Social Services	8,526	—	8,526
Homeless Services	62,735	—	62,735
Aging	5,475	—	5,475
Youth and Community Dev.	16,864	—	16,864
Other Agencies:			
Housing Preservation and Dev.	4,705	—	4,705
Finance	2,322	8,996	11,318
Transportation	22,177	4,500	26,677
Parks and Recreation	13,150	—	13,150
Citywide Administrative Services	11,771	—	11,771
All Other Agencies	65,573	180	65,753
Education:			
Education	557,496	—	557,496
City University	14,642	—	14,642
Other:			
Citywide Savings Initiatives	13,700	—	13,700
Miscellaneous	75,385	—	75,385
Debt Service	178,545	—	178,545
Procurement Savings	55,519	—	55,519
Total Program to Eliminate the Gap	**$1,253,855**	**$13,676**	**$1,267,531**

Note: Includes initiatives from the April 26, 2022 Executive Budget, and the February 16, 2022 Preliminary Budget. Amounts include current year restorations.