

The City of New York
Executive Budget
Fiscal Year 2025

Eric Adams, Mayor

Mayor's Office of Management and Budget
Jacques Jiha, Ph.D., Director

Message of the Mayor

The City of New York
Executive Budget
Fiscal Year 2025

Eric Adams, Mayor

Mayor's Office of Management and Budget
Jacques Jiha, Ph.D., Director
April 24, 2024

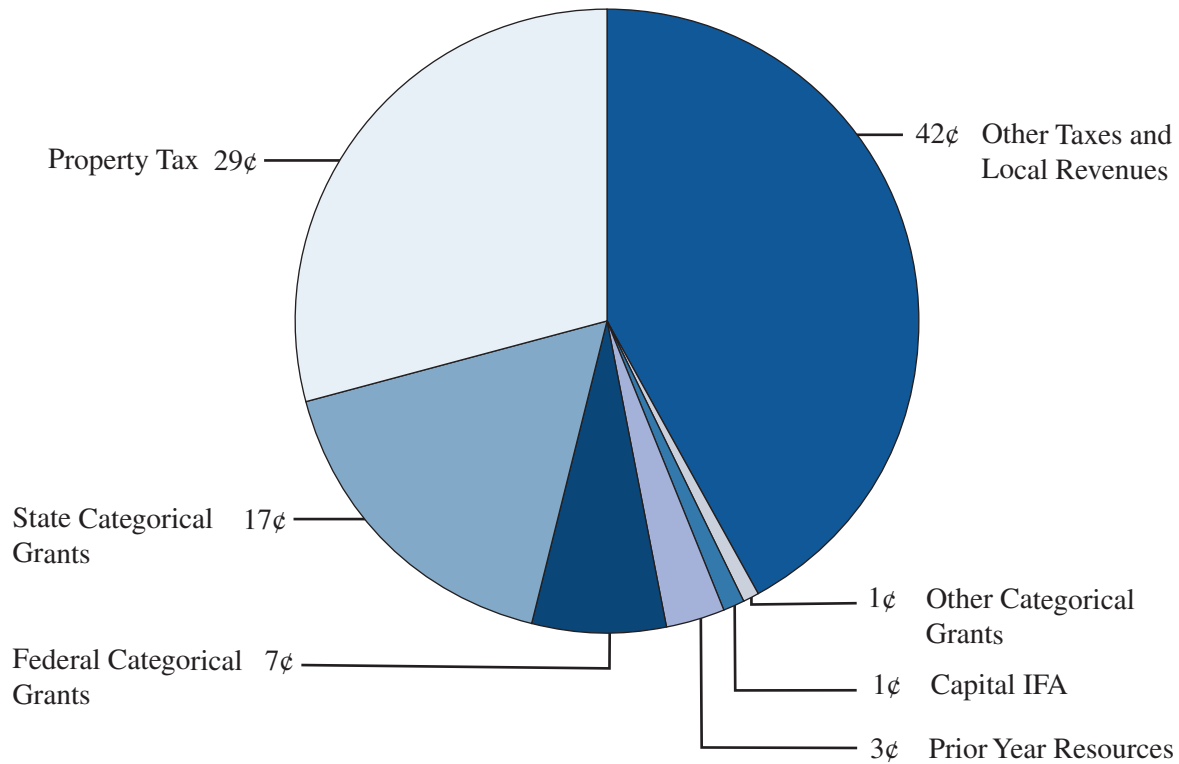
Message of
the Mayor

Contents

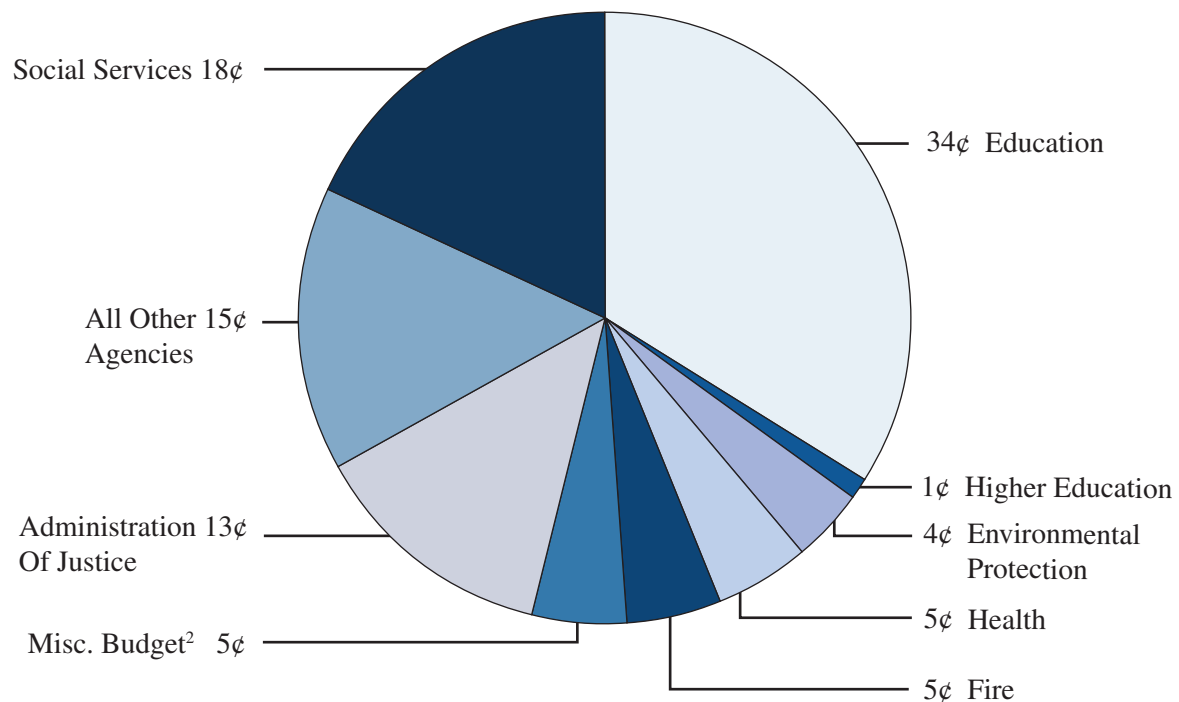
BUDGET AND FINANCIAL PLAN SUMMARY	
Budget and Financial Plan Overview	3
Economic Outlook	6
State and Federal Agenda	26
Asylum Seekers	28
Tax Revenue	30
Miscellaneous Receipts	51
Community Board Participation in the Budget Process	57
Contract Budget	58
Citywide Sustainability and Resiliency.....	59
Financing Program	60
Capital Budget	68
ANALYSIS OF AGENCY BUDGETS	
Department of Education	85
Administration of Justice	93
Police Department	97
Department of Correction	103
<i>Departments of Social and Homeless Services:</i>	
Department of Social Services	107
Department of Homeless Services	116
Administration for Children’s Services	121
Department of Youth and Community Development	130
NYC Aging	135
Department of Health and Mental Hygiene	139
Fire Department	148
Department of Sanitation	152
Department of Parks and Recreation	156
Department of Environmental Protection	161
Department of Transportation	168
Housing Preservation and Development	173
Department of Citywide Administrative Services	178
Office of Technology and Innovation	184
Economic Development	189
Libraries	193
Department of Cultural Affairs	198
City University of New York	202
Pensions and Other Fringe Benefits	207
Judgments and Claims	210
COVERED ORGANIZATIONS	
New York City Health + Hospitals	213
New York City Transit	217
New York City Housing Authority	221
APPENDIX	
Exhibit 1: Expenditure Assumptions Fiscal Years 2024-2028	227
Exhibit 2: Fiscal Year 2025 Executive Budget & Projections, FY 2026-2028	232
Exhibit 3: Actual Revenue: Fiscal Years 2020-2023	234
Exhibit 4: Revenue Estimates: Fiscal Years 2024-2028	235
Exhibit 5: Full-Time and Part-Time Positions (FTEs)	237
Exhibit 6: Fiscal Year 2025 Program to Eliminate the Gap	238

Budget and Financial Plan Summary

Where the 2025 Dollar Comes From



Where the 2025 Dollar Goes¹



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, Capital Stabilization 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 2024 through 2028.

The Fiscal Year 2025 Executive Budget is \$111.6 billion. This is the forty-fifth consecutive annual budget which is balanced in accordance with Generally Accepted Accounting Principles (GAAP).

Major highlights of the Executive Budget and Financial Plan are:

- Revenues and expenditures are balanced for Fiscal Years 2024 and 2025 and gaps of \$5.5 billion, \$5.5 billion, and \$5.7 billion are projected for Fiscal Years 2026, 2027 and 2028, respectively.
- The Fiscal Year 2025 budget is balanced using a prepayment of \$3.9 billion from Fiscal Year 2024.
- Forecast revenues have increased by \$619 million, \$1.7 billion, \$1.2 billion, \$1.3 billion, and \$1.5 billion in Fiscal Years 2024 through 2028, respectively. This includes the recent state budget impact that extends the sales tax intercept for distressed hospitals resulting in a reduction to sales tax revenues of \$38 million, \$150 million, \$150 million, and \$113 million in Fiscal Years 2025 through 2028, respectively.
- Agency expense changes have increased by \$858 million, \$1.8 billion, \$822 million, \$843 million, and \$908 million in Fiscal Years 2024 through 2028, respectively.
- Agency gap closing savings actions which reduced spending totals, primarily due to underspending, by \$40 million, \$1 million, \$2 million, \$2 million, and \$2 million in Fiscal Years 2024 through 2028, respectively.
- Restorations of November and January Plans gap closing savings actions have increased by \$7 million, \$70 million, \$84 million, \$86 million, and \$87 million in Fiscal Years 2024 through 2028, respectively.
- Asylum seekers gap closing savings actions, including strategies to reduce the household per diem and policies to reduce the rate of census growth, reduced total spending by \$461 million and \$125 million in Fiscal Years 2024 and 2025, respectively. City funding for asylum seekers increased by \$449 million in Fiscal Year 2024 due to less than anticipated state aid for asylum seeker costs, and by \$500 million in Fiscal Years 2026 and 2027 to reflect a more reasonable estimate of the cost in those years.
- State budget impact changes which increased spending total \$41 million each fiscal year beginning in Fiscal Year 2025.
- The labor reserve has decreased by \$170 million in Fiscal Year 2024.
- Debt Service savings totals \$183 million in Fiscal Year 2024. Debt Services changes which increased spending by \$62 million, \$77 million, \$128 million, and \$176 million in Fiscal Years 2025 through 2028, respectively.

The following tables detail the changes since the January 2024 Financial Plan and the revenues and expenditures for the five-year financial plan.

**Changes Since the January 2024 Financial Plan
City Funds (\$ in Millions)**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Gap to be Closed - January 2024 Financial Plan.....	\$—	\$—	\$(5,150)	\$(5,117)	\$(6,043)
Revenue Changes:					
Tax Revenues	\$619	\$1,686	\$1,011	\$1,041	\$1,207
Non-Tax Revenues	—	77	45	45	45
Water Rental Payment	—	(6)	313	325	369
State Budget Impact	—	(38)	(150)	(150)	(113)
Total Revenue Changes.....	\$619	\$1,719	\$1,219	\$1,261	\$1,508
Expense Changes:					
Agency Expense Changes	\$858	\$1,831	\$822	\$843	\$908
PEG - Expense	(40)	(1)	(2)	(2)	(2)
PEG - Restorations	7	70	84	86	87
PEG - Asylum Seekers	(461)	(125)	—	—	—
Asylum Seekers	449	—	500	500	—
State Budget Impact	—	41	41	41	41
Labor Reserves	(170)	—	—	—	—
Debt Service	(183)	62	77	128	176
Total Expense Changes	\$460	\$1,878	\$1,522	\$1,596	\$1,210
Gap to be Closed Before Prepayments....	\$159	\$(159)	\$(5,453)	\$(5,452)	\$(5,745)
FY 2024 Prepayment	(159)	159	—	—	—
Gap to be Closed - April 2024 Financial Plan	\$—	\$—	\$(5,453)	\$(5,452)	\$(5,745)
Total Asylum Seekers Plan					
City Funds	\$2,287	\$3,436	\$3,000	\$2,000	\$—
State Funds	1,312	1,312	1,000	1,000	—
Federal Funds	157	—	—	—	—
Total	\$3,756	\$4,748	\$4,000	\$3,000	\$—

Fiscal Years 2024 and 2025 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 2024	FY 2025	FY 2026	FY 2027	FY 2028
<i>Revenues</i>					
<i>Taxes:</i>					
General Property Tax.....	\$32,786	\$33,700	\$34,306	\$35,334	\$36,016
Other Taxes.....	40,014	42,121	42,650	44,405	46,009
Tax Audit Revenue.....	847	773	773	773	773
Subtotal - Taxes.....	\$73,647	\$76,594	\$77,729	\$80,512	\$82,798
Miscellaneous Revenues.....	8,644	8,126	7,997	7,949	7,984
Unrestricted Intergovernmental Aid.....	17	—	—	—	—
Less: Intra-City Revenues.....	(2,293)	(1,952)	(1,934)	(1,931)	(1,931)
Disallowances Against Categorical Grants.....	(15)	(15)	(15)	(15)	(15)
Subtotal - City Funds.....	\$80,000	\$82,753	\$83,777	\$86,515	\$88,836
Other Categorical Grants.....	1,151	1,106	1,104	1,104	1,104
Inter-Fund Revenues.....	747	761	770	770	770
Federal Categorical Grants.....	12,734	7,855	7,212	7,147	7,225
State Categorical Grants.....	19,910	19,147	18,892	18,953	18,105
Total Revenues.....	\$114,542	\$111,622	\$111,755	\$114,489	\$116,040
<i>Expenditures</i>					
<i>Personal Service:</i>					
Salaries and Wages.....	\$32,689	\$32,721	\$33,732	\$34,749	\$35,709
Pensions.....	9,355	10,379	10,801	10,926	11,867
Fringe Benefits ¹	13,310	14,139	14,876	15,452	16,060
Subtotal – Personal Service.....	\$55,354	\$57,239	\$59,409	\$61,127	\$63,636
<i>Other Than Personal Service:</i>					
Medical Assistance.....	6,176	6,743	6,583	6,733	6,883
Public Assistance.....	2,467	1,650	1,650	2,000	2,463
All Other.....	46,860	42,191	41,112	40,945	38,843
Subtotal – Other Than Personal Service.....	\$55,503	\$50,584	\$49,345	\$49,678	\$48,189
Debt Service ^{1,2}	7,469	8,239	8,938	9,617	10,441
FY 2023 Budget Stabilization and Discretionary Transfers ¹	(5,479)	—	—	—	—
FY 2024 Budget Stabilization ²	3,938	(3,938)	—	—	—
Capital Stabilization Reserve.....	—	250	250	250	250
General Reserve.....	50	1,200	1,200	1,200	1,200
Less: Intra-City Expenses.....	(2,293)	(1,952)	(1,934)	(1,931)	(1,931)
Total Expenditures.....	\$114,542	\$111,622	\$117,208	\$119,941	\$121,785
Gap To Be Closed.....	\$—	\$—	\$(5,453)	\$(5,452)	\$(5,745)

¹ Fiscal Year 2023 Budget Stabilization and Discretionary Transfers total \$5.479 billion, including GO of \$2.812 billion, TFA-FTS of \$2.167 billion, and Retiree Health Benefits of \$500 million.

² Fiscal Year 2024 Budget Stabilization total \$3.938 billion, including GO of \$1.495 billion and TFA-FTS of \$2.443 billion.

ECONOMIC OUTLOOK

Overview

The U.S. economy continues to show remarkable resilience despite the Federal Reserve's (Fed) efforts to subdue inflation pressures through higher interest rates. In 2023, the Fed's strategy appeared to be effective as labor markets decelerated and inflation indicators receded towards the Fed's target. However, recent employment data reveals a rebound in the job market, which has helped support vigorous consumption growth. Growing household wealth due to strong equity price appreciation and stable real estate values has likewise supported growth. Part of the explanation for this unexpected strength is that the national labor force and population are likely growing faster than expected due to strong immigration flows. Likewise, fiscal policy has been mildly accommodative, with ongoing spending for infrastructure, semiconductor, and electric battery investment. It is expected that above-average growth will continue in 2024, with the economy expanding 2.5 percent before slowing to 1.4 percent growth in 2025.

Despite progress on slowing inflation, the Fed kept its key interest rate unchanged in March and continued to reduce its asset holdings as part of its quantitative tightening policy. The Fed's tightening policy has so far achieved some of its objectives, such as slowing down interest-sensitive sectors and bringing the labor market into better balance. However, inflationary data show that prices remain above the Fed's two percent target and are stickier than the Fed initially anticipated. The Fed acknowledges the potential risks of elevated rates on economic activity in the longer run and is open to policy adjustments as officials assess incoming data.

New York City's labor market is normalizing – almost four years after the onset of the Covid-19 pandemic disruption. The City's unemployment rate has stabilized, remaining around five percent since January 2023. The labor force participation rate reached a record high of 62 percent in March 2024. New York City continues to add jobs, albeit at a slower pace than in previous years. In the first quarter of 2024, private employment grew by 0.8 percent on an annual basis, the slowest quarter of year-over-year job growth since 2021. Additionally, tight financial conditions continue to impede the growth of average private wages, which fell 0.4 percent through the third quarter of 2023. The labor market is forecasted to improve in 2024 as the Fed cuts interest rates in the second half of the year.

The cautious stance of the Federal Reserve dampened the outlook for the NYC housing market, which is now expected to have a more prolonged recovery. With many homeowners still locked into low mortgage rates, the market found itself lacking both supply and demand. As a result, home sales witnessed a notable decline across all housing types in 2023,

while prices were relatively stable. Although sales are anticipated to gradually increase, the recovery faces significant challenges as the number of homes for sale in the City remains low. Prices are forecasted to grow at a rate between four and five percent throughout the remainder of the projection period. Meanwhile, rents rose sharply in 2023 and are projected to grow at an elevated rate this year as demand for this market remains strong.

The commercial office sector remains in a state of flux, driven by widespread adoption of remote work arrangements, resulting in a surge of vacant space. Despite yearly upticks in both leasing activity and occupied space, the vacancy rate continues to set record highs as new inventory outpaces renewals and new signings. Asking rents, while resilient, are skewed by higher-priced inventory. With reduced projections for new office buildings, asking rents are anticipated to decline before stabilizing. While office-to-residential conversions are still being widely discussed, and there exist some projects in the pipeline, actual implementation remains challenging.

The City's tourism industry remains on a solid track to a complete recovery. Overall, most indicators are now above pre-pandemic levels. The total number of air passengers arriving in the metro area has surpassed 2019 levels and continues to rise. Hotel room rates have also climbed above pre-pandemic levels, although the occupancy rate remains lower than its 2019 peak. Moreover, the number of visitors to the City is still below 2019 levels, as are Broadway gross revenues, although both appear to be on the path toward recovery.

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

THE U.S. ECONOMY

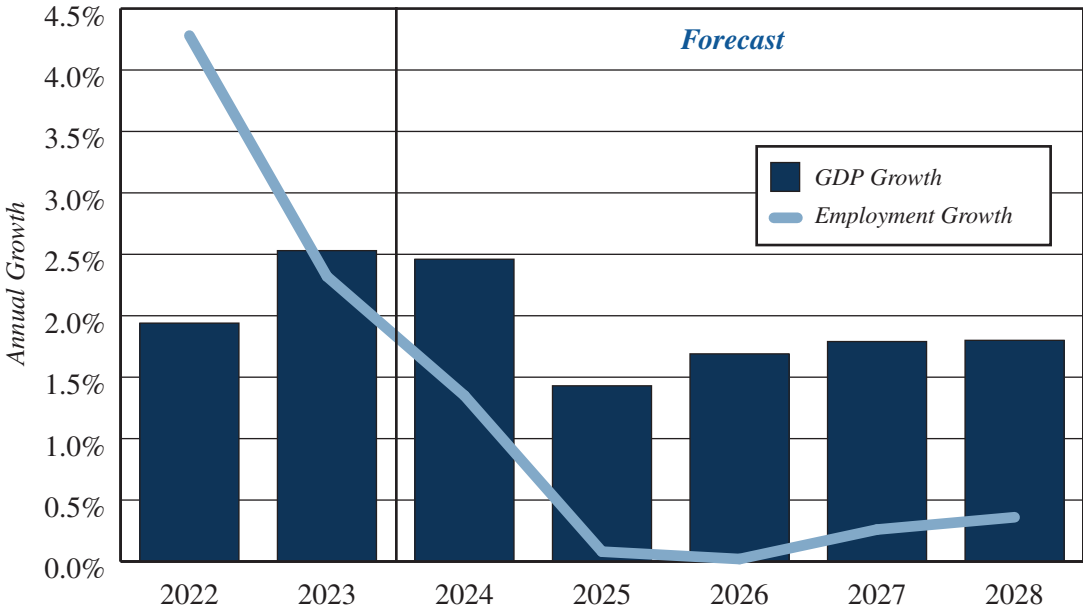
The U.S. economy continues to show remarkable resilience despite the headwinds from the Federal Reserve’s (Fed) ongoing efforts to subdue inflation. As the Fed ratcheted rates higher in 2022, labor markets initially slowed, but appear to be reviving in early 2024, aided by rebounding flows of immigration that have bolstered both national population estimates and the labor force. Strength in the job market has sustained real wage growth, which, along with strong wealth gains, has enabled households to maintain robust consumption spending. At the same time, fiscal policy has provided support through increased infrastructure spending and incentives for investment in semiconductors and battery technology. However, the unexpected economic strength presents a challenge to the Fed, which had previously signaled that the favorable glide path would allow it to pivot to a more accommodative stance in the second half of 2024. This soft-landing scenario has been contested recently by sticky inflation measures that may require the Fed to maintain its restrictive interest rate stance for longer than intended, risking an economic downturn and financial market volatility. In addition, flare ups in geopolitical hot spots such as in Ukraine and in the Middle East continue to exacerbate inflationary pressures through energy price spikes and shipping bottlenecks.

The national economy continues to deliver upside surprises, persuading forecasters to raise their growth projections. A year ago, the Blue Chip Consensus – the average from more than 40 professional economic forecasters – anticipated that the Fed’s tight monetary policy would trim 2023 growth to just 1.2 percent, below the country’s long-run growth potential of two percent. The U.S. Bureau of Economic Analysis’s (BEA) fourth quarter growth estimate of 3.4 percent brings the actual full-year pace to 2.5 percent, comfortably above consensus. It is expected that the economy will continue above-potential growth this year, expanding at a similar 2.5 percent pace before finally dropping to 1.4 percent in 2025, guided largely by slowing labor force growth.

The latest quarterly GDP data for the final three months of 2023 reveal an economy firing on most, but not all, cylinders. Personal consumption expenditure (PCE) continues to provide much of the momentum, accelerating by 3.3 percent (annualized) in the fourth quarter, up from 3.1 percent in the third. PCE accounted for 2.2 percentage points (ppt) of the overall 3.4 percent total quarterly growth. Consumption patterns continue to show the distinct shift towards goods that appeared during the pandemic, when shutdowns and other social restrictions curbed the consumption of services. In

U.S. GDP AND EMPLOYMENT GROWTH

The resilient national economy is expected to continue above-average growth in 2024 before slowing in the out-years. Employment growth declines due to long-term demographic trends and a slowdown in immigration.



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, NYC OMB

the fourth quarter of 2023, the goods share of PCE was 34.9 percent, accounting for 0.7 ppt of overall growth. This share remains 3.3 ppt higher than pre-pandemic averages, representing a \$500 billion swing in consumption expenditures to goods from services. However, the most recent PCE data shows small relative gains in service consumption in the first two months of 2024, which may signal the start of a gradual normalization.

An array of factors continues to sustain current consumption levels, auguring well for sustained growth in 2024. The job market is still expanding vigorously, accompanied by real wage gains and increasing productivity. Household wealth continues to grow, buoyed by strong equity markets and resilient housing prices. In addition, while estimates vary widely, there is evidence that there is still a buffer of excess savings remaining from pandemic-era stimulus and relief programs. While estimating the size of this windfall is difficult, the most conservative figure from the San Francisco Fed calculates that excess savings should last through mid-2024. On the more generous side, JPMorgan recently estimated that \$800 billion of the total \$2.3 trillion was still outstanding at the end of the first quarter 2024.¹ There is also indirect evidence in support of the view that households are still holding surplus cash. According to the Bank of America Institute, as of January 2024 the monthly median value of Bank of America savings and checking deposits is about 40 percent higher than in 2019. Likewise, household saving rates continue to be historically low. The personal saving rate through the first two months of 2024 averaged just 3.9 percent, about a third lower than long-term pre-pandemic averages, which is consistent with consumers drawing down accumulated savings.

Another factor that is likely motivating the low savings rate is the improving status of household balance sheets. As wealth increases, households are more willing to consume out of current income and thus save less – the so-called wealth effect. Due to the Fed's aggressive tightening of monetary policy, households suffered capital losses in 2022, with the market value of household equity holdings dropping over \$5 trillion on a Q4-to-Q4 basis. With the S&P 500 bouncing back over 24 percent in 2023, these losses were erased, with a 2023 gain of \$5.6 trillion in equity wealth. At the same time, real estate wealth grew nearly \$2 trillion. Moody's Analytics estimates that a typical wealth effect is a 3-cent increase in consumer spending for each dollar of additional wealth. Using this relationship, the overall 2023 jump of \$11.6 trillion in household wealth could have stimulated about \$350 billion of additional expenditures, just under two percent of nominal consumer spending in 2023.

On the liability side, higher interest rates pushed the household debt service ratios to a peak of 9.9 percent at the end of 2022, but as the Fed paused rate hikes, the ratio dropped slightly to 9.8 percent at the end of 2023. These levels are still in line with the pre-pandemic average of 10 percent despite the higher rate environment. One reason that debt burdens have remained low is the fact that most homeowners locked in favorable mortgage rates prior to the pandemic. As of the fourth quarter 2023, 58 percent of all active mortgages still had rates under four percent, down from a peak of 65 percent in the first quarter 2022. Since a typical mortgage contract lasts for decades and since mortgage borrowing accounts for about two-thirds of all household liabilities, the impact of higher rates on debt service ratios is muted.

1 J.P.Morgan Asset Management, U.S. Guide to the Markets, Q2 2024.

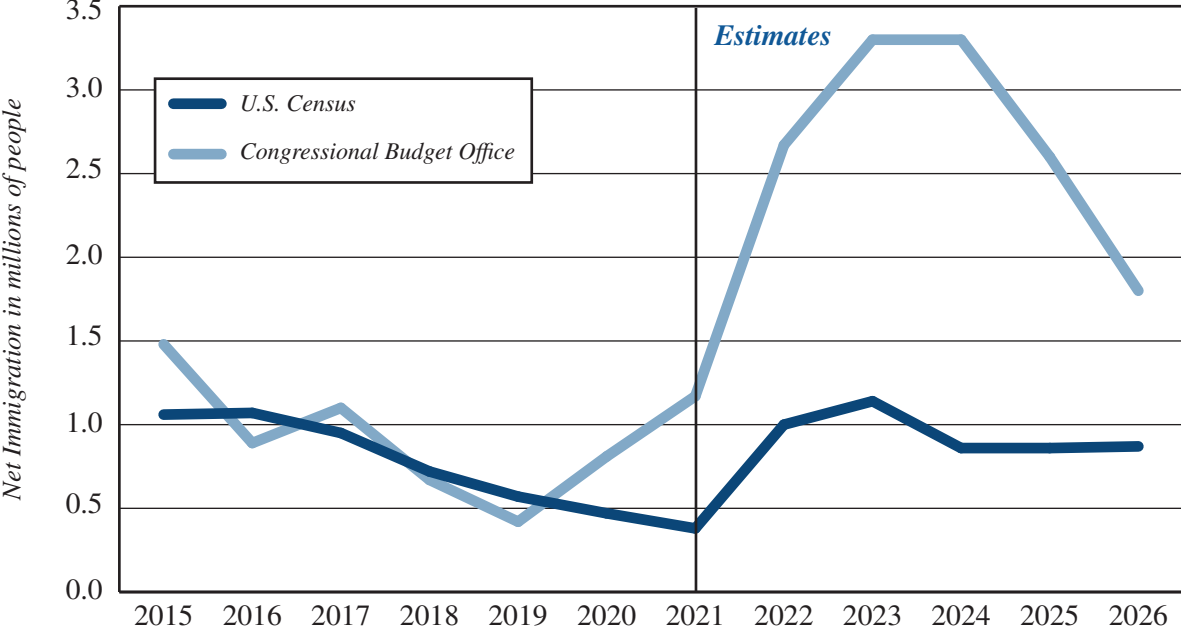
New population estimates released by the Congressional Budget Office (CBO) help explain the surprising resilience of the labor market and other labor force puzzles. The aggressive Fed tightening that began in 2022 was expected to dampen hiring and drive-up unemployment rates. But job growth has consistently exceeded expectations. A year ago, the April Blue Chip consensus projected that the U.S. would add 731,000 total jobs over the 12 months in 2023 – the actual gain was three million. The consensus also anticipated the unemployment rate would rise to 4.3 percent by the fourth quarter of 2023 – the actual rate was just 3.7 percent. According to the Atlanta Fed’s jobs calculator, a monthly gain of 110,000 jobs is sufficient to absorb new labor force participants (such as new graduates) and maintain a fixed unemployment rate. Yet, employment gains in 2023 averaged 250,000 per month while the

unemployment rate rose 0.2 percentage points instead of falling. Moreover, the robust hiring did not trigger strong wage inflation. The year-over-year (YoY) growth of both average hourly earnings and unit labor costs declined in 2023.

The emerging view is that the population numbers underlying many of the labor statistics are understated. In particular, the CBO released new population estimates in January that incorporate more comprehensive estimates of immigration using data from the Department of Homeland Security (DHS). For 2022 and 2023, these flows are 1.7 million and 2.2 million higher than the Census Bureau estimates. The difference results in an annual 2023 population growth of 0.9 percent, nearly double the Census estimates of 0.5 percent. Since most immigrants are economically

U.S. IMMIGRATION

New CBO immigration estimates show much higher net flows than the U.S. Census projections, suggesting that the size of the U.S. labor force is understated.



Note: 2020 Census value imputed from 2019 and 2021 estimates.

Source: U.S. Census Bureau, Congressional Budget Office

active, the nearly three million additional workers imply that the supply of working age candidates is larger than Census figures suggest. This partly resolves the puzzle of why the U.S. economy can add so many jobs without a steeply lower unemployment rate and little wage pressure. It is likely that future migration flows will taper, however. Some of the current surge is catch-up from the pandemic period when international borders were closed, and Congress will likely need to address immigration reform regardless of the outcome of the next presidential election.

Stronger population growth not only helps ease labor market constraints, but also creates additional demand for consumption and housing. After nine consecutive quarters of contractions, residential investment began to rebound in the second half of 2023 adding 0.3 and 0.1 ppt to growth in the third and fourth quarters of 2023, respectively – despite the high interest rate environment. Part of this unexpected strength is an artifact from the spike in mortgage rates over the last two years, which locked-in existing homeowners and shifted demand towards new housing development. A recent Federal Housing Finance Agency (FHFA) report attempts to quantify the impact of this phenomenon and finds that at the end of 2023, the value of a sub-four percent mortgage to an in-place borrower is around \$500 a month in lower mortgage payments worth \$60,000 in present value over the duration of an average contract.² As a result, there were 1.3 million fewer home sales from the second quarter 2022 – when rates began rising – through the end of 2023. Inventory levels of existing homes for sale in the second half of 2023 were seven percent below the same prior-year period and down by a third from 2019 levels before the pandemic. Home builders responded to this supply shortage by increasing production. Single family home permits and starts are up nearly 28 percent YoY in the first quarter of 2024. However, since new sales are a small fraction (about 15 percent) of existing home sales, the increase in home development can only replace a small portion of the supply shortfall.

Nonresidential fixed investment contributed 0.6 ppt to growth in 2023, roughly in line with long-term averages. Much of the growth is coming from strong investment in new structures, driven by surging construction of semiconductor and electric vehicle battery plants incentivized by the 2022 CHIPS and Science Act. Construction spending on manufacturing

facilities jumped nearly 40 percent in 2022 followed by a 71 percent increase in 2023 – the strongest annual growth in 20 years of data. However, the flow of new investment appears to be waning with growth dropping to 34 percent YoY for the first two months of 2024. Outside of structures, investment in new equipment was flat in 2023, with no contribution to growth. Durable goods orders in early 2024 indicate that business investment remains stable. Nondefense capital goods orders (excluding aircraft), a proxy for business investment, has mostly moved sideways since 2022, gaining just 0.2 percent in January and February YoY.

The last spending bill for the current fiscal year was finally signed by President Biden in late March, ending a turbulent budget process that included four short-term continuing resolutions to keep the government open. Nondefense discretionary spending was roughly unchanged from the prior fiscal year, while defense discretionary spending was increased by three percent. However, fiscal policy remains loosely accommodative due to the long-term spending from the Infrastructure, Investment, and Jobs Act (2021), CHIPS and Science Act (2022), and the Inflation Reduction Act (2022). The 2023 growth contribution from federal, state, and local governments was 0.7 ppt in 2023, above the five-year pre-pandemic level of 0.4 ppt.

In contrast to fiscal policy, monetary policy has been anything but accommodative, as the Fed maintained its cautious policy stance amid a slower-than-expected decline in inflation. For more than two years, the Federal Reserve has strived to curb inflationary pressure by taming aggregate demand through higher interest rates and reduced asset holdings, while waiting for supply chains to mend. Global supply chains, which were disrupted by the pandemic, have mostly recovered and continue to normalize. Moreover, the rise in interest rates has had the desired effect by slowing interest-sensitive sectors like the housing market and business fixed investment. However, the labor market remains resilient with labor demand still exceeding the supply of available workers, prompting concerns among some Fed officials that inflation could reaccelerate.

Overall, inflationary pressure continued to trend lower from its peak in 2022, but recent data suggested prices were stickier than the Fed anticipated and remained above the Fed's longer-run target of two percent. The Fed reiterated its commitment to bring

2 Ross M. Batzer, Jonah R. Coste, William M. Doerner, and Michael J. Seiler, “The Lock-In Effect of Rising Mortgage Rates”, FHFA Staff Working Paper 24-03, March 2024.

inflation back to its two percent target, stating that they are prepared to keep the federal funds rate at the current target range for a longer time, if needed to bring inflation down. Hence, the Fed kept its key interest rate unchanged as of March and continued to reduce its asset holdings, or quantitative tightening (QT), while waiting for signs of slowing inflation. The Fed also recognized the potential risk of higher interest rates on economic activity and employment and suggested that its policy path could change if risks arise.

Overall, most economic indicators have been slowing, as the Fed expected, but inflation, while decelerating from two years ago, has been less predictable. Labor market data remained on good footing in March, adding more jobs than expected, with the unemployment rate remaining under four percent for more than two years. Despite labor demand and supply moving toward a better balance, with quit rates returning to pre-pandemic ranges and businesses reporting an easier time finding qualified workers, John Williams, President of the Federal Reserve Bank of New York, stated that job openings and wage growth are still above pre-pandemic trends, indicating that there are still some imbalances in the labor market – a potential upside risk for inflation.

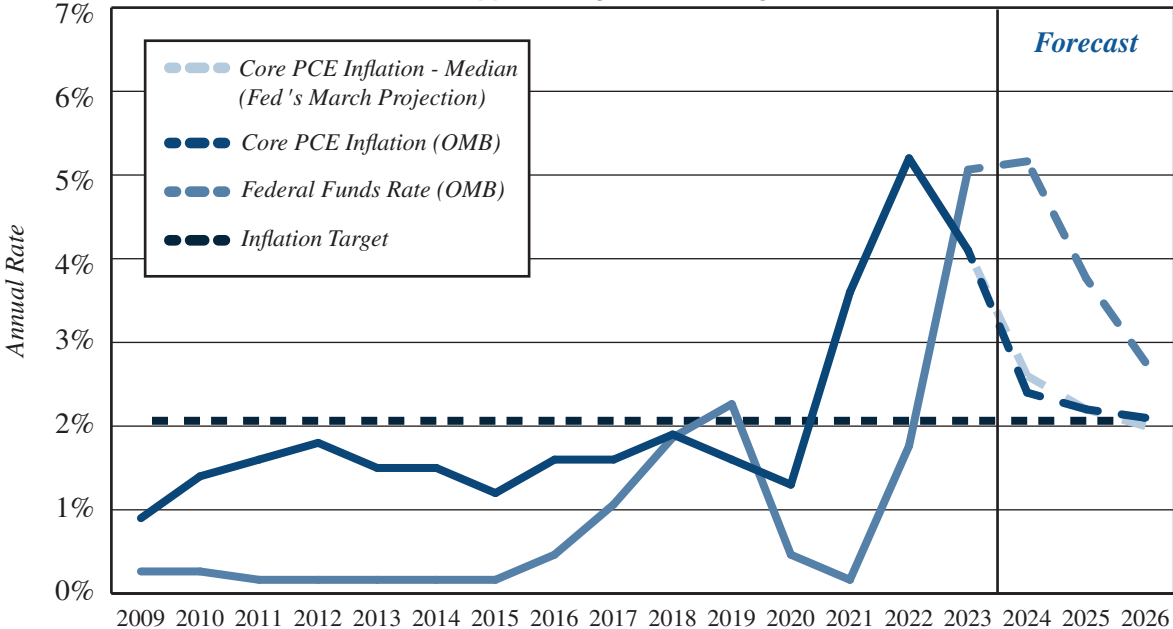
Inflation indicators have been sporadically trending lower but stubbornly remain above the Fed's two percent target. As of March, core Consumer Price Index (CPI) growth had slowed to 3.8 percent YoY, down from last year's pace of 5.6 percent. However, the incremental declines have been slowing, with core inflation only dropping 0.1 percent in the first three months of 2024. Core CPI inflation is projected to decline further in the next few quarters, slowing to 3.3 percent for full year 2024 before dropping to 2.3 percent in 2027. Compared to the core CPI, the trend in the core PCE Price Index has shown more consistent declines and less volatility. On a year-over-year basis, core PCE inflation, the Fed's preferred measure which excludes volatile food and energy prices, slowed to 2.8 percent in February from 4.8 percent a year ago, declining at a rate of over 0.1 percent per month. The Fed's median projection of the core PCE inflation rate

in its last Summary of Economic Projections (SEP) in March shows inflation dropping to 2.6 percent in 2024 before converging to 2.0 percent by 2026. Consistent with the downward trend in the Fed's SEP, the current forecast projects core PCE price inflation to decelerate to 2.4 percent in 2024 before falling to 2.1 percent in 2026 and 2.0 percent in 2027.

Fed Chairman Jerome Powell stated that the economy has made significant progress toward the Fed's objectives of maximizing employment and price stability, but inflation still remains too high. Hence, the Federal Open Market Committee (FOMC) kept monetary policy unchanged in March 2024, with the federal funds rate remaining within the target range of 5.25 percent to 5.50 percent. The effective federal funds rate (EFFR) hovered around 5.33 percent through early April – an increase from the previous year's rate of 4.83 percent in April 2023, and a historically large jump from the near-zero rate of 0.08 percent observed in 2021. The year-end federal funds rate path for 2024 remained unchanged in the March SEP at 4.6 percent, but it was projected to be slightly higher for 2025 at 3.9 percent, compared to the December 2023 SEP of 3.6 percent. This suggests that rates may remain slightly higher for a longer period in 2025. The forecast expects the Fed to keep rates unchanged in the first half of 2024 before cutting rates by 75 basis points in the second half of 2024, consistent with the Fed's new target. The recent higher-than-expected March CPI data spooked the financial markets, and investors are expecting rates to be higher in 2024 than those projected by the Fed in the March SEP. Estimates based on market data from the Chicago Mercantile Exchange (CME), as of mid-April, suggest that the most likely rate path puts the fed funds rate in a range of 4.75 to 5.00 percent by the end of 2024, corresponding to only two quarter-point cuts in the second half of the year. Nevertheless, regarding future policy paths, Chairman Powell continues to emphasize the importance of the totality of incoming data and the balance of risks as key considerations moving forward, reassuring that there will be a policy response if strength in the labor market wanes.

FEDERAL FUNDS RATE AND INFLATION

The Fed is expected to lower interest rates in the out-years as inflation is projected to decelerate. However, core PCE is forecasted to decline at a much slower pace in the next few years before approaching the Fed's target in 2026.



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

Despite the FOMC’s decision to leave the federal funds rate unchanged in March, the committee agreed to continue reducing its holdings of Treasury securities and agency mortgage-backed securities (MBS)—a policy referred to as quantitative tightening (QT). By maintaining this policy, the Fed is keeping part of its monetary constraint in place through balance sheet reductions. As of March, the Fed is allowing up to \$60 billion a month in Treasury securities and \$35 billion in MBS to mature and run off from its holdings without replacement, reversing its bond purchases program, or quantitative easing (QE), implemented during the Covid-19 pandemic. According to the minutes of the Fed’s March meeting released in early April, the Fed’s current objective is to drain liquidity from the financial system, bringing what it views as an “abundant” level of reserves down to an “ample” level of reserves. However, members of the FOMC continued to debate on the right amount of balance that the Fed should be holding, and none of the members have a precise target. Nevertheless, from June 2022, when the Fed began its balance sheet reduction, through early April, total assets on the Fed’s balance sheet have dropped by more than a trillion dollars, declining to around \$7.5 trillion from the peak of \$8.9 trillion in April 2022. The balance sheet is currently at its lowest level since February 2021.

The FOMC remains cautious in assessing the balance sheet runoff, no doubt learning from the short-lived QT attempt back in 2017-2019, when the Fed abruptly ended balance sheet reduction due to financial market volatility and a steep plunge in equity market prices. Many Fed officials are considering tapering the runoff, such as Dallas Fed President Lorie Logan, who stated that a slower but meaningful pace of runoff would give banks and money market participants more time to redistribute liquidity and allow the Fed to better assess liquidity conditions. Chairman Powell also indicated in March that officials are debating the pace of the runoff, specifically suggesting slowing it down, which leaves room for possible policy changes in upcoming meetings.

Financial market activity continues to be driven by the path of inflation and by shifting expectations of the Fed’s response. Conditions in 2023 were favorable for a Fed pivot to a more accommodative stance with inflation measures trending towards the Fed’s two percent target. In particular, through the fourth quarter of 2023, both CPI and PCE inflation had decelerated for six consecutive quarters. The promising data and the Fed’s caution against over-tightening rates in the wake of the regional bank turmoil, resulted in an interest rate pause in the second half of the year. By December, the

Fed's SEP indicated that they would begin to ease rates, with three cuts in 2024. Fed fund futures prices were even more optimistic, signaling market expectations of up to six rate cuts in 2024. However, data in the first quarter of 2024 has derailed this upbeat view of the Fed's progress, with three firmer-than-expected monthly CPI readings. In a recent policy forum after the March CPI report, Fed Chairman Powell conceded that "recent data have clearly not given us greater confidence and instead indicate that it is likely to take longer than expected to achieve that confidence."

The last quarter of 2023 saw a significant easing of financial conditions, with the 10 year Treasury yield declining from a 16-year high of five percent in mid-October to 3.9 percent by the end of December – a drop of 110 basis points (bps). However, unfavorable inflation news in early 2024 caused rates to rebound as investors began to discount the possibility of mid-year rate cuts. By mid-April, 10 year yields had increased by 70 bps and mortgage rates jumped back above seven percent – the highest since early December. Since the Fed has been on pause throughout this period, short-term yields moved much less, anchored by the stable fed funds rate. Aside from changes in inflation expectations, other factors behind the rise of yields in 2024 include the prospects of additional Treasury issuance to fund large federal deficits and uncertainty of growth prospects. These factors all influence the term premium – the extra compensation required by investors to bear the interest rate uncertainties inherent with longer-term bonds. The Fed's intervention in credit markets during the pandemic (via quantitative easing) produced atypical negative term premiums. With the Fed's pivot to quantitative tightening, term premium estimates show periods of positive premia, a more typical yield configuration.

Despite the interest rate volatility, equity prices advanced strongly over the last two quarters. The S&P 500 was up 11.2 percent in the fourth quarter of 2023 and 10.2 percent in the first quarter of 2024. The Dow Industrials likewise gained 12.5 and 5.6 percent over the same two quarters, respectively. By the end of March, the S&P was nearly 10 percent above the 2022 peak set just before the 11 Fed rate hikes, which precipitated a 25 percent correction in equity prices. The CBOE Volatility Index (VIX), which reflects expected volatility in the S&P 500 jumped during the October Congressional leadership confusion when house speaker Kevin McCarthy was replaced by Michael Johnson. But the index settled to a four-year low in December – indicating that investors expected

relatively steady conditions in early 2024. This view was upended in April with the CPI release, which pushed the VIX back to levels seen during the house leadership fight, while the S&P 500 shed more than four percent.

Strong equity price gains and expectations of lower interest rates enticed retail investors back to mutual funds and exchange traded funds (ETF). The price correction following the start of Fed rate hikes in 2022 resulted in six consecutive quarters of redemptions from equity funds through the third quarter of 2023. However, sentiment flipped in the fourth quarter with \$23 billion of inflows, followed by over \$41 billion in the first quarter of 2024. Likewise, 2023 flows into bond funds were tempered by the prospects of interest rate hikes since increasing yields create capital losses in fixed income funds. Subsequently, the possibility of declining rates in 2024 triggered a large inflow into bond funds in the first quarter. In three months, investors added \$147 billion to fixed-income mutual funds and ETFs, roughly 90 percent of full-year 2023 inflows. Another interest-driven behavior has been the shift of bank deposits into higher yielding money market mutual funds, which swelled by \$1.3 trillion between the second quarter of 2022 and the end of 2023 – a period of rising yields. A drop in money market rates would likely encourage savers to move funds to alternative assets such as equities in search of better returns.

High borrowing rates and tight financial conditions continue to constrain debt and equity underwriting although there appear to be some green shoots. Excluding U.S. Treasuries, full year 2023 fixed income issuance dropped 6.1 percent to \$4.7 trillion, with only corporate debt (up 5.5 percent) and federal agency debt (up 58 percent) registering increases. However, this latter category was skewed higher by heavy borrowing in the first half of 2023 by the Federal Home Loan Banks to provide emergency liquidity to banks affected by the Silicon Valley Bank failure. The early 2024 data shows some improvement. With first quarter mortgage rates dipping below seven percent, the volume of mortgage-backed securities grew 13.4 percent YoY, the first annual gain since 2021. Corporate debt issuance was also up 38 percent in the first quarter, as companies took advantage of the stable rates.

Equity underwriting and mergers and acquisitions activity are both still sluggish compared to the records set in 2021. However, early 2024 data shows initial public offering (IPO) volume rebounding from the

slump created by the Fed's tight monetary policy. First quarter 2024 IPO values climbed to \$7.5 billion, up from the year-ago trough of \$2.2 billion, likely enabled by elevated equity prices. However, mergers & acquisitions (M&A) activity continues to be lethargic, with the value of first quarter M&A deals totaling just \$92.5 billion, down 64 percent from year-ago values.

Reflecting the challenging financial environment, Wall Street earned \$26.3 billion in 2023, up just 2.9 percent from the prior year. The strongest revenue growth came in trading and investments and interest-sensitive business lines such as other revenue related to securities. Interest costs continue to be the fastest growing expense for securities firms, up over 200 percent in 2023. Wall Street profits are expected to be stable over the next two years at \$24.8 billion and \$25.9 billion in 2024 and 2025, respectively. While the first quarter 2024 results are not yet available for the NYSE member firms, the largest U.S. banks have released their quarterly reports with mixed results. The investment banking units of the five largest banks reported an aggregate 5.9 percent YoY increase in first quarter earnings.³ The consolidated result, including commercial and retail banking units, was a 0.7 percent decline YoY, slowed partly due to payments for a FDIC special assessment to recover losses from the failure of the Silicon Valley Bank and Signature Bank last year. In addition, banks have been increasing provisions for credit losses as delinquencies on consumer loans have grown.

³ Bank of America, Citigroup, Goldman Sachs, JPMorgan, and Morgan Stanley.

THE NEW YORK CITY ECONOMY

The economy of New York City slowed in 2023 under tight financial conditions. While City employment expanded over the course of the year, it was at a much more muted pace than in the previous two years. Higher interest rates also cooled growth in average wages and hampered residential real estate activity. The commercial office market struggled as remote work continues to be widely adopted. The City's tourism sector is thriving and approaching pre-pandemic levels as international visitors return. The City's economy is expected to improve in 2024, as interest rates decline in the second half of the year and spur economic activity.

The New York City labor market is performing well as it moves past the Covid-19 pandemic that commenced four years ago. On a quarterly basis, NYC employment returned to its pre-pandemic peak in the fourth quarter of 2023. In March, the New York State Department of Labor conducted its annual data benchmark revision, which adjusts the monthly survey-based (Current Employment Statistics) jobs data to reflect the higher quality, but less frequent, Quarterly Census of Employment and Wages (QCEW) source. Prior to the benchmark, NYC employment had returned to its pre-pandemic peak in the third quarter of 2023. However, this benchmark revised the annual-average employment level in 2022 up by 16,100, revised 2023 down by 7,500, and pushed pandemic recovery back by a quarter.

Nevertheless, employment growth is softening as the Fed's tightening cycle slows economic activity. Private employment in March 2024 grew by 34,000 year-over-year (YoY), an increase of less than one percent YoY.¹ Of the nine major private sectors, just four (education & health, leisure & hospitality, financial activities, and other services) added positions over the last twelve months. OMB forecasts private employment will grow by 1.7 percent in 2024, slightly faster than the one percent growth in 2023, as financial conditions loosen over the course of the year.²

Average wage growth also continued to cool. In the first three quarters of 2023, average private wages in the City were \$116,610, 0.4 percent below average private wages in the first three quarters of 2022.³ In

addition to tight financial conditions, composition effects also muted the growth in average wages in the private sector. For instance, two industries which added positions rapidly in 2023, healthcare & social assistance (average wage \$59,267 through 2023Q3) and leisure & hospitality (average wage \$54,842), have considerably lower average wages than the private sector as a whole. Private sector wages are estimated to have fallen by 0.1 percent for full-year 2023. Average wages are expected to grow by 2.6 percent in 2024, as interest rates drop, and the share of higher-paid sectors rebounds to more normal levels.

From March 2023 to March 2024, education & health employment in NYC expanded by 65,600 positions. All job gains came from the healthcare & social assistance subsector, which expanded by 73,400 jobs YoY. Two components, home health care services and individual & family services, dominated healthcare employment growth, together adding 48,100 positions over the past 12 months. The strength of these subsectors is so dominant that total private employment, excluding these two subsectors, is down by 14,100 jobs since March 2023. Both of these high-growth subsectors include businesses and organizations that employ home care aides, which often work on a part-time basis. Thus, these two subsectors have a lower average wage than the healthcare & social assistance sector as a whole. For the first three quarters of 2023, the individual & family services subsector's average wage was \$36,546, while the home health care subsector's wage averaged just \$31,917.

The proliferation of New York State's Medicaid home care programs, such as the Consumer Directed Personal Assistance Program (CDPAP), has fueled the rapid growth of the number of home health aides in the City. State spending on these programs has risen steeply, with CDPAP spending increasing in the past five years from \$2.5 billion to over \$9 billion.⁴ State lawmakers are likely to reign in Medicaid spending, by reforming home health care programs like CDPAP. Because of this, healthcare employment growth is forecasted to normalize in the coming years. After accelerating to 7.4 percent in 2023, it is expected to be nearly flat in 2024, and then grow at a rate between 1.5 and three percent in the out-years.

1 Year-over-year employment growth uses non-seasonally adjusted data, while month-to-month changes are calculated from seasonally adjusted numbers.

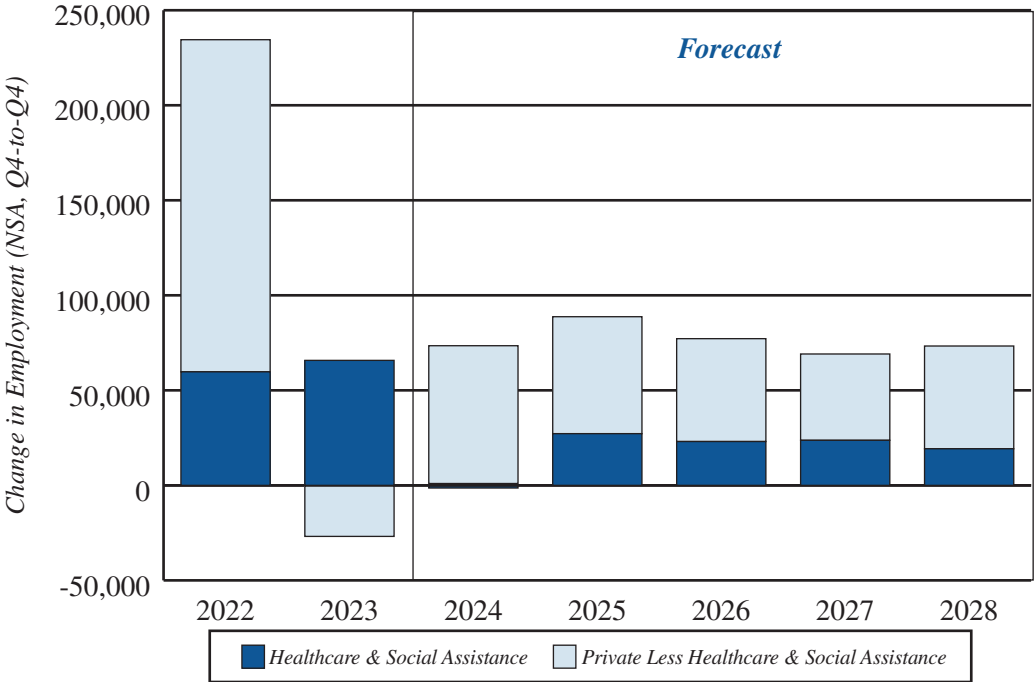
2 Annual employment growth rates are on a Q4-over-Q4 basis, unless stated otherwise.

3 Average wages are annualized.

4 Glories, C., & Elenchus, L. (2024, April 5). "NY governor 'very concerned' about explosive growth in cost of home care workers". NBC New York. <https://www.nbcnewyork.com/investigations/ny-governor-very-concerned-about-explosive-growth-in-cost-of-home-care-workers/5291744/>

HEALTHCARE & SOCIAL ASSISTANCE EMPLOYMENT GROWTH

The healthcare & social assistance sector had an outsized contribution to private employment growth in 2023. However, the sector's share of total employment gains is forecasted to decline in the out-years.



Source: NYS Department of Labor, NYC OMB

Prior to the annual benchmark revision, private education employment was estimated to have grown 5.8 percent in 2023. However, after the benchmark, employment growth was revised downwards to a 1.9 percent decline in 2023. After reaching a peak in September, sector employment has been trending lower, shedding 6,400 jobs over the subsequent six months, indicating a pullback in the usual seasonal hiring as the school year got underway. A portion of this weakness comes from higher education institutions, many of which have faced enrollment declines due to demographic shifts and the rising costs of education.⁵ For example, in 2023, several centers of private higher education in New York City, such as Kings College, Alliance University and ASA College, stopped operations due to financial difficulties. Education employment is projected to grow by 1.9 percent in 2024 and then by 2.2 percent in 2025.

After the education & health sector, the leisure & hospitality sector added the second most jobs over the past year, expanding by 13,400 positions from March 2023 to March 2024. Sector employment is still recouping pandemic job losses and remains 26,000 jobs below February 2020 levels. Both the

accommodation & food services subsector and the arts, entertainment & recreation subsector grew year-over-year in March 2024, by 11,500 and 1,900, respectively. Nonetheless, compared to 2022 and the first half of 2023, employment growth was much more muted in recent months as demand for workers has cooled. With this, average wage growth has also tapered, growing 3.4 percent YoY through the third quarter of 2023, after growing at a rate above four percent annually in the previous three years. Sector employment is projected to grow 4.4 percent in 2024 and 3.7 percent in 2025, recouping all pandemic losses by the end of 2025.

Financial activities employment increased by 2,500 YoY in March 2024, despite elevated interest rates. Unlike previous tightening cycles, there have not been large-scale layoffs in the sector. According to data on initial jobless claims, a proxy for layoffs, financial activities claims in New York City were at approximately the same level in 2023 as they were in 2019. However, tight financial conditions weighed on average sector wages, which in the first three quarters of 2023 were \$296,933, 3.8 percent below the first three quarters of 2022. Both financial activities subsectors added jobs to their payrolls over the last 12

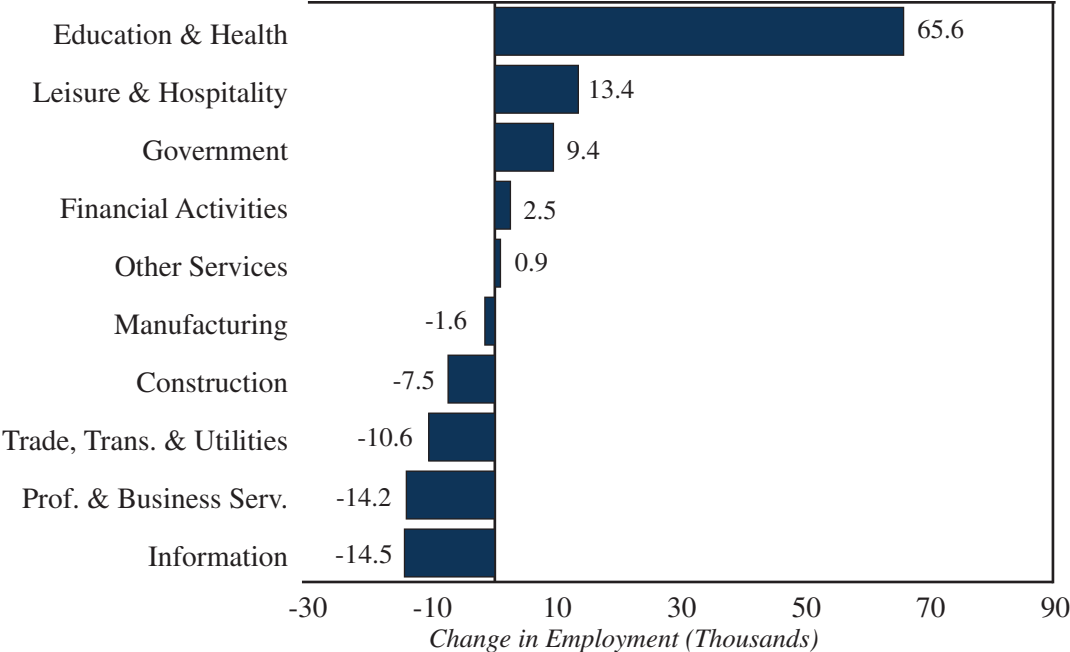
⁵ “Higher Education in New York: Evaluating Competitiveness and Identifying Challenges.” Office of the New York State Comptroller. <https://www.osc.ny.gov/files/reports/pdf/higher-education-nys.pdf>

months. The finance & insurance subsector, despite volatility over the course of the year, added 1,200 jobs. The securities subsector, which is a component of finance & insurance, trimmed 1,900 jobs YoY in March. Additionally, securities wages fell 7.4 percent year-over-year through the third quarter of 2023, due to weak bonuses in the first quarter. Even so, securities average wages are expected to be \$464,871 in full-year

2023. The real estate subsector, which is still below pre-pandemic employment levels, was also choppy over the year in the midst of lower activity in the real estate sector. Nevertheless, the subsector added 1,300 jobs year-over-year in March 2024. Financial activities employment is expected to grow 1.1 percent in 2024, and then continue to expand around a one percent pace in the out-years.

MARCH 2024 YEAR-OVER-YEAR EMPLOYMENT GAINS

NYC added about 43 thousand positions from March 2023 to March 2024.



Source: New York State Department of Labor, NYC OMB

Of the private sectors, the trade, transportation & utilities sector had the largest upward benchmark revision in 2023 (annual average revised up 11,900 jobs). Nonetheless, the industry contracted by 10,600 positions on a year-over-year basis in March 2024. Losses in the retail trade subsector made up the majority of the decline, dropping 7,900 jobs over the year. While retail employment expanded in 2021 and 2022 as employers rebuilt payrolls after pandemic-induced losses, the contraction of retail employment is actually a return to its pre-pandemic trend due to the increasing popularity of e-commerce. Wholesale trade employment followed a similar pattern, shedding 1,200 jobs over the past year after expanding in 2021 and 2022. The other subsector, transportation, warehousing & utilities, lost 1,500 YoY. According

to the Fed Beige Book, warehousing and distributing activity was muted in recent months.⁶ Employment in the trade, transportation & utilities sector as a whole is projected to rebound by 1.7 percent in 2024. However, employment is forecasted to remain below pre-pandemic levels for the rest of the forecast horizon, due to continued weakness in wholesale and retail trade employment.

Employment in the professional & business services sector declined by 14,200 positions on a year-over-year basis in March 2024. The professional, technical & scientific services subsector was primarily responsible for the decline, shedding 15,500 positions over the period. Firms within the industry cut jobs in 2023 to “right size” payrolls after adding jobs rapidly over the

6 “The Beige Book: Summary of Commentary on Current Economic Conditions by Federal Reserve District: January 2024.” The Federal Reserve. https://www.federalreserve.gov/publications/files/BeigeBook_20240117.pdf

previous two years. Despite this, as of March 2024, subsector employment is still above pre-pandemic levels. The other major subsector, administrative services, added 600 jobs. Employment services, a component of administrative services primarily made up of temporary workers, shed 9,500 jobs from September to March, as employers responded to weaker economic conditions by pulling back on temp worker staffing. Professional & business services employment is expected to improve in 2024 by 2.7 percent, growing at a rate between two and three percent in the out-years.

The information sector shed 14,500 positions since March 2023. Like the professional & business services sector, employment in the information sector corrected in 2023 in the wake of strong pandemic expansions, especially in the tech sector. The sector was also impacted by the writers' and actors' strikes, with the motion picture & sound recording subsector shedding 15,900 jobs from April to November. Workers in the motion picture & sound recording subsector, have a lower average wage (\$125,207 in 2022) than workers in the information sector as a whole (\$182,843 in 2022). Despite this weakness in employment, information sector average wages grew by 4.8 percent in the first three quarters of 2023 compared to the same period in 2022, partly due to the strikes' effect on the composition of the labor force. As the strikes have ended, motion

picture & sound recording employment has improved, adding 10,100 positions from November to March, bringing subsector employment to 5,900 jobs short of its pre-strike level. In the U.S. as a whole, motion picture & sound recording employment has already returned to pre-strike levels, indicating a probable recovery in NYC subsector employment in the coming months. The information sector is forecasted to continue to expand in 2024, growing by seven percent, as financial conditions improve.

The construction industry has struggled to recover from the disruption of the pandemic. The sector, which shed 74,900 positions in March and April 2020, recovered just two-thirds of these losses over the next four years. The last few years were wrought with challenges such as supply chain disruptions and inflation. While these pressures eased in 2023, high interest rates continue to weigh on the industry's recovery. From March 2023 to March 2024, the sector shed 7,500 jobs as activity has failed to pick up. With interest rates projected to drop in the second half of this year, construction activity and employment will likely improve and return to trend growth, growing by 2.5 percent in 2024. However, construction employment is not expected to return to pre-pandemic levels by the end of the forecast horizon (2028).

New York City Job Growth Forecast

NYC Employment (Thousands)	2023	Forecast	
	Level	2024 Level Change	2025 Level Change
Total	4,670	71	75
Private	4,103	67	73
Financial Activities	502	4	6
Securities	199	1	3
Professional & Business Services	799	10	21
Information	223	4	5
Education	256	3	5
Health & Social Services	920	34	13
Leisure & Hospitality	434	15	17
Wholesale & Retail Trade	437	1	2
Transportation & Utilities	149	0	2
Construction	143	-1	3
Manufacturing	58	-2	-3
Other Services	182	3	2
Government	568	4	1

Source: NYC OMB

Note: Totals may not add up due to rounding.

Based on the Household Survey data, the average unemployment rate in the City was 5.2 percent in 2023, the lowest annual average since the onset of the pandemic. The labor force participation rate in full-year 2023 was 61.5 percent, up from 60.3 percent in 2022 and the highest annual average in data going back to 1976. The growth of the labor force participation rate in 2023 was due to both an increase in the labor force (up by 55,400) and a decline of the Bureau of Labor Statistics (BLS) estimated civilian noninstitutional population, which fell by 42,500 over the year. The population controls for the Household Survey are created utilizing the Census Bureau's mid-year population estimates, which projected that New York City's population declined by 78,000 from July 1, 2022, to July 1, 2023.

According to New York City's Department of City Planning (DCP), the Census Bureau's recent estimate likely underestimates the true population of the City in 2023. The Census estimate includes an assumption that those living in group quarters, which include shelters, rose by just 1,200 from 2022 to 2023. However, New York City data indicates the population living in shelters increased by much more over this time period. According to the DCP, the Bureau's population count may have left out as many as 50,000 people living in the City's shelter system.⁷ Additionally, the mid-year estimates show that 2023 net migration trends in New York City have largely returned to their pre-pandemic levels, an indication that the City population dynamics have normalized. As a result, the DCP projects that the true City population was largely unchanged from 2022 to 2023, and the 2023 population estimates will eventually be revised upwards. Thus, the Household Survey's estimation of the civilian noninstitutional population will also likely be revised upwards next January during the BLS's annual update of the population controls, which would alter the 2023 labor force participation rate.

While population flows have stabilized, residential real estate faces challenges as high interest rates limit buyer activity and slow the pace of new listings. Furthermore, with the Fed indicating that rates are likely to stay elevated for an extended period, the outlook for the NYC housing market has been revised downward, with a longer recovery than forecasted in the January Financial Plan.

Higher rates typically slow the housing market by muting demand. However, the historically fast runup in rates has left many homeowners locked into mortgage rates significantly below current rates, impeding housing turnover and slowing new listings. This has resulted in a sluggish housing market on both the supply and demand side. This has kept prices stable despite a 19 percent decline in home sales in 2023 compared to the pre-pandemic average.

In 2023, home sales experienced a year-over-year decline across all housing types. Condo sales saw the most significant decrease, with the total number of transactions ending the year 31 percent below 2022 levels, while single-family and co-op sales declined 24 and 25 percent, respectively, compared to 2022. According to StreetEasy, inventories only declined by six percent year-over-year in 2023. However, the actual supply of housing is lower than this figure suggests, as the rapid pace of the housing market in 2021 and 2022 depleted inventories by the end of 2022. Compared to 2019, the supply of homes declined by over 19 percent in 2023.

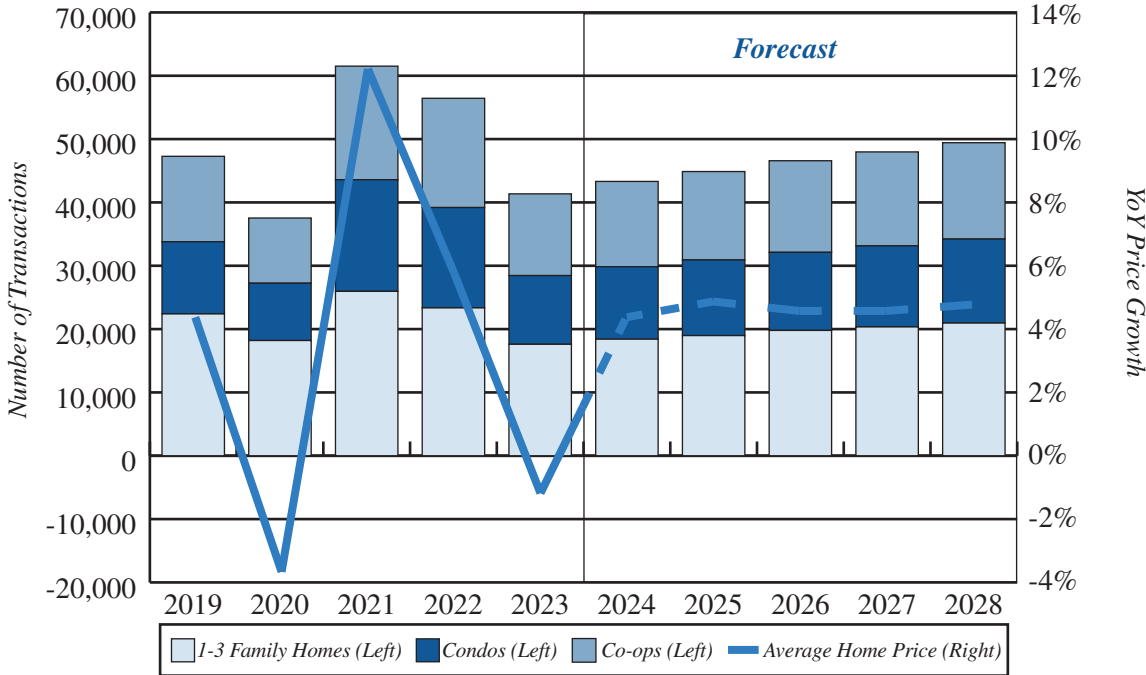
Inventories are expected to expand gradually, boosting home sales, but it may take time to return to pre-pandemic levels. Net new inventory – defined as the change in total inventory over the month plus the number of homes sold in the previous month – has consistently remained below pre-pandemic levels every month since September 2022. In March, the number of homes added to the market was just under 81 percent of March's pre-pandemic average, a decline from 96 percent in February. This shortage poses a challenge for sales recovery, as listings are not lingering on the market. Median days on the market decreased by 12 days in March compared to the previous year, despite higher interest rates.

Transactions are projected to increase by five percent in 2024 before slowing to four percent in 2025 and 2026, and then to three percent in the out-years. Condo and single-family home sales are forecasted to grow by five percent in 2024, while co-op sales are expected to increase by four percent. Beyond 2024, sales of all property types are anticipated to continue rising through 2028 at an annual pace ranging between two and five percent.

⁷ "New York City Population Estimates Report, Vintage 2023." NYC Department of City Planning. Accessed April 12, 2024. Population Estimates for New York City and Boroughs as of July 1, 2023 (nyc.gov)

SALES VOLUME BY HOUSING TYPE AND AVERAGE PRICE GROWTH

After experiencing declines in 2023, both home sales and home prices are anticipated to rebound, with transactions gradually increasing through 2028 and prices achieving new record highs annually until 2028.



Source: NYC Department of Finance, NYC OMB

Prices fared better than transactions in 2023, largely due to low inventory levels that prevented significant price declines. Average home prices experienced a modest decrease of 1.5 percent YoY. Single-family home prices saw a 2.3 percent decline, while co-op prices fell by 0.8 percent. Conversely, condo prices increased by 1.9 percent, potentially influenced by cash sales, which reached a record high of two-thirds of all Manhattan transactions in the fourth quarter of 2023, according to Douglas Elliman data.

Prices are expected to grow annually by four to five percent from 2024 to 2028. In 2024, single-family homes are expected to lead price growth, with a projected increase of five percent YoY, while condo and co-op prices are forecasted to rise by four percent and three percent, respectively. Thereafter, condo and single-family home prices are projected to grow between four and six percent annually, while co-op prices are expected to increase by three to five percent per year.

In 2023, rents continued to rise sharply due to low inventories and sustained high demand. Affordability challenges prompted more individuals to opt for renting, while post-pandemic trends like remote work spurred renters to seek larger living spaces, further

intensifying demand. In the short term, rental inventory cannot readily adjust to meet demand surges, leading to upward pressure on rents. However, rent increases have moderated. Following a peak of nearly 25 percent YoY growth in May 2022, rents have stabilized around three percent YoY growth, approximately one percentage point above the long-run average. Average rents increased six percent in 2023, but projections suggest a decline to around three percent growth in both 2024 and 2025, and further to approximately two percent in 2026 and 2027.

According to the U.S. Census Bureau, NYC building permit filings led to the authorization of 11,500 new residential units in 2023. This was markedly less than the 48,000 permits authorized in 2022, when there was a substantial issuance of permits in the months leading up to the expiration of the 421a tax exemption. There were 2,800 permit filings in the first three months of 2024, up 32 percent from the same period last year. Compared to 2023, only Manhattan and the Bronx experienced a YTD decline in permits, while permits are up in the other three boroughs.

While the residential market faces challenges of its own, the commercial office sector is undergoing a profound transformation driven by shifts in remote

work dynamics. Despite annual increases in leasing activity in the first quarter of the year, the commercial office market continues to languish as the vacancy rate reached new record highs to start the year. With firms continuing to adjust their office footprint in response to the remote work trend accelerated by the pandemic, the influx of new inventory has far exceeded lease renewals and new signings, leading to a doubling of Manhattan’s vacancy rate since the onset of the pandemic. This trend reflects a broader shift in how companies approach their office space needs, with many opting for more flexible arrangements and decentralized work environments. As such, the commercial office market faces significant challenges, with the prospect of a prolonged recovery as landlords, tenants, and developers all navigate evolving workplace dynamics and shifting preferences.

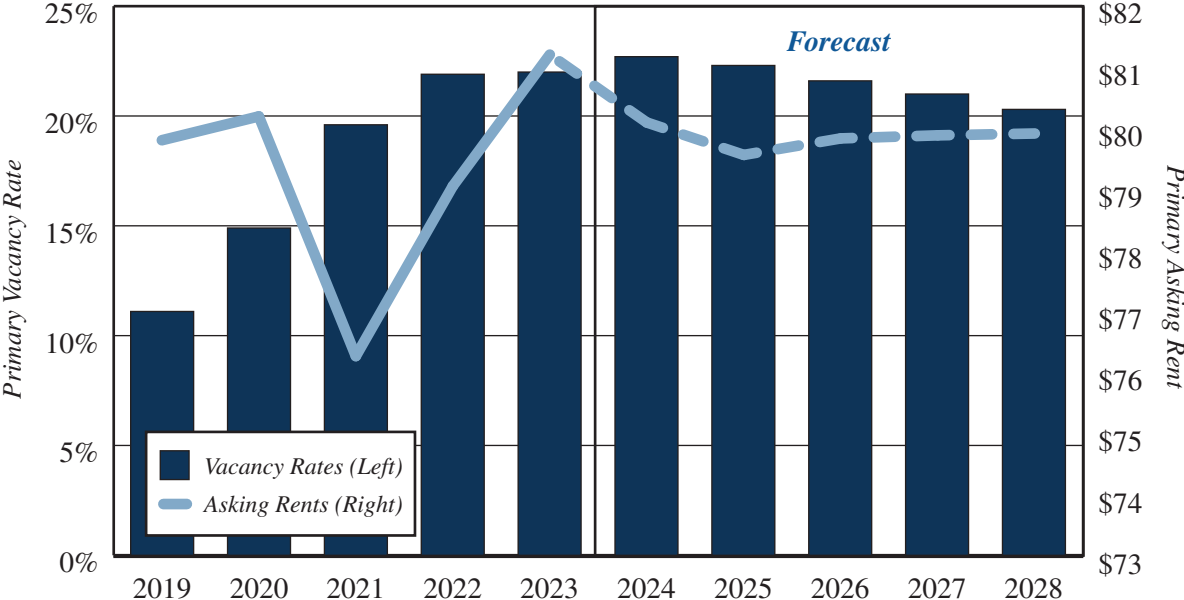
the actual demand for office space may have been lower than indicated by the leasing figures. As of March 2024, around 1.2 million square feet (msf) of Class A space has been leased each month this year, totaling 3.6 msf year-to-date, up by 24 percent over this time last year, but down 38 percent compared to 2019.

Prior to last year, there were promising signs of recovery following the pandemic, with notable increases in leasing activity of around 35 percent in both 2021 and 2022. However, in 2023, leasing activity fell back to 2021 levels, primarily due to a lack of leases exceeding 100,000 square feet (sf). Additionally, it appears that many of the large new leases from the past three years were tied to new office buildings and were finalized prior to the pandemic, suggesting that

Despite the subdued leasing activity in 2023, Class A occupied space increased by 5.6 msf, marking the first year since 2019 that occupied space increased. A significant portion of this increase was bolstered by leases for new, upscale office spaces signed before the pandemic. Additionally, there was a 10 percent year-over-year increase in lease renewals in 2023, contributing to the expansion of occupied space. However, this positive development is overshadowed by surplus inventory. With over 19 msf of office space added to the market since the onset of the pandemic, demand for office space has struggled to match supply. The continued prevalence of remote work arrangements has complicated matters further as more companies embrace remote work. As a result, despite the increase in occupied space, the market is confronted with an expanding gap between occupied space and available inventory, driving vacancy rates to new record highs in four of the past five months.

COMMERCIAL VACANCY RATES AND ASKING RENTS

The persistent weakness in the office market has pushed the peak vacancy rate to the end of 2024. The rebound in asking rents observed since 2021 is biased by higher-end new office inventory.



Source: Cushman & Wakefield, NYC OMB

Nevertheless, asking rents remain elevated, with the primary market surpassing February 2020 levels in December 2023. This resilience can be attributed to the distortion caused by the glut of new inventory observed over the past few years, exacerbated by the “flight-to-quality” trend. With the influx of numerous large new buildings into the market, a significant amount of expensive space has been added and composes an increasingly larger proportion of vacant space. Since asking rents are calculated based solely on available rental space, higher-priced inventory has become overrepresented in asking rents, biasing them higher.

However, the distortion in asking rents is not solely attributable to the influx of new inventory; the “flight-to-quality” trend has also empowered landlords of new buildings to command increasingly higher rents, despite challenges faced by the broader market. For instance, according to JLL, there was a record-high 192 leases for at least \$100 per square foot (psf) signed in 2023, even as total leasing activity fell from 2022. Moreover, primary asking rents in Midtown, where a vast majority of the new office buildings are located, are two percent above February 2020 levels, whereas primary Downtown asking rents remain 11 percent below. Meanwhile, overall Manhattan asking rents are still one percent below those in February 2020.

With no solution in sight for the challenges facing the office market, many developers are pivoting away from plans for new office buildings, opting instead to build residential buildings or hotels. This shift is evident in the forecast for new office inventory, particularly in the out-years when developers have the greatest flexibility to cancel or delay projects that have not yet begun. In 2024 and 2025, approximately 2.8 msf and 3.3 msf of office space are anticipated to enter the market, representing a total reduction of 1.6 msf compared to projections outlined in the January Financial Plan. Even more significant, from 2026 to 2028, an estimated 6.0 msf of office space is projected to be completed, less than one-third of the expected volume from the January estimates. This trend underscores developers’ growing reluctance to construct new office buildings amidst the sector’s struggles.

With the pipeline of new office buildings greatly reduced, the projections for asking rents have been adjusted accordingly, accounting for the interplay between new space and asking rents discussed above. Projections indicate that in 2024 and 2025, primary asking rents are expected to decline by 1.4 percent and 0.7 percent, respectively, before showing a slight increase in the subsequent years. Midtown asking rents are anticipated to decrease by nearly two percentage points this year but are forecasted to remain above pre-pandemic levels. Conversely, downtown asking rents are not expected to reach February 2020 levels by the end of the forecast horizon.

Just as tenants and developers have had to adjust to the effects of remote work, so have some building owners. While some office buildings are still able to attract tenants and command high rents, many others are struggling to fill vacancies at current market rates. Compounded by higher interest rates and an impending maturity wall for many commercial loans, building owners are challenged. Some have attempted to attract new tenants by offering additional amenities and rental concessions, but an increasing number are considering converting office spaces into residential units.

Since the onset of the pandemic, approximately 9.7 msf of Manhattan office space has been earmarked for conversion, with an additional 2.8 msf “rumored” to be in conversion discussions.⁸ However, only about 72 percent of that space is currently part of the inventory of office buildings, as measured by OMB. The remaining 28 percent of space exists outside of the inventory, typically because it has already been pulled out of the inventory for conversion or because it is classified as a commercial condo (which is not included in inventory because it is usually owner-occupied). Consequently, while the conversion of any office space will alleviate pressure on the office market, only the removal of the 72 percent of space that is part of the inventory will directly impact the vacancy rate. All else equal, if all buildings earmarked for conversion are removed from the market by 2028, the primary vacancy rate would fall a full percentage point and the secondary vacancy rate would fall 1.5 percentage points compared to current projections. Moreover, if the rumored conversions also

⁸ Conversion data from the Department of City Planning, with additional research from NYC OMB.

come to fruition by 2028, the primary and secondary vacancy rates will fall by an additional 0.4 and 2.3 percentage points, respectively.

In 2024, over 80 percent of leasing activity has been driven by three key sectors: Financial Services, Legal Services, and TAMI (Technology, Advertising, Media, and Information), reflecting a trend of large tenants relocating to high-quality buildings. In addition, class A spaces accounted for 72 percent of all leased space in the first quarter, underscoring the prevailing “flight-to-quality” phenomenon and tenants’ willingness to pay premiums for luxury accommodations. However, beyond luxury buildings, landlords are increasingly offering concessions, such as periods of free rent and improvement allowances, in an attempt to stimulate demand without reducing asking rents. This has become imperative as office landlords grapple with the dual challenges of elevated interest rates and subdued demand for office buildings. The resulting difficulty in refinancing loans and selling buildings without significant losses has driven the delinquency rate for commercial mortgage-backed security (CMBS) loans to above six percent, a stark increase from 0.5 percent in January 2023.

Traditionally, rising delinquencies would correspond to an uptick in foreclosures. However, foreclosures have been mitigated so far as many building values in the City currently fall below their principal loan value. Consequently, foreclosing on such properties would result in losses for lenders. Therefore, many lenders are instead choosing to extend loans, in hopes of a market turnaround. While this strategy could postpone a significant reckoning for the office market, in the absence of substantial changes, such as office-to-residential conversions or shifts in remote work trends, the market remains a significant risk to the economy.

In contrast to the City’s commercial office market, tourism continues to recover robustly. According to New York City Tourism + Conventions (formerly NYC & Company), the total number of visitors in 2023 surpassed 62 million – an increase of more than five million from 2022. The agency’s forecasts indicate that NYC will welcome 64.8 million visitors this year, 2024, and remains on track to surpass the 2019 pre-pandemic peak record of 66.6 million next year in 2025. Notably,

the number of international visitors to New York City reached 11.6 million in 2023, only 1.9 million below 2019’s level. Visitors from Western Europe, Canada, and South America continued to account for a sizable portion of international visitors in the City and are expected to grow in 2024. However, the number of visitors from Asia, especially from China, remained weak in 2023, but the recovery in this segment of the market is expected to accelerate in 2024.

The number of air passenger arrivals at major airports in the New York metropolitan area continued to rise, according to monthly data released by the Port Authority of New York and New Jersey. In 2023, the total number of air passengers surpassed pre-pandemic levels, reaching 144.1 million, around four million more passengers than 2019. Domestic air passengers drove most of the recovery, with a total of 95.2 million in 2023 – almost six million more arrivals compared to pre-pandemic levels. However, international travel has yet to fully recover, with a total of 48.9 million passengers in 2023, still two million below pre-pandemic levels. Nevertheless, the pace of the recovery in international travel remained robust, growing 24 percent YoY in 2023 – stronger than the domestic air passenger’s pace of 7.6 percent YoY. Overall, air passenger indicators align with Broadway and hotel data, showing that the return of visitors continues to bolster the City’s tourism industry.

More shows are coming to Broadway as more visitors return to the City. There are currently a total of 37 active shows on Broadway as of the first week of April 2024, higher than the 33 shows reported the same week a year-ago.⁹ Consequently, Broadway’s attendance and grosses are also slightly higher than the same week last season. Broadway venues reported a total of 305,000 attendees in the first full week of April 2024 – stronger than the 281,000 patrons in the first full week of April 2023, but still around 10,000 attendees below the pre-pandemic level of 315,000 attendees reported the same week in 2019. Broadway’s grosses totaled \$39.4 million in the first full week of April, compared to \$38.6 million during the same week in 2023. Gross revenue is projected to continue rising into 2025, as more highly anticipated shows come to Broadway this year, including “The Outsiders” and “The Addams Family”.

⁹ The Broadway League, Research & Statistics, 2024.

The return of international visitors and strong domestic demand continued to boost the City's hotel industry. Hotel occupancy rates recovered at a steady pace in 2023, bringing the year-end average to 81.6 percent, only around four percentage points below the full year 2019 rate. Meanwhile, hotel room rates averaged \$297 a night in 2023, an increase of 21 percent from 2019. The latest monthly data showed that these positive trends persist into 2024. The latest monthly data in February 2024 showed hotel occupancy rates and room rates were both above 2023 levels. On an annual basis, occupancy rates are forecast to reach 81.9 percent in 2024 before surpassing pre-pandemic levels in 2027, while hotel room rates are projected to reach \$305 in 2024 (annual average), surpassing pre-pandemic levels by around \$60.

Overall, the NYC economy is projected to slow in 2024, reflecting both slower national growth and higher interest rates. The local labor market is expected to continue to expand but at a slower pace as employment growth in the healthcare sector is likely to decelerate. Average wage growth stagnated in 2023 as job growth was concentrated in lower-paying sectors. However, average wages are projected to return to positive growth in 2024 as higher-paid jobs return. The City's housing market underwent a slowdown in 2022 and 2023 due to higher interest rates, while low housing inventories kept prices elevated. The housing market is expected to see a slower recovery as a result of higher interest rates and a slower-than-expected rebound in inventories. Work-from-home arrangements and office restructuring continued to challenge the commercial real estate sector. Vacancy rates in this sector are expected to be higher than initially anticipated. Conversely, the outlook for tourism remains positive, with hotel occupancy rates rebounding and room rates exceeding 2019 levels.

Risk to the Forecast

The foremost risk to the forecast continues to be the uncertainty surrounding the Fed's ability to curb inflation and maintain financial market stability. The Fed's path to tame inflation remains challenging, with rising concern that the Fed might keep interest rates too high for too long, potentially triggering an economic downturn. Additionally, the upcoming election year could influence the Fed's decisions, adding another layer of complexity to the Fed's policy path. Geopolitical tensions remain a lesser but potent threat. The ongoing war in Ukraine and simmering conflicts in the Middle East, especially in the Red Sea, raise concerns about further supply chain disruptions, energy price spikes, and a dampening effect on global growth. The potential for a slowdown in major economies like China and Europe also adds to the risk. Beyond geopolitics, the domestic commercial real estate sector, particularly office space, also poses potential risk to the local economy as work-from-home and office restructuring trends continue to keep leasing activity weak.

**Forecasts of Selected Economic Indicators for the United States and New York City
Calendar Year 2023-2028**

	2023	2024	2025	2026	2027	2028	1979- 2022*
NATIONAL ECONOMY							
Real GDP							
Billions of 2017 Dollars	\$22,374	\$22,925	\$23,252	\$23,644	\$24,068	\$24,501	
Percent Change	2.5	2.5	1.4	1.7	1.8	1.8	2.6%
Non-Agricultural Employment							
Millions of Jobs	156.1	158.2	158.3	158.3	158.7	159.3	
Level Change	3.5	2.1	0.1	0.0	0.4	0.6	
Percent Change	2.3	1.4	0.1	0.0	0.3	0.4	1.2%
Consumer Price Index							
All Urban (1982-84=100).....	304.7	313.8	320.4	329.1	337.1	344.9	
Percent Change	4.1	3.0	2.1	2.7	2.5	2.3	3.3%
Wage Rate							
Dollars Per Year	75,718	78,593	81,487	84,591	87,782	91,050	
Percent Change	3.9	3.8	3.7	3.8	3.8	3.7	3.9%
Personal Income							
Billions of Dollars	22,976	24,119	25,367	26,626	27,911	29,189	
Percent Change	5.2	5.0	5.2	5.0	4.8	4.6	5.6%
Before-Tax Corporate Profits							
Billions of Dollars	3,534	3,904	3,950	4,072	4,187	4,244	
Percent Change	0.3	10.5	1.2	3.1	2.8	1.4	5.9%
Unemployment Rate							
Percent	3.6	3.9	4.2	4.5	4.5	4.4	6.2% avg
10-Year Treasury Note							
Percent	4.0	3.9	3.5	3.3	3.2	3.2	5.8% avg
Federal Funds Rate							
Percent	5.0	5.1	3.7	2.7	2.6	2.6	4.5% avg
NEW YORK CITY ECONOMY							
Real Gross City Product**							
Billions of 2017 Dollars	\$1,084	\$1,123	\$1,144	\$1,163	\$1,181	\$1,202	
Percent Change	2.8	3.6	1.9	1.6	1.6	1.8	2.9%
Non-Agricultural Employment***							
Thousands of Jobs	4,670	4,742	4,816	4,897	4,968	5,041	
Level Change	116.9	71.3	74.7	80.3	71.0	73.4	
Percent Change	2.6	1.5	1.6	1.7	1.5	1.5	0.8%
Consumer Price Index							
All Urban (1982-84=100).....	322.0	328.1	333.5	340.5	348.0	355.4	
Percent Change	3.8	1.9	1.6	2.1	2.2	2.1	3.4%
Wage Rate							
Dollars Per Year	113,961	117,040	121,184	124,450	127,258	131,048	
Percent Change	0.4	2.7	3.5	2.7	2.3	3.0	4.7%
Personal Income							
Billions of Dollars	690.4	721.2	761.2	801.4	841.6	883.1	
Percent Change	3.9	4.5	5.6	5.3	5.0	4.9	5.3%
NEW YORK CITY REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate****							
Dollars per Square Feet	\$81.2	\$80.1	\$79.6	\$79.8	\$79.9	\$79.9	
Percent Change	2.7	-1.4	-0.7	0.3	0.1	0.0	2.1%
Vacancy Rate****							
Percent	22.0	22.7	22.3	21.6	21.0	20.3	11.2% avg

* Compound annual growth rates for 1979-2022. Compound growth rate for Real Gross City Product covers the period 1990-2022.

** 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 1985-2023 data published by Cushman & Wakefield.

STATE AND FEDERAL AGENDA

STATE

The finalized State Fiscal Year 2024-25 Budget was enacted on April 20, 2024. The Enacted Budget contains all of the City's top priorities and responds to the City's financial and policy needs, though it contains a few proposals that would be costly to New York City.

The Mayor's highest priorities—continued funding to support the ongoing Migrant Crisis and increased bonding authority for the Transitional Finance Authority (TFA) — were addressed in the Budget. For migrants, the Budget includes \$2.4 billion in flexible funding, with a new \$1.06 billion earmarked to cover general sheltering costs and \$637 million designated for Humanitarian Emergency Response and Relief Centers (HERRCs) at Creedmoor Psychiatric Center, Randall's Island, and Floyd Bennett Field.

The Enacted Budget increases TFA Debt Capacity by \$14 billion, \$8 billion in FY25 and \$6 billion in FY26. This increase will result in a new TFA debt limit of \$27.5 billion in FY26.

The Enacted Budget also includes other key City proposals, such as a two-year extension of mayoral accountability of New York City schools, local cannabis enforcement provisions, enactment of Sammy's Law, and protection for properties from deed fraud. The Budget includes all of the City's housing priorities, such as: a new construction tax incentive (485X) to replace 421a, an extension for vested 421a projects, a tax incentive to encourage office conversions to include affordable units, repeal of the 12 floor-area-ratio (FAR) cap, and authorization to create a pilot to legalize basement apartments.

The Budget includes \$633 million in overall school aid, \$466 million in Foundation Aid and \$167 million in expense-based aid over the course of the FY25 plan.

The Enacted Budget contains several changes that will result in new costs for the City. The most significant is reducing the final average salary (FAS) calculation window for Tier 6 members from five to three years, which will have an impact of \$163.2 million in FY25, \$158.1 million in FY26, \$170.0 million in FY27, and \$182.8 million in FY28.

There are additional Pension provision changes within the Enacted Budget that will impact the City. The

exclusion of overtime from Tier 6 pension contribution will have an impact of \$2.6 million over two years. Police officers who retire with 25 or more years of service can have their pensions calculated using the salary of a third-grade detective if they retire at 25 years, or a sergeant if they retire at 30 years, which will cost \$1 million in FY26 and escalate by an additional \$1 million each year thereafter. Furthermore, the establishment of a 25-year retirement plan for FDNY fire inspectors, with a 50% FAS calculation, will have an annual impact of \$0.21 million, starting in FY25.

The Budget also includes the Governor's proposals to extend the Distressed Hospitals Fund Sales Tax Intercept (\$37.5 million in FY25, \$150 million in FY26, \$150 million in FY27, and \$112.5 million in FY28); redirect TANF FFFS federal resources (\$5.1 million in FY25+) to childcare; and the elimination of insulin copays (\$1.2 million in FY25+); as well as a modified version of the mandated 30-minute parental accommodations (\$52.5 million in FY25+). The Enacted Budget adds 20 hours annually to other sick leave for prenatal care which will have an annual impact of \$8 million, starting in FY25.

FEDERAL

In March 2024, President Biden signed into law two separate FY24 budget packages to fund the federal government through (October 1, 2024). The first totaled \$459 billion in discretionary funding for programs that include housing and social services and the second totaled \$1.2 trillion in discretionary funding for programs that include asylum seeker assistance, education, and health and human services. The programs of interest to New York City were level funded or contained modest changes.

The Migrant Crisis continues to be one of the biggest threats to New York City's fiscal security.

As New York City fulfills City and State mandates in this area, since July 2022, the City has spent \$4.3 billion dollars through March 2024 to aid in welcoming more than 190,000 migrants to the City, and the Office of Management and Budget (OMB) anticipates these costs to grow to \$10 billion by the end of FY25.

In the \$1.2 trillion Federal spending package, \$754 million was included for cities to help defray the costs of the migrant crisis. New York City expects to receive a portion of that funding, and to further aid the City with costs incurred during the migrant crisis, the City has so far been allocated \$38.9 million in Federal relief and will apply for every additional dollar as they are made available.

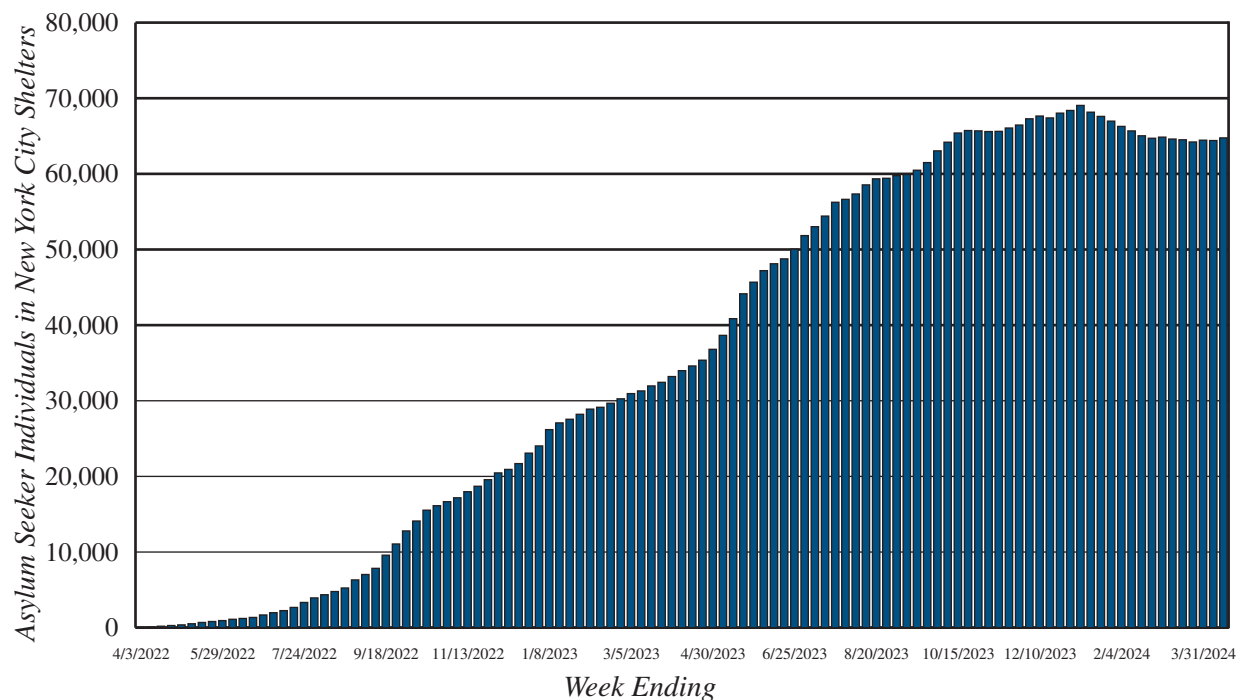
Last month, President Biden released his budget proposal for FY25, which begins on October 1, 2024. The President's proposal forecasts a nearly \$7.3 trillion overall tally, a 5.6% increase over last year's budget request. The budget request includes \$1.67 trillion in discretionary spending, which allocated \$1.36% from last year's budget request amid lower civilian spending. President Biden's proposed budget for FFY25 maintains funding levels or includes modest changes or increases for most programs of interest to the City.

New York City will continue to work with our Federal and State partners to ensure the City has all that it needs to effectively deal with this humanitarian crisis. In the coming months, the fiscal outlook at the Federal level is uncertain. National elections are approaching, and the outcomes of those races could have a serious impact on the City's financial outlook. Additionally, before October 1, 2024, Congress must pass a budget for FFY25 to prevent a government shutdown. A shutdown would have broad, negative effects on the City's economy in the form of reduced receipts in Federal funding, which the City typically relies on to help pay for services like food nutrition and education.

ASYLUM SEEKERS

Since spring 2022, New York City has experienced a large increase in asylum seeker migrants, with over 190,000 individuals seeking help from the city. Many asylum seekers are characterized by economic and health challenges and require deep support from the city to provide food, shelter, and clothing, as well as access to legal and educational resources. At time of publication in April 2024, approximately 65,000 asylum seekers remain in the city’s care nightly.

ASYLUM SEEKERS IN NEW YORK CITY SHELTER FACILITIES



Source: NYC DSS, NYC H+H, NYC HPD, NYCEM, NYC DYCD, NYC OMB

New York City has made significant investments to care for asylum seekers. The city’s initial response utilized the Department of Homeless Services (DHS) shelter system to house asylum seekers. In October 2022, with significantly increasing numbers of new arrivals, the city declared a state of emergency and created Humanitarian Emergency Response and Relief Centers (HERRCs) to help meet the growing need. Through the course of the emergency response, the asylum seeker shelter system has further expanded to include sites managed by agencies including the Department of Housing Preservation and Development (HPD) and New York City Emergency Management (NYCEM). In total, the city has added 222 emergency shelters to account for growth in shelter need.

The asylum seeker emergency has had a substantial fiscal impact on the city. Between July 2022 and March 2024, the city has spent an estimated \$4.3 billion to support the population. Costs have grown significantly over time as the number of asylum seekers in care has increased. Quarterly asylum seeker costs have increased from \$63.2 million in FY23Q1 to \$923.5 million in FY24Q3.

In response to the emergency, in July 2023, the city announced a policy to give adult asylum seeker entrants 60 days’ notice to find alternative housing arrangements following intake, pairing the policy with intensive casework services to connect individuals with housing resources. In September 2023, the city revised

the policy to a 30-day notice period. Subsequently, in October 2023, the city announced an expansion of the policy to include 60-day notices for families with children in non-DHS facilities, with the first notices for families becoming effective in January 2024.

Since the initial effective date of the notice policy in September 2023, the asylum seeker census growth has decelerated relative to historical trends, with the census declining in FY24Q3.

Weekly Change in Asylum Seekers in Care

- FY23: +930 per week.
- FY24Q1: +880 per week.
- FY24Q2: +492 per week.
- FY24Q3: -302 per week.

The city expects the costs of caring for the asylum seeker population to be \$3.76 billion in FY24 and \$4.75 billion in FY25. The total costs are associated with \$2.3 billion in savings relative to previously budgeted costs. Savings are derived in part from management of the asylum seeker census, including through implementation of the 30- and 60-day notice policies described above, paired with intensive case management services. Additional savings are derived from ongoing strategies to reduce the per diem cost of caring for asylum seeker households, such as streamlining shelter staffing models, renegotiating service contracts and rates, and transitioning costlier shelters to operation by not-for-profit providers.

TAX REVENUE¹

Tax Revenue Summary

Total tax revenue is forecast at \$73.6 Billion in 2024, an increase of 0.3 percent. In 2025, tax revenue reaches \$76.6 billion, growth of 4.0 percent. The weakness in 2024, while partially due to the deliberately orchestrated tightening by the Federal Reserve, is also caused by a temporary shift in personal income tax collections with the introduction of the pass-through entity tax (PTET). As the Federal Reserve begins to lower rates into 2025, many tax revenue sources begin to bounce back.

Elevated interest rates have directly dragged down transaction taxes as sellers are locked-in to lower mortgage rates, causing the inventory of homes for sale to drop precipitously. This trend will continue through 2024 and early 2025 until the Federal Reserve is anticipated to loosen monetary policy. Higher interest rates also negatively impact the securities sector as investment banking activity slows, which translates into lower bonus payments and modest Wall Street profitability.

Bright spots remain in 2024 and 2025. While higher interest rates have been hard on securities firms, commercial banks have generated larger net interest revenue. Further, the corporate profit outlook has improved in calendar year 2024, driving corporate tax revenues higher. Strength in total wages have persisted in 2024, providing support to both the personal income and sales taxes. Wage growth, paradoxically, signals that the Federal Reserve might keep monetary policy tighter for longer, stressing the interest rate sectors of the economy further.

Factors outside of the interest rate environment are also at play. The fate of the post-pandemic commercial real estate market is still a drag on property taxes through the forecast window. Tourism continues to climb back to pre-pandemic levels in 2024 and 2025 as well. Lastly, unusual PIT and PTET payment timing contribute to weakness in 2024. PTET revenue was inflated in 2023 as taxpayers paid both PIT and PTET liability with much of the PIT overpayment refunded in 2024.

Forecast Summary for 2024

Total tax revenue is now estimated at \$73.647 billion, \$619 million above the January 2024 Financial

Plan. The improved outlook reflects stronger than expected year-to-date collections through March and an improved outlook for the remainder of the year. Most of the plan-over-plan changes in non-property revenue come from the business and transaction taxes. Increased audit revenue also adds \$100 million to the total.

The income-based taxes increased over the prior plan but are still expected to decline compared to 2023. The **personal income taxes** are forecast at \$16.001 billion and remain unchanged from the January 2024 Financial Plan. **Corporate business** taxes are forecast at \$6.439 billion, an increase of \$187 million over the January 2024 Financial Plan on higher collections driven by both the finance and non-finance sectors. The **unincorporated business** tax is projected at \$2.630 billion, an increase of \$26 million over the January 2024 Financial Plan.

Consumption-based taxes have seen the growth moderate significantly from 2023. **Sales tax**, fueled by increased personal income and higher prices, is expected to rise to \$9.967 billion, 4.5 percent over last year. **Hotel tax** collections are forecast at \$713 million for the year, a 10.6 percent increase over the prior year.

Changes to property-based taxes are not large. **Property tax** revenue is expected to be \$32.786 billion, an increase of 4.1 percent over 2023 and an increase of \$95 million over the January 2024 Financial Plan. The real **property transfer tax** (RPTT) is forecast at \$1.150 billion, a 9.9 percent decline from the prior year. **Mortgage recording tax** (MRT) revenue is forecast at \$578 million, a 35.6 percent decline from the prior year. Together, RPTT and MRT add \$160 million over the January 2024 Financial Plan. With worsening office vacancy rates, the **commercial rent tax** (CRT) is forecast to be \$915 million, flat compared to 2023.

Forecast Summary for 2025

Total taxes are forecast at \$76.594 billion in 2025, \$1.649 billion more than projected in the January 2024 Financial Plan, an increase of 4.0 percent over 2024. Growth is led by a 5.3 percent rebound in the non-property taxes and a modest 2.8 percent rise in the property tax.

Most of the changes come from income-related taxes which add \$1.024 billion over the January 2024

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

Financial Plan. With an improved capital gains outlook, personal income tax is projected to expand 8.0 percent. Corporate taxes have been increased by \$710 million in this plan and remain elevated at record levels. The unincorporated business tax lifts by a modest 1.5 percent.

The outlook for real property tax is a moderate 2.8 percent increase in 2025 over the prior year. Other property-related taxes are revised up compared to the January 2024 Financial Plan. Transaction taxes (RPTT and MRT) are forecast at \$1.966 billion, \$158 million above the January 2024 Financial Plan. This reflects a strong rebound of 13.8 percent over the prior year, led by the residential market. Commercial transactions are forecast to grow only at a modest pace.

Consumption taxes, including both hotel and sales tax, are forecast to continue to grow at a slower pace. Sales tax rises 4.0 percent to reach a level of \$10.371 billion and hotel tax reaches \$743 million, a gain of 4.2 percent over 2024.

Overall revenue growth is forecast to average 2.6 percent annually in the out-years. Property tax is forecast to rise at an annual average rate of 2.2 percent, as office market outlook creates drag. Non-property taxes are forecast to rise at an annual average rate of 3.0 percent reflecting steady economic growth.

2024 and 2025 Tax Revenue Forecast (\$ in Millions)

Tax	2024	2025	Increase/(Decrease) From 2024 to 2025	
			Amount	Percent Change
Real Property	\$32,786	\$33,700	\$914	2.8%
Personal Income ¹	16,001	17,284	1,283	8.0%
Business Corporation ²	6,439	6,507	68	1.1%
Unincorporated Business	2,630	2,669	39	1.5%
Sales and Use	9,967	10,371	404	4.0%
Real Property Transfer	1,150	1,279	129	11.2%
Mortgage Recording	578	687	109	18.9%
Commercial Rent	915	939	24	2.6%
Utility	400	420	20	5.0%
Hotel	713	743	30	4.2%
Cigarette	14	13	(1)	(7.1%)
Cannabis	5	10	5	100.0%
All Other	1,074	1,073	(1)	(0.1%)
Subtotal	\$72,672	\$75,695	\$3,023	4.2%
STAR Aid	128	126	(2)	(1.6%)
Tax Audit Revenue	847	773	(74)	(8.7%)
Total †	\$73,647	\$76,594	\$2,947	4.0%

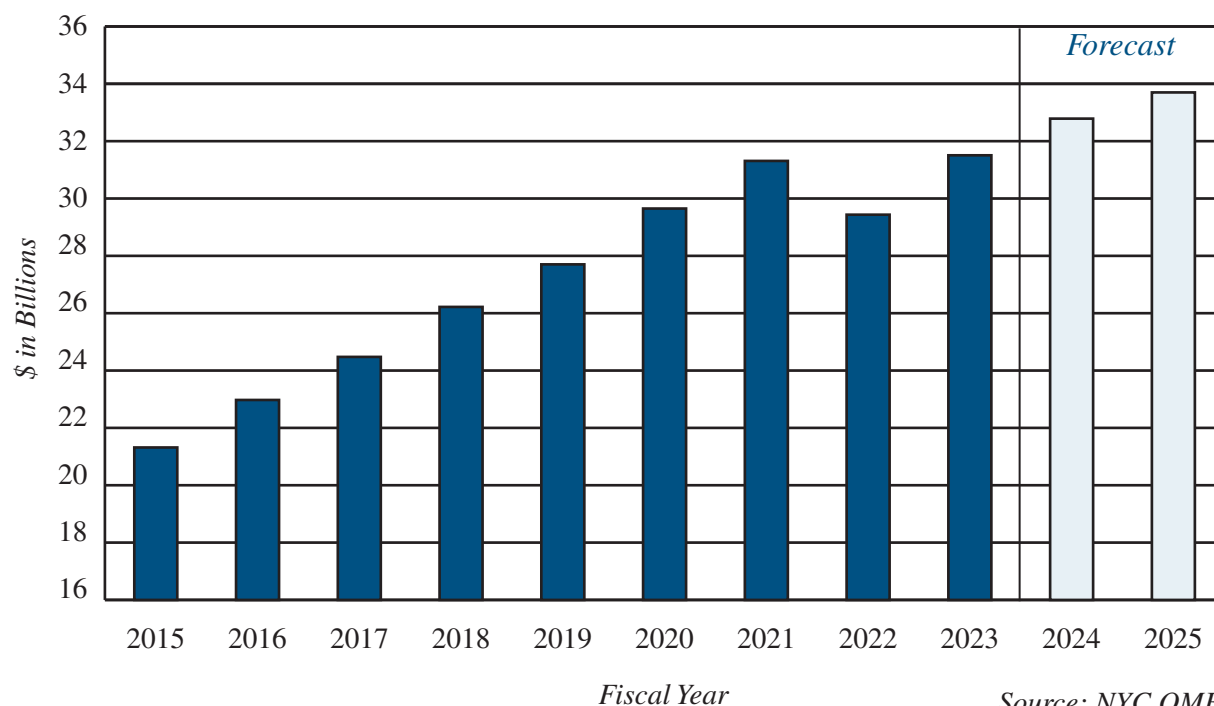
1. Personal Income includes Pass-Through Entity Tax (PTET)

2. Business Corporation Tax Includes both General Corporation and Banking Corporation tax revenues.

† Totals may not add due to rounding.

REAL PROPERTY TAX

REAL PROPERTY TAX 2015 - 2025



Distribution of Property Parcels by Class

	Parcels*	Percentage Share
Class 1	698,492	63.44%
Class 2	301,518	27.38%
Class 3	352	0.03%
Class 4	100,748	9.15%
Citywide	1,101,110	100.00%

* FY 2024 final roll

Real property tax revenue is projected to account for 44.0 percent of total tax revenue in 2025, or \$33.700 billion.

2024 Forecast: Property tax revenue is forecast at \$32.786 billion, 4.1 percent growth over the prior year, \$95 million above the January 2024 Financial Plan.

The change is based on an additional \$145 million in collections, offset by a reduction of \$50 million in

lien sale revenue because the City did not conduct a lien sale in the current fiscal year, for a net increase of \$95 million over the January 2024 Financial Plan.

2025 Forecast: Property tax revenue is forecast at \$33.700 billion, growth of 2.8 percent over the current year, \$498 million above the January 2024 Financial Plan.

The property tax levy forecast is based on the 2025 tentative roll released in January, wherein citywide total taxable billable assessed value (TBAV) increased \$11.9 billion to \$298.9 billion, growth of 4.2 percent. The tentative roll is expected to be reduced \$2.2 billion on the final roll attributable to Tax Commission actions, Department of Finance change-by-notices, and completion of exemption processing.

On the tentative roll, Class 1 TBAV increased 4.7 percent over the prior year. After the tentative-to-final roll reductions, TBAV on the final roll is expected to grow 3.4 percent, slower than last year’s growth of 4.8 percent.

Class 2 TBAV on the tentative roll increased 4.5 percent. With an estimated tentative-to-final roll reduction of \$620 million, TBAV is expected to increase 4.0 percent on the final roll, higher than last year's growth of 2.5 percent.

On the tentative roll, Class 3 (utilities) properties saw TBAV grow 5.6 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 TBAV growth on the final roll is expected to be 9.1 percent.

Class 4 TBAV on the tentative roll increased 3.5 percent. TBAV¹ for offices grew 2.5 percent, stores grew 1.6 percent, and hotels grew 5.5 percent on the tentative roll. With an estimated tentative-to-final roll reduction of \$2.1 billion, TBAV is expected to increase 1.9 percent on the final roll, compared to last year's growth of 4.7 percent.

2026 through 2028 Forecast: Class 1 TBAV is forecast to grow at an annual average of 3.6 percent from 2026 through 2028.

For Class 2, overall TBAV growth is expected to average 1.9 percent from 2026 through 2028.

Class 3 TBAV growth is forecast at an annual average of 3.4 percent from 2026 through 2028.

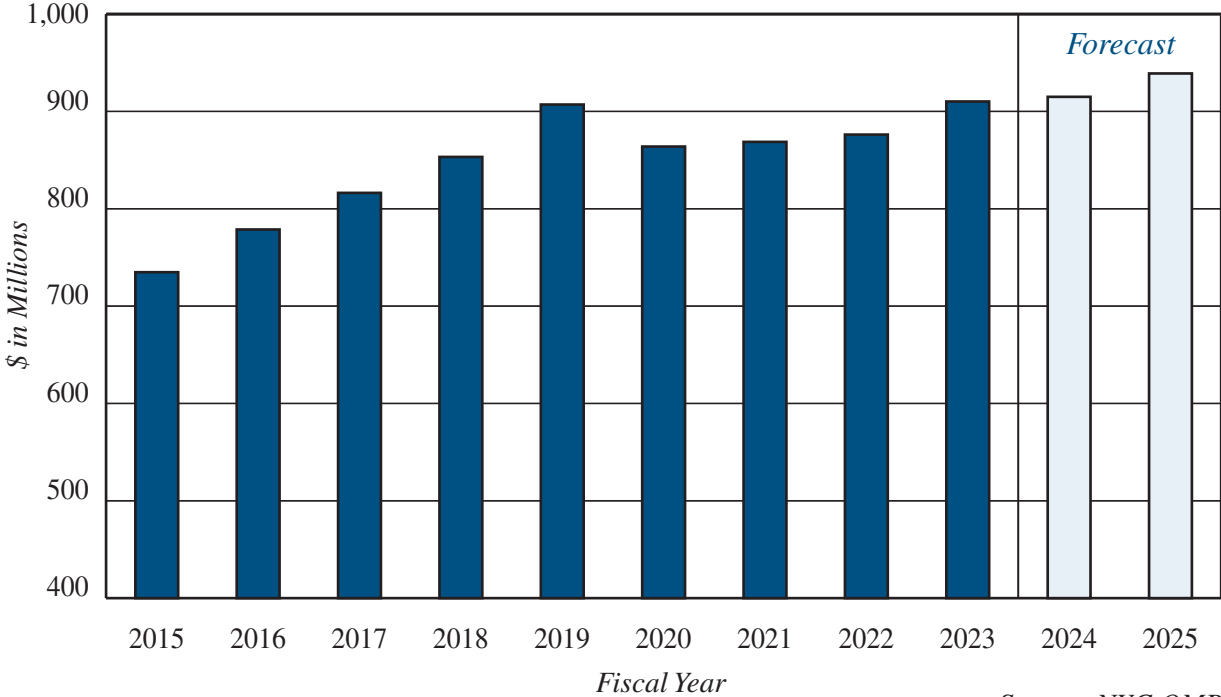
Class 4 TBAV growth is forecast at an annual average of 2.3 percent from 2026 through 2028 as a weaker office market outlook dampens the overall growth.

Faced with challenging market conditions, developers are expected to cut back their pipeline of new developments, contributing to weaker market value growth in both Class 2 and Class 4. Overall, the property tax levy is expected to grow at only 2.4 percent on average from 2026 through 2028. Total property tax revenues are forecast to grow at an annual average rate of 2.2 percent from 2026 through 2028, roughly in line with levy growth, but a significant decline from the pre-pandemic (2010-2020) compound annual average growth rate of 6.2 percent.

1 Class 4 offices, stores and hotels include commercial condos.

COMMERCIAL RENT TAX

COMMERCIAL RENT TAX 2015 - 2025



Source: NYC OMB

The commercial rent tax is projected to account for 1.2 percent of total tax revenue in 2025, or \$939 million.

2024 Forecast: Commercial rent tax revenue is forecast at \$915 million in 2024, a 0.5 percent growth over 2023. Forecast remains unchanged from the January 2024 Financial Plan as year-to-date collections through March do not indicate risk in prior plan assumptions. The current plan maintains that financial and other office-using services continue to commit to new and renewal of office space, offsetting weaknesses in other sectors and therefore, driving a small net positive growth.

Year-to-date collections through March are flat from prior year. Of note, the Manhattan office market is still stymied with a vacancy rate stuck at record high:

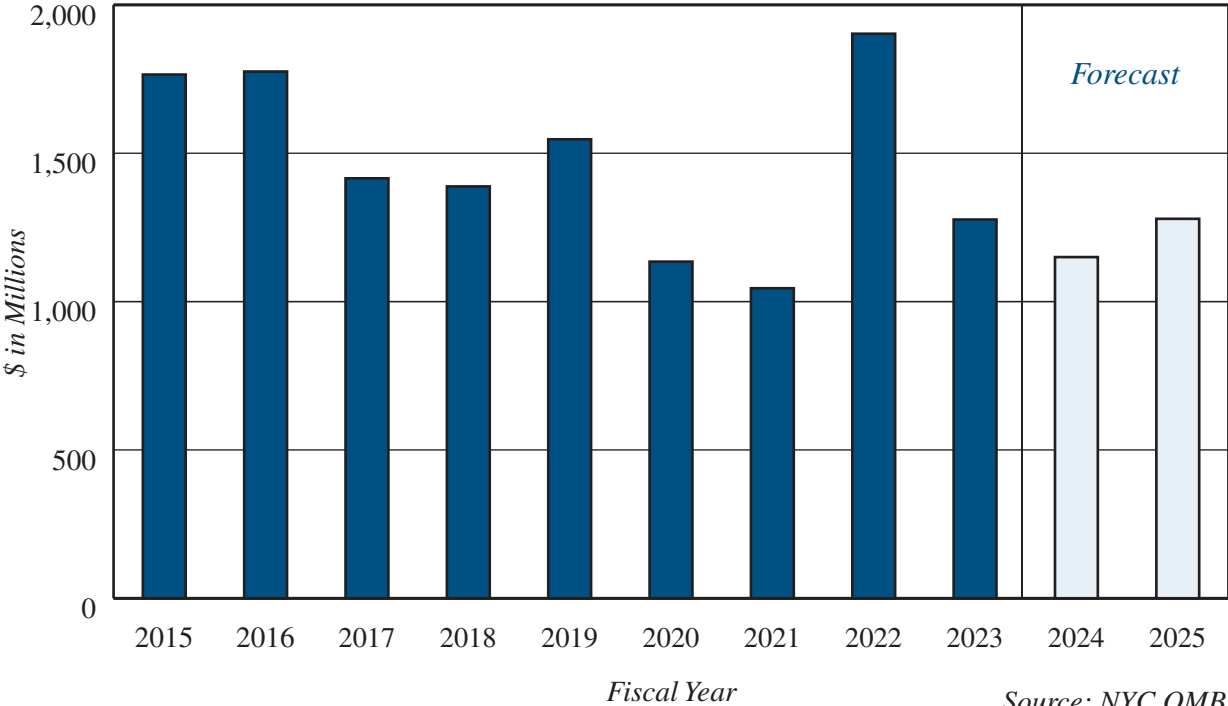
23.4 percent in March 2024, more than double the 11.3 percent in March 2020. Yet, the impact of higher vacancy rates on commercial rent tax revenue has not been reflected in collections, considering the longer time frame on commercial leases and a high concentration of contributions from a few high liability taxpayers.

2025 Forecast: Commercial rent tax revenue in 2025 is forecast at \$939 million, a 2.6 percent growth over 2024 and unchanged from the January 2024 Financial Plan.

While there are still substantial risks within the commercial office real estate market that will take time to work out, the commercial rent tax forecast is expected to have an average growth of 1.4 percent from 2026 to 2028.

REAL PROPERTY TRANSFER TAX

REAL PROPERTY TRANSFER TAX 2015 - 2025



Source: NYC OMB

The real property transfer tax (RPTT) is projected to account for 1.7 percent of total tax revenue in 2025, or \$1.279 billion.

2024 Forecast: Real property transfer tax revenue is forecast at \$1.150 billion, a decline of 9.9 percent from the prior year, and \$94 million above the January 2024 Financial Plan.

Revenue from residential transactions is forecast to decline 12 percent in 2024. The current forecast reflects a slowing of the real estate market in part due to an increase in interest rates. The 2024 forecast reflects a slowdown in transaction volume as higher interest rates contribute to a lack of inventory as homeowners who bought or refinanced with low interest rates are now reluctant to sell their homes and buy another with a higher interest rate mortgage.

Revenue from commercial transactions is forecast to decline 6.4 percent in 2024, reflecting a combination of a drop in commercial transactions in calendar year 2023 due to higher interest rates and the lack of demand from uncertainty surrounding the commercial office and retail sectors as hybrid work arrangements are expected to persist.

2025 Forecast: Real property transfer tax revenue is forecast at \$1.279 billion in 2025, an 11.2 percent growth over the current year, and \$89 million above the January 2024 Financial Plan. This increase is driven mostly by an increase in activity as interest rates are anticipated to decline during the second half of calendar year 2024.

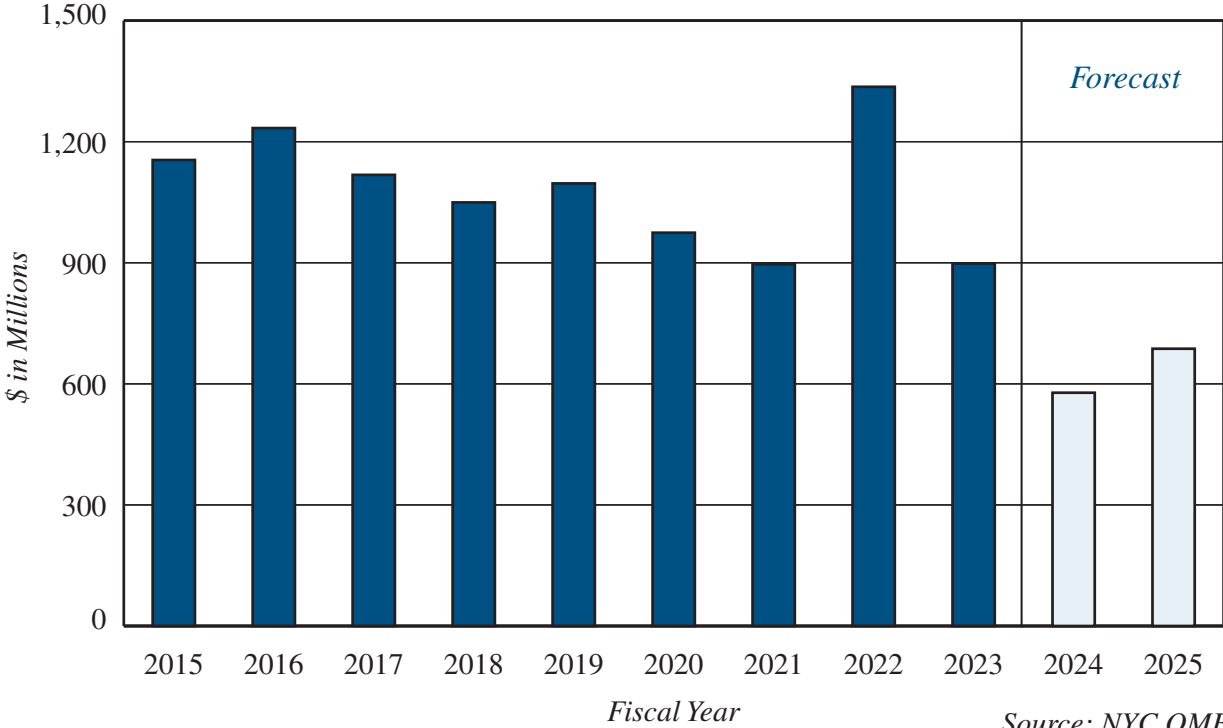
Although nowhere near pre-pandemic highs, commercial revenue in 2025 is expected to be 4.9 percent higher than in 2024. As post-pandemic-era trends, including higher interest rates, begin to moderate, commercial property revenue is expected to settle at a new normal that reflects new work arrangements and retail trends.

Residential revenue is also forecast to grow in 2025 at a rate of 15.3 percent, reflecting an increase in activity from the pent-up demand as interest rates drop. Growth averages 7.0 percent in the out-years as the residential market stabilizes.

Total RPTT revenue growth is expected to average 4.5 percent from 2026 through 2028.

MORTGAGE RECORDING TAX

MORTGAGE RECORDING TAX 2015 - 2025



Source: NYC OMB

The mortgage recording tax (MRT) is projected to account for 0.9 percent of total tax revenue in 2025, or \$687 million.

2024 Forecast: Mortgage recording tax revenue is forecast at \$578 million for 2024, a decline of 35.6 percent from the prior year and \$66 million above the January 2024 Financial Plan.

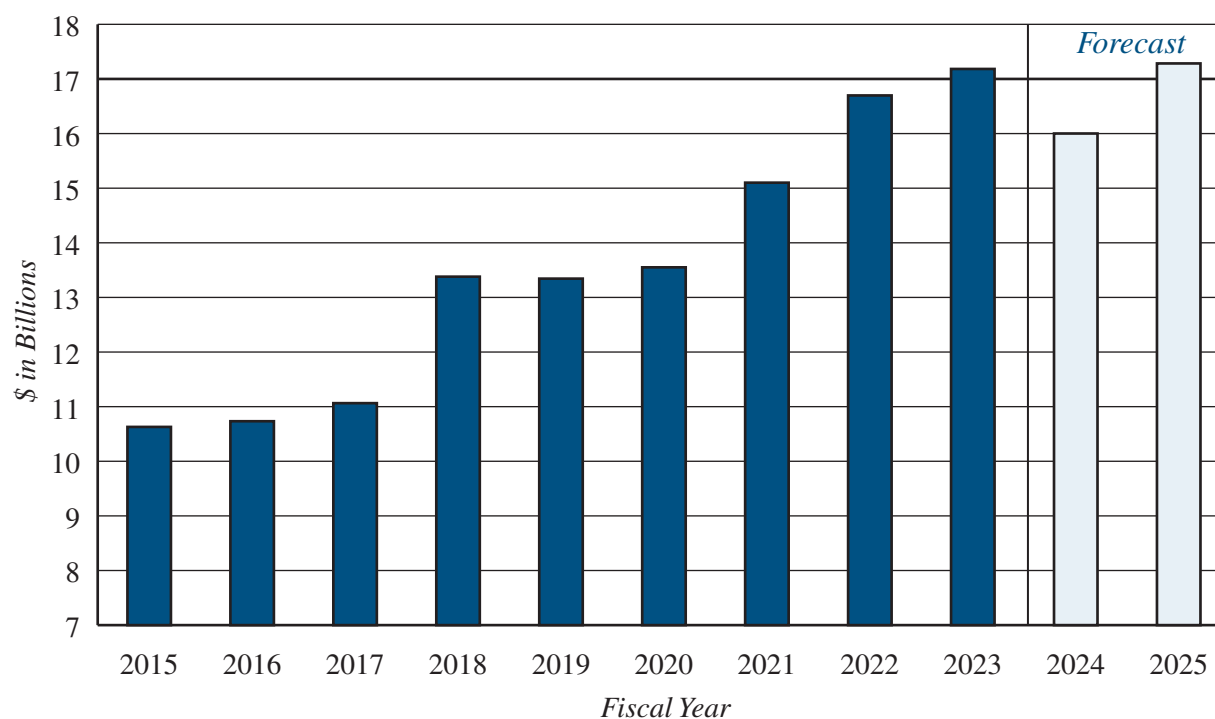
This decline mirrors the changes seen in the residential and commercial RPTT forecast. Revenue from residential mortgages is forecast to decline 26.0 percent in 2024. High interest rates have led to a decrease in refinancing as well as new mortgage activity. Revenue from commercial mortgages is forecast to decline 43.9 percent in 2024. Similar to commercial RPTT, this reflects the uncertainty present in the commercial office market.

2025 Forecast: Mortgage recording tax revenue is forecast at \$687 million, growth of 18.9 percent from the current year, a \$69 million increase over the January 2024 Financial Plan.

Revenue from residential mortgage recordings is forecast to grow 31.2 percent in 2024, reflecting a return to more stable levels. Residential MRT is forecast to average 14.0 percent growth from 2026 through 2028. Commercial MRT revenue is forecast to decline 43.9 percent in 2025, reflecting a slowdown in commercial real estate transactions. Commercial MRT is forecast to average 5.3 percent growth from 2026 through 2028.

PERSONAL INCOME TAX

PERSONAL INCOME TAX AND PASS-THROUGH ENTITY TAX 2015 - 2025



Note: Revenues include PTET from 2023 onwards

Source: NYC OMB

In 2025, revenues for the personal income tax (PIT) and the pass-through entity tax (PTET) combined are forecast to be \$17.284 billion, accounting for 22.6 percent of total tax revenues.

2024 Forecast: The personal income tax and the pass-through entity tax are forecast to be \$16.001 billion for 2024 with a year-over-year decline of 6.9 percent, unchanged from the January 2024 Financial Plan. The 6.9 percent decline is partially due to unusual shifts in collections caused by the introduction of the PTET and less a reflection of economic weakness. After accounting for the shifting of these payments, moderate wage growth is offset by weakness in non-wage income.

Year-to-date through March, withholding collections are up 5.3 percent, with the forecast for the entire year set to grow 5.6 percent. The base portion of withholding is maintaining strength in 2024 despite signs of deceleration in the local labor market. Further, the bonus portion of withholding beat expectations in 2024 coming in flat year-over-year rather than at a decline. Driven by upward revisions in Wall Street

profits, the 2024 bonus season saw \$1.358 billion in bonus collections.

In contrast to withholding strength, non-withholding revenues for 2024 are forecast to decline 31.8 percent in 2024.² Through March, non-withholding collections declined 57.1 percent compared to the same period in 2023. This steep drop, particularly in the first part of the year, is directly related to the introduction of PTET. Revenue in 2023 was inflated as PTET payers simultaneously paid for an entire liability year's worth of PTET in a single month (December 2022), while still making all PIT payments as if the PTET credit did not exist. PIT overpayments were later refunded in the form of lower-than-normal extension, finals, and offsets payments at the April and October 2023 filing and extension deadlines. A large PTET-related decrease in the October 2023 offset payment further exacerbates year-over-year declines from 2023 to 2024.

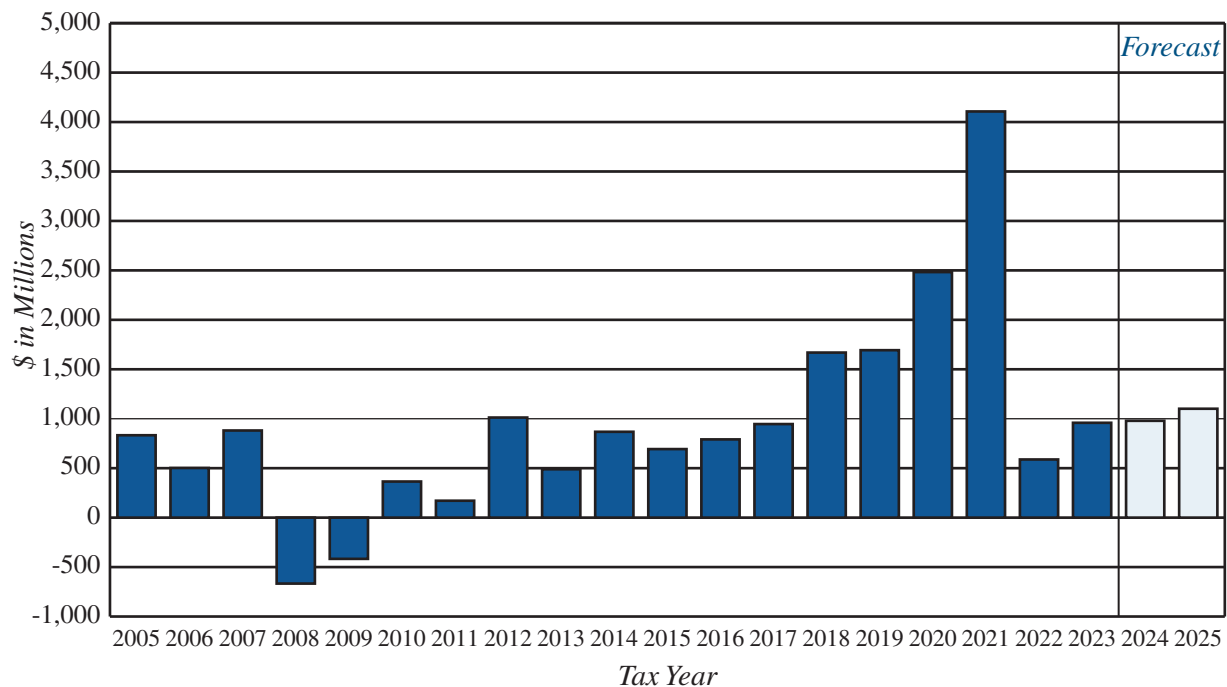
For the remainder of 2024, non-withholding revenue is projected to increase 27.1 percent over the prior year. In April 2024, spring settlement payments are expected to be higher than in April 2023. PTET payers

² Non-withholding payments are all PIT and PTET payments that are not withholding. Non-withholding payments encompass PIT estimated, finals, offsets, refunds, assessments, and charges and all PTET payments.

were able to lower their PIT installment payments throughout liability year 2023 and do not need to make significant adjustments this year elevating settlement payments in 2024. Though the April 2024 forecast is higher than in the prior year, it is still lower than the historical average as taxpayers who opted into PTET begin to permanently shift income from PIT to PTET. Refunds are expected to remain above historical trend with the expansion of the NYC earned income tax credit and continued PTET-related overpayment settlements.

Behind all the noise created by PTET timing issues, fluctuations in capital gains continue to shape the non-withholding forecast. Coming off historically high levels in liability year 2021, capital gains declined 55.3 percent in liability year 2022 to pre-pandemic averages and are forecasted to stabilize at the same level into liability year 2023. The revenue forecast mirrors this, absorbing much of the liability year 2023 weakness and some of the weakness in liability year 2022.

SETTLEMENT PAYMENTS



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

2025 Forecast: In 2025, PIT and PTET revenue is forecast to total \$17.284 billion, 8.0 percent growth over the current year and \$256 million above January 2024 Financial Plan.

Withholding collections are forecast to grow 5.3 percent in 2025 to \$12.750 billion. The 2025 bonus season is projected to increase 4.2 percent totaling \$1.415 billion with both base and bonus withholding contributing to growth. Base withholding is expected to decelerate to 5.5 percent in 2025. Withholding is expected to average 4.7 percent growth for 2026 and out. This is mainly driven by an expected relative slowdown in NYC total employment across the forecast window even as average wages continue to increase. Overall, the projected employment slowdown is expected to be concentrated in lower wage sectors, limiting the impact to withholding growth.

In 2025, a rebound in non-wage income is expected to push up non-withholding revenues with year-over-year growth of 16.3 percent to \$4.534 billion. This growth rate is partially a knock-on effect from the irregular PTET payment timing issues in 2023 and 2024. The strength also incorporates improvements in equity markets and Wall Street underwriting activity, with the S&P 500 index hitting record highs.

Overall, total PIT and PTET revenues are forecast to average of 3.5 percent growth from 2026 through 2028, as non-withholding stabilizes from pre-pandemic historical highs and withholding continues to grow steadily.

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

	2023	2024 ^f	2025 ^f	2026 ^f	2027 ^f	2028 ^f
Personal Income Tax.....	\$14,796	\$14,279	\$15,425	\$16,209	\$18,318	\$19,137
Pass-Through Entity Tax	2,387	1,722	1,859	1,265	83	0
Total Revenue	17,183	16,001	17,284	17,474	18,401	19,137

f = Forecast.

Personal Income Tax Collections By Component (\$ in Millions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 ^f	2025 ^f
Withholding	\$7,513	\$7,753	\$8,169	\$9,360	\$9,641	\$9,972	\$9,834	\$10,925	\$11,464	\$12,103	\$12,750
Estimated Payments ¹	3,167	3,021	2,633	3,717	3,129	3,059	4,375	4,692	2,219	2,143	2,390
Final Returns	429	439	408	410	541	556	750	839	666	577	584
Other ²	837	896	1,038	1,146	1,332	1,236	1,523	1,528	2,401	1,332	1,319
Gross Collections	\$11,946	\$12,109	\$12,248	\$14,633	\$14,643	\$14,823	\$16,482	\$17,983	\$16,750	\$16,155	\$17,043
Refunds	(1,317)	(1,376)	(1,183)	(1,253)	(1,299)	(1,272)	(1,214)	(1,285)	(1,955)	(1,876)	(1,618)
Net Collections	\$10,629	\$10,733	\$11,064	\$13,380	\$13,344	\$13,551	\$15,268	\$16,698	\$14,796	\$14,279	\$15,425
PTET									2,387	1,722	1,859
Less TFA Retention											
Total	\$10,629	\$10,733	\$11,064	\$13,380	\$13,344	\$13,551	\$15,268	\$16,698	\$17,183	\$16,001	\$17,284

1 Includes extension payments.

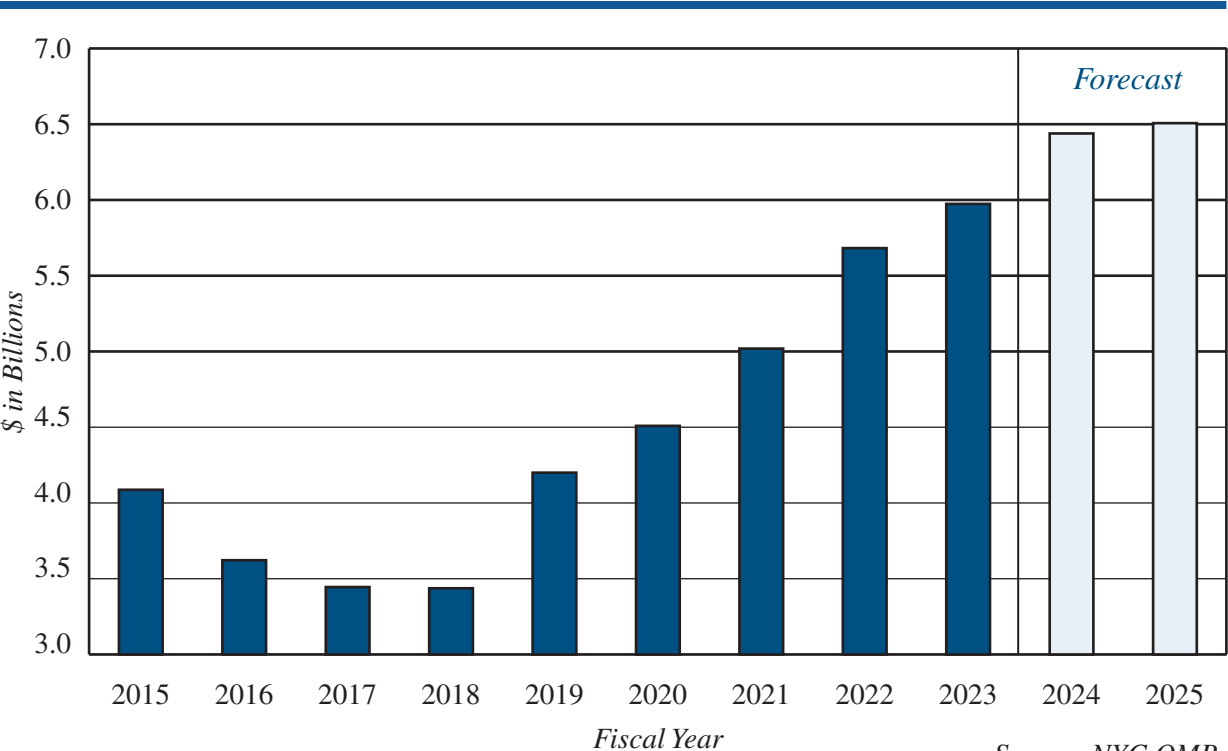
2 Offsets, charges, assessments less City audits.

f = Forecast.

Totals may not add due to rounding.

BUSINESS CORPORATION TAX

BUSINESS CORPORATION TAX 2015 - 2025



Source: NYC OMB

The business corporation tax is forecast to account for 8.5 percent of the total tax revenue in 2025, or \$6.507 billion.

2024 Forecast: Business corporation tax revenues are forecast to grow 7.8 percent to \$6.439 billion in 2024, an increase of \$187 million over the January 2024 Financial Plan. The forecast year-over-year increase is derived from strong year-to-date collections, especially from the finance sector.

Year-to-date through March, net business corporation tax collections are up 12.0 percent over the prior year. Both finance and non-finance sectors contributed to the overall robustness in collections. Following a dip in 2023, the finance sector saw a 15.7 percent surge year-to-date through February in 2024. Non-finance sectors recorded a more subdued upward trend, increasing 4.1 percent. These trends are expected to continue with 12.2 percent growth in revenue from finance firms and 4.3 percent from non-finance firms in 2024.

Double-digit finance growth reflects gains in the commercial banking industry. Strength in commercial banking has outweighed declines in the struggling securities sector. The biggest money center banks have seen surges in net interest income from high interest rates, while investment banks saw interest expense outpace interest income.

As economic growth has slowed and inflation has eased, collections from non-finance sectors are expected to continue to grow modestly. However, non-finance industries are seeing relatively broad-based strength across sectors. Services and trade firms remain the most resilient, while collections from real estate firms see a decline.

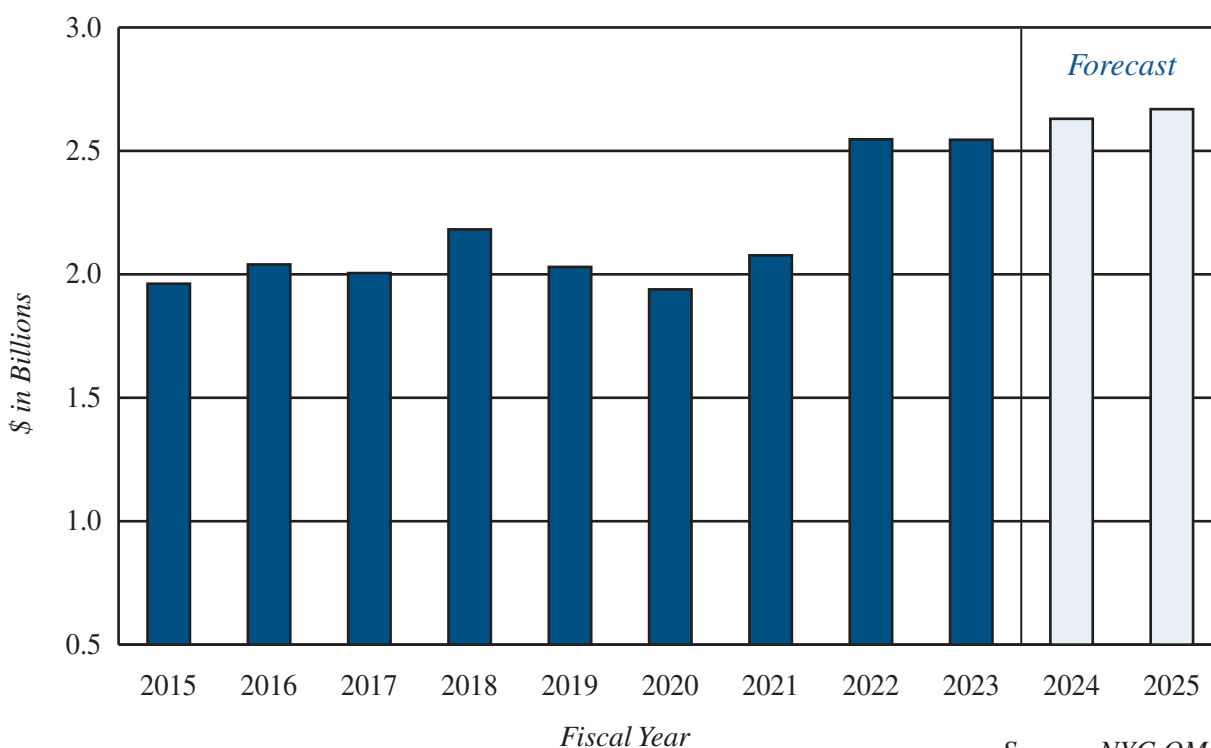
2025 Forecast: Corporate tax collections are forecast at \$6.507 billion in 2025, a \$710 million increase over the January 2024 Financial Plan and up 1.1 percent over the prior year. Growth is primarily supported by an improved forecast for corporate profitability.

Pre-tax corporate profits are now projected to grow 10.5 percent in calendar year 2024, which will be reflected in 2025 collections. Economic growth is expected to be stronger than previous projections as well. Finance sector collections are expected to decline 2.8 percent in 2025, indicating the beginning of a return to long-run average levels. Non-finance sectors are projected to continue moderate gains of 3.3 percent.

Corporate tax collections are forecast to decline in 2026 and then grow slightly in 2027 and 2028, decreasing 1.3 percent on average through the out-years. This decline reflects the expected return to long-run average levels for the finance sector.

UNINCORPORATED BUSINESS TAX

UNINCORPORATED BUSINESS TAX 2015 - 2025



Unincorporated Business Tax (UBT) is forecast to account for 3.5 percent of the total tax revenue in 2025, or \$2.669 billion.

2024 Forecast: UBT revenue is forecast at \$2.630 billion, growth of 3.3 percent over the prior year, or \$26 million above the January 2024 Financial Plan.

UBT revenues are forecast to expand in 2024 off a record high base level. Year-to-date collections through March grew 5.5 percent year-over-year. The deceleration from the 13.7 percent growth seen at the end of December was triggered by a slowdown in finance and real estate sectors. The non-finance sector, however, maintained double-digit growth during the same period and is expected to continue to perform even better in the remaining quarter with strong growth in the professional services subsector.

In the final quarter of 2024, UBT revenue growth is expected to slow down further with a projected 1.4 percent decline. An increase in refunds beyond historical averages is expected, which will chip away

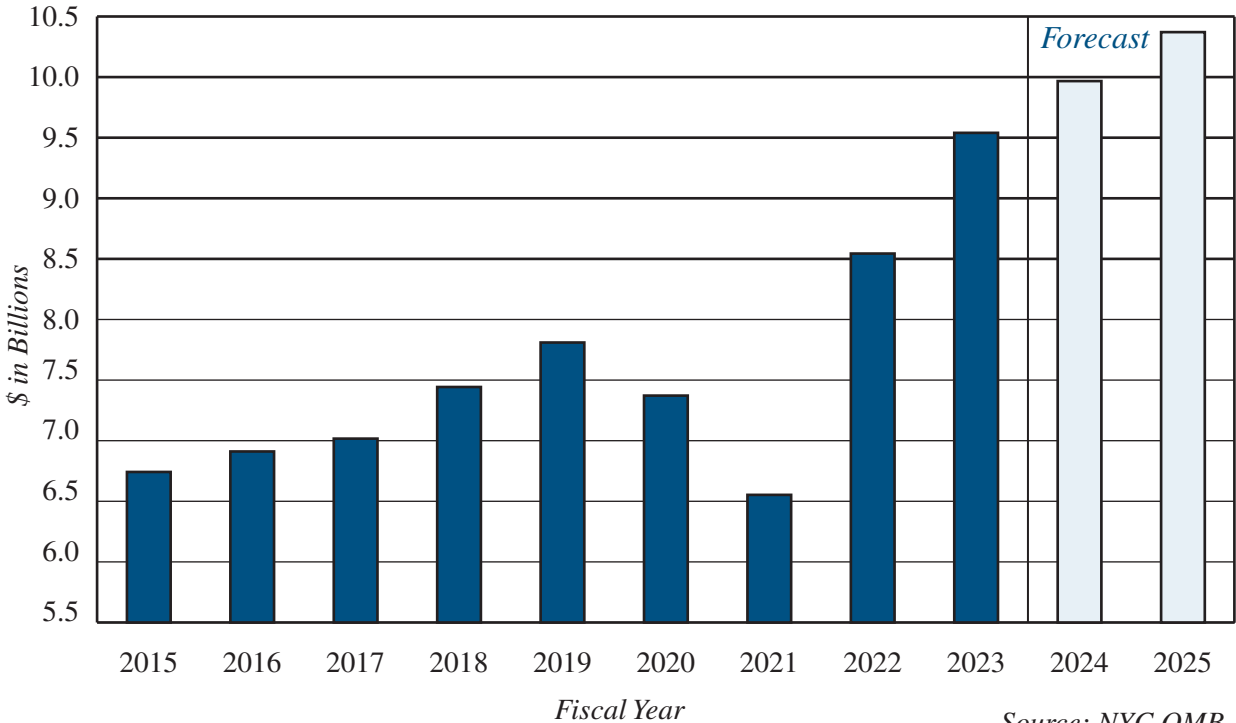
at gross collections gains. As firms reconcile their final tax liabilities with tax payments already made, firms are likely to demand more refunds to reduce overpayments on account, resulting in lower net collections growth for the remainder of the year.

2025 Forecast: UBT revenue is forecast at \$2.669 billion, reaching another record high level, representing a \$58 million increase over the January 2024 Financial Plan forecast. This growth is driven by the higher revenue base established in 2024, partially offset by a modest decline in payments from the finance and real estate sectors. The finance sector is forecast to decline 3.5 percent from the prior year. The non-finance sectors are expected to grow 3.6 percent as non-finance employment growth softens, leading to a general economic slowdown.

From 2026 through 2028, UBT revenue is forecast to have annualized average growth of 2.7 percent, slightly below the 10-year annual average growth of 3.5 percent.

SALES TAX

SALES TAX 2015 - 2025



Source: NYC OMB

The sales and use tax is projected to account for 13.5 percent of the total tax revenue in 2025, or \$10.371 billion.

2024 Forecast: Sales tax revenue is forecast at \$9.967 billion, growth of 4.5 percent over the prior year net of the Distressed Hospital Assistance Account and MTA State intercepts¹, a \$41 million increase above prior plan. Sales tax collections year-to-date through March grew 4.5 percent over the same period in the previous year. Collections growth has stabilized following the past two post-pandemic recovery years, where yearly growth was in double digits as spending and tourism bounced back. Furthermore, elevated prices boosted collections.

Due to the strength in the national labor market and persistent inflation, the Federal Reserve is expected to keep interest rates higher for much of the remainder of the year, keeping the cost of borrowing elevated. Additionally, credit card delinquencies have risen

above pre-pandemic levels.² Consumer spending is expected to continue to decelerate for the remainder of 2024 due to the weaker purchasing power, increased debt and moderating local wages.

2025 Forecast: Sales tax revenue is forecast at \$10.371 billion, growth of 4.0 percent over the current year, net of the Distressed Hospital Assistance Account and MTA State intercepts.¹ Collections growth is anticipated to experience modest gains as wage earnings and visitor spending grow at a moderate pace. The Federal Reserve is expected to loosen monetary policy further lifting the out-year forecast.

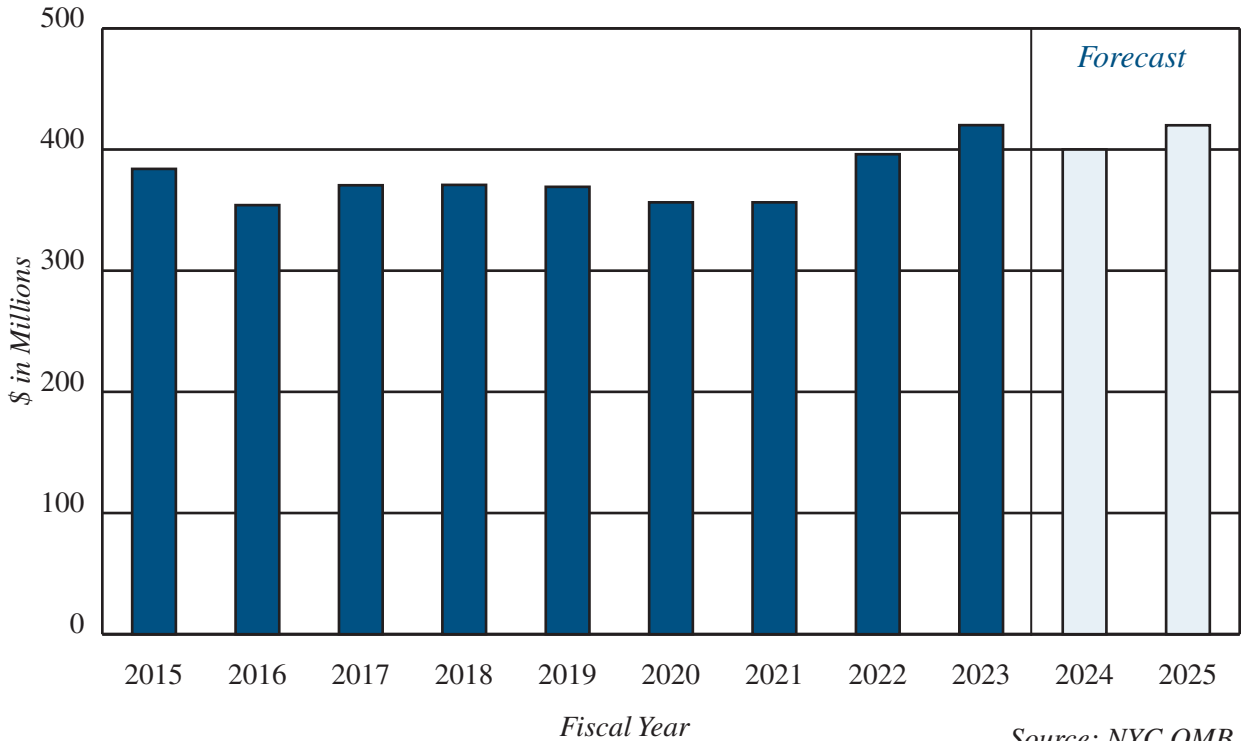
Sales tax revenue growth is forecast to average 4.2 percent annually from 2026 through 2028 net of the Distressed Hospital Assistance Account and MTA State intercepts, reflecting a balanced labor market with steady wage earnings growth, solid increases in tourism activity, and a stable macro economy.

1 Absent the Distressed Hospital and Assistance Account and MTA State intercepts, sales tax in fiscal year 2024 and 2025 is expected to increase 4.4 percent and 3.9 percent respectively. This act was recently revised in the 2024-25 NYS Enacted Budget in the Health and Mental Hygiene Bill (Part D), which extends the withholdings an additional three years from March 2025 to 2028, with quarterly installments amounting to \$150 million annually.

2 "Credit Card and Auto Loan Delinquencies Continue Rising; Notably Among Younger Borrowers," The Federal Reserve Bank of New York, February 6, 2024.

UTILITY TAX

UTILITY TAX 2015 - 2025



Source: NYC OMB

The utility tax is projected to account for 0.5 percent of total tax revenue in 2025, or \$420 million.

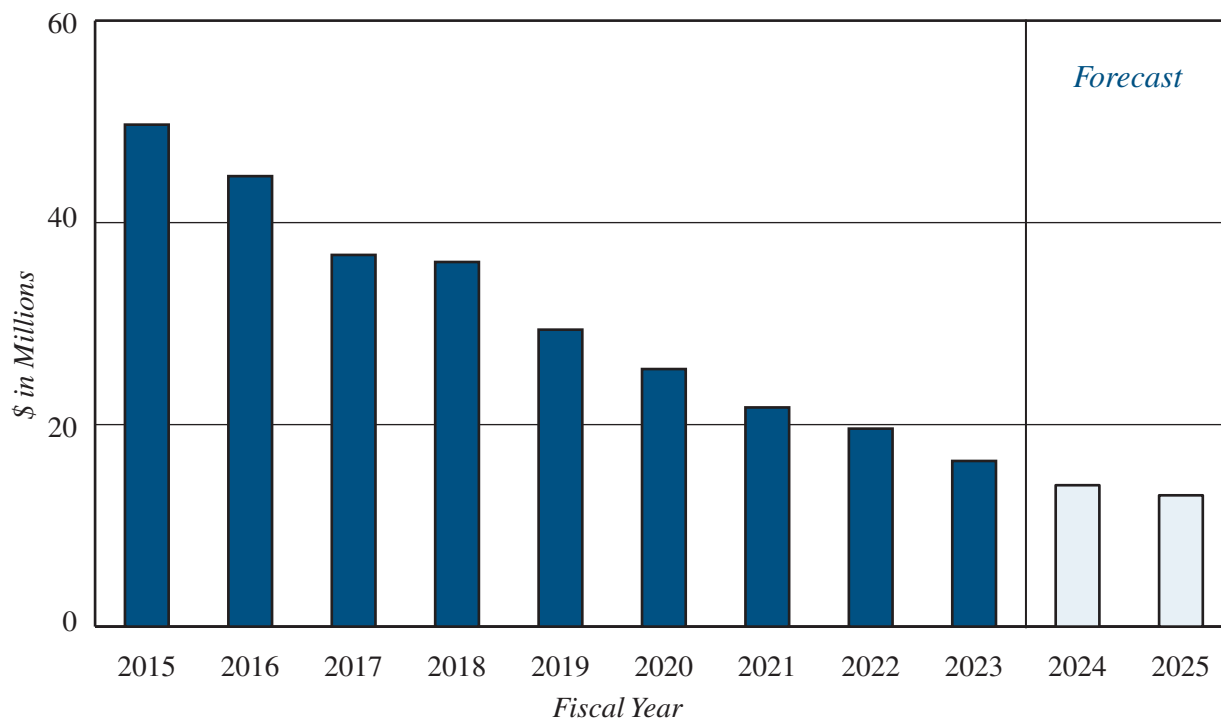
2024 Forecast: Utility tax revenue is forecast at \$400 million in 2024, a 4.8 percent decrease from the prior year, and down \$4 million from the January 2024 Financial Plan. Year-to-date collections through March have decreased 8.8 percent over the prior year as natural gas prices and electricity consumption have declined. Collections through the remainder of the fiscal year are forecast to increase modestly over the same previous year period when energy prices sharply declined in the spring.

2025 Forecast: Utility tax revenue is forecast at \$420 million, a growth of 5.0 percent over the current year, and no change from the January 2024 Financial Plan. Electricity and natural gas prices are both expected to increase moderately over their 2024 levels.

Utility tax is forecast to grow an average of 5.7 percent per year from 2026 to 2028 reflecting growth in energy prices.

CIGARETTE TAX

CIGARETTE TAX 2015 - 2025



Source: NYC OMB

The cigarette tax is forecast to account for 0.02 percent of total tax revenue in 2025, or \$13 million.

2024 Forecast: Cigarette tax revenue is forecast at \$14 million in 2024, a decline of 14.9 percent from 2023. The nation’s highest State cigarette tax, at \$5.35 per pack, went into effect in New York early in the fiscal year, increasing the \$4.35 rate the State had since mid-2010 by a dollar.⁵ This higher price tag furthers the declining sale of cigarettes due to behavioral or preferential changes and/or diverts purchases to jurisdictions outside the City and/or State.

2025 Forecast: Following the trend, cigarette tax is forecast to decline 7.1 percent from the current year in 2025, or \$13 million.

5 With this, the current combined City/State cigarette tax was raised from \$5.85 to \$6.85 per pack, and the total City/State/Federal cigarette tax was increased from \$6.86 to \$7.86 per pack. (NY Tax Laws, Article 20, § 471(1))

ADULT USE CANNABIS TAX

**Adult Use Cannabis Tax
(\$ in Millions)**

2024	2025	Increase/(Decrease) From 2024 to 2025 Amount	Percent Change
\$5.00	\$10.00	\$5	100.0%

Adult use cannabis tax is forecast to account for 0.01 percent of tax revenue in 2025, or \$10 million.

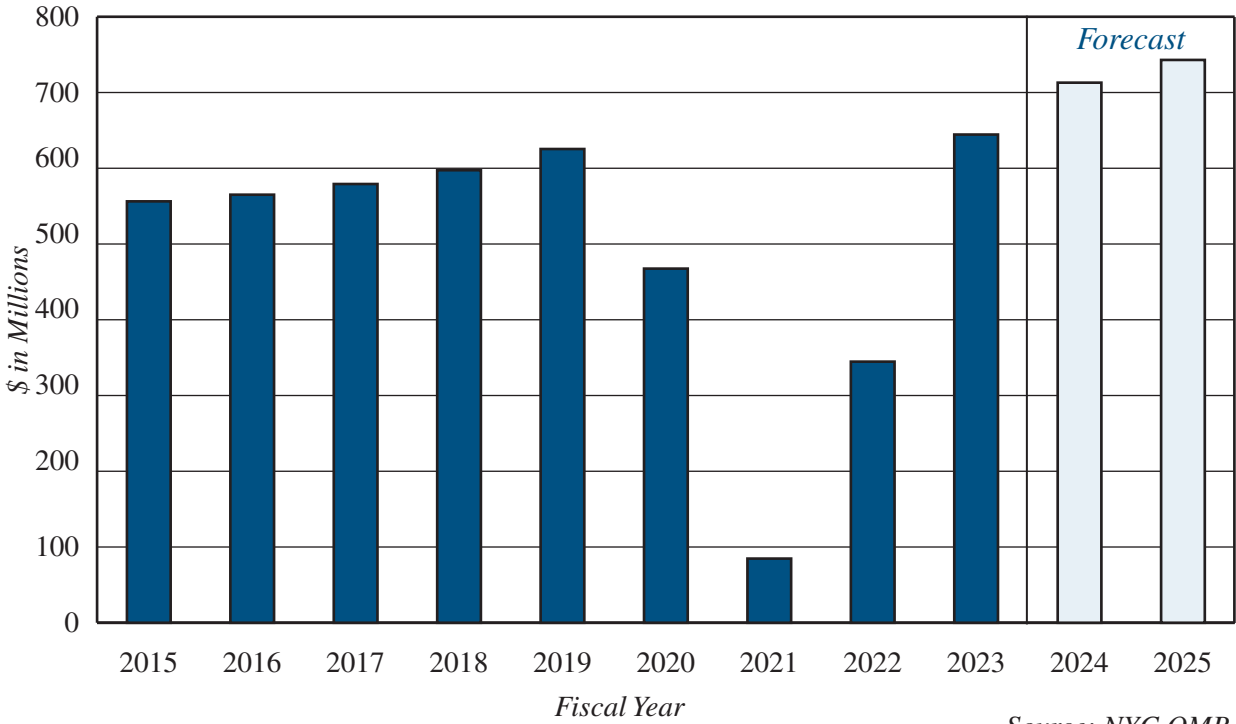
2024 Forecast: Cannabis tax revenue is forecast at \$5 million in 2024. Through March, year-to-date collections are \$1.5 million. A slow roll-out of dispensaries mired by setbacks has resulted in smaller than expected collections in 2024. As of January 2024, the State has begun issuing general retail dispensary licenses to the public, not only to specified groups which included individuals from communities disproportionately impacted by cannabis prohibition. Over one hundred licenses were awarded state-wide after this initial general application window, with 64 of the licenses for dispensaries. In total, there are approximately 40 licensed dispensaries already open in the City with new locations opening weekly. This near three-fold increase of dispensaries serving the City since January is expected to significantly boost revenues in the last quarter of the year.

2025 Forecast: Cannabis tax revenue is forecast at \$10 million in 2025 as dispensaries gradually open to meet the expected demand while facing competition from illegal, unlicensed sellers.

Cannabis tax is forecast to grow by an average of 49.0 percent per year from 2026 to 2028 as the market matures.

HOTEL TAX

HOTEL TAX 2015 - 2025



Source: NYC OMB

The hotel room occupancy tax is projected to account for 1.0 percent of tax revenue in 2025, or \$743 million.

2024 Forecast: Hotel tax revenue is forecast at \$713 million, a 10.6 percent growth over the prior year, and up \$16 million from the January 2024 Financial Plan. Collections year-to-date through March (reflecting June through February activity) grew 10.1 percent over the prior year, driven by an approximately 9 percent increase in room rates and a 5 percent increase in occupancy. Collections through the remainder of the fiscal year are forecast to grow 12.0 percent over the same prior year period, as room rates and occupancy remain elevated. Demand for hotel rooms continues to improve with the number of visitors anticipated to return just short of 2019 levels, as the City’s monthly air travel has surpassed pre-pandemic highs, and short-term rental options have diminished.

on the upswing, may be further influenced by this reduction in overnight stay options, leading to higher room rates and occupancy. This drop-off will not be restored quickly as new hotel construction is limited, leaving fewer options for a growing number of visitors.

2025 Forecast: Hotel tax revenue is forecast at \$743 million, a 4.2 percent growth over the current year, and \$16 million above the prior plan. The growth over 2024 is driven by further increases in room rates, occupancy, and room demand, as total international and domestic visitors to the City are anticipated to reach a new high in 2025.

The hotel room occupancy tax is expected to continue to improve in the out-years as occupancy rates increase with tourism and business travel, averaging 4.0 percent revenue growth from 2026 through 2028.

In an effort to return rental properties to the housing market, the City’s new registration requirements for short-term rentals have brought rentable units down drastically. As a result, hotel room demand, already

OTHER TAXES

All other taxes are projected to account for 1.4 percent of the total tax revenue in 2025, or \$1.073 billion.

**2024–2025 Other Taxes Forecast
Excluding Tax Audit Revenue
(\$000s)**

Tax	2024	2025	Increase/(Decrease) From 2024 to 2025 Amount	Percent Change
Auto Related Taxes				
Auto Use	\$30,000	\$30,000	—	0.0%
Commercial Motor Vehicle	63,571	67,071	3,500	5.5%
Taxi Medallion Transfer	800	800	—	0.0%
Excise Taxes				
Beer and Liquor	25,000	25,000	—	0.0%
Liquor License Surcharge.....	6,000	6,000	—	0.0%
Horse Race Admissions.....	50	50	—	0.0%
Medical Marijuana Excise Tax	600	600	—	0.0%
Off-Track Betting Surtax.....	450	760	310	68.9%
Miscellaneous				
Other Refunds.....	(54,000)	(52,000)	2,000	3.7%
Payment in Lieu of Taxes (PILOTs).....	726,000	751,000	25,000	3.4%
Section 1127 (Waiver)	200,000	180,000	(20,000)	(10.0%)
Penalty and Interest Real Estate (Current Year).....	30,000	30,000	—	0.0%
Penalty and Interest Real Estate (Prior Year)	53,500	42,000	(11,500)	(21.5%)
Penalty and Interest - Other Refunds.....	(8,000)	(8,000)	—	0.0%
Total	\$1,073,971	\$1,073,281	(690)	(0.1%)

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 2024 and 2025.

Commercial Motor Vehicle Tax: This tax is levied on vehicles used for the 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 \$64 million in 2024 and \$67 million in 2025.

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 \$800,000 in 2024 and 2025.

EXCISE TAXES

Beer and Liquor Excise Tax: This tax is imposed on beer and liquor sales by licensed distributors and non-commercial importers within NYC. 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 2024 and 2025.

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 NYC. This tax is forecast to generate \$50,000 in 2024 and 2025.

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. In 2024 and 2025, this tax is forecast to generate \$6 million.

Medical Marijuana Excise Tax: NYC 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 NYC. This tax is forecast to generate \$600,000 in 2024 and 2025.

Off-Track Betting Surtax: This tax is levied on bets placed at NYC Off-Track Betting offices and on bets placed statewide on races held within NYC. This tax is forecast to generate \$450,000 in 2024 and \$760,000 in 2025.

MISCELLANEOUS

Other Refunds: These are refunds primarily paid out on the commercial rent tax, business taxes, and Section 1127 (waiver) and are forecast at \$54 million in 2024 and \$52 million in 2025.

Payments in Lieu of Taxes (PILOTs): PILOTs are contractual agreements between public agencies and private property owners. There are five primary sponsor agencies that serve as intermediaries between the City and the PILOT facility owners: (1) NYC Economic Development Corporation; (2) Industrial Development Agency; (3) Battery Park City Authority; (4) Hudson Yards Infrastructure Corporation (HYIC) and (5) Port Authority of New York and New Jersey. PILOT revenue is forecast to generate \$726 million in 2024 and \$751 million in 2025.

Section 1127 (Waiver): Under Section 1127 of the NYC 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 \$200 million in 2024 and \$180 million in 2025.

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 \$30 million in 2024 and 2025, while interest collections

from prior year delinquencies are expected to be \$54 million in 2024 and \$42 million in 2025.

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 2024 and 2025.

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 \$847 million in 2024, an increase of \$100 million over the January 2024 Financial Plan. Audit revenue is forecast at \$773 million in 2025.

MISCELLANEOUS RECEIPTS

Forecast of Miscellaneous Receipts

The non-tax revenue portion of City Funds is referred to as miscellaneous revenues. The 2025 Executive Budget includes eleven classes of miscellaneous revenues which are discussed below.

Miscellaneous revenues are estimated at \$6,174 million in 2025, a decrease of \$177 million from 2024, 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)**

	2024 Forecast	2025 Executive Budget	Forecast to Executive Budget Increase (Decrease)
Licenses.....	\$79	\$65	(14)
Permits	281	308	27
Franchises and Privileges.....	343	345	2
Interest Income.....	633	379	(254)
Tuition and Charges for Services.....	951	1,026	75
Water and Sewer Revenues.....	2,027	2,234	207
Rental Income	283	260	(23)
Fines and Forfeitures	1,318	1,234	(84)
Miscellaneous.....	436	323	(113)
Total Miscellaneous Revenues.....	\$6,351	\$6,174	(177)

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 policy 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 565,000 licenses. About 52,000 are non-recurring, 121,000 are renewed annually, 169,000 biennially, and 223,000 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 2025 forecast for license revenue is \$65 million, \$14 million less than 2024. This decrease is attributable to one-time issuance of electric vehicle licenses in 2024 and the cyclical nature of renewals of certain licenses.

Permits

Permits are issued to 1,205,000 individuals or entities for the use of facilities, premises or equipment. Approximately 234,000 permits are renewable on an annual, biennial or triennial basis. Seasonal or single occurrence permits, such as tennis and building permits, account for 971,000 additional permits, all of which are issued and regulated by twelve City agencies.

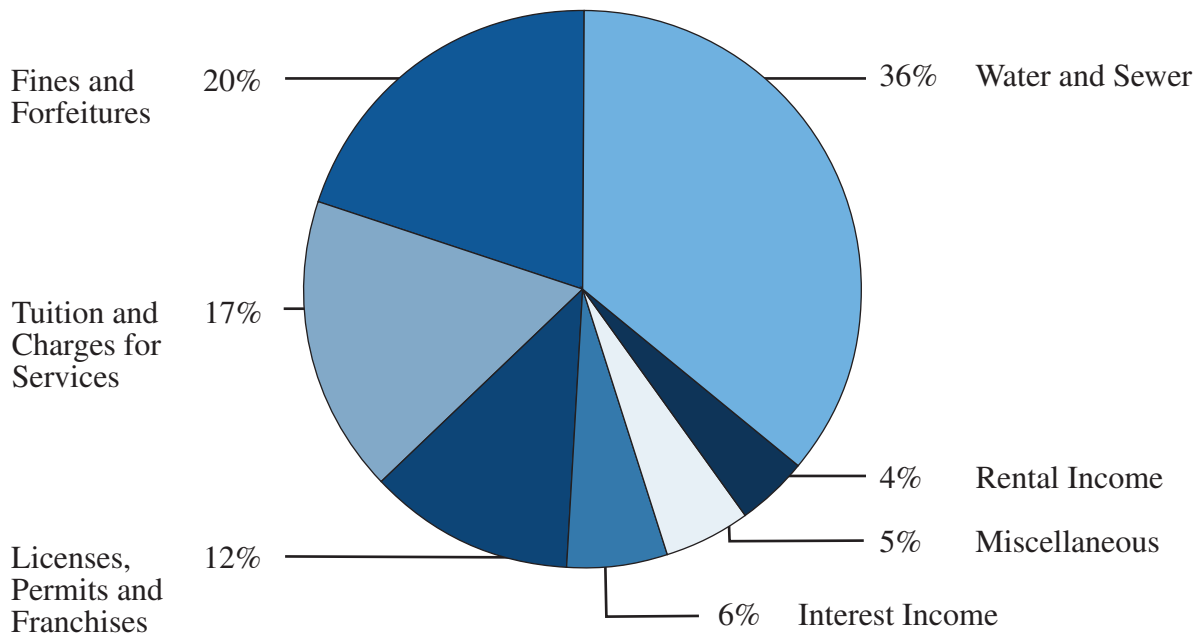
The major sources of revenue are permits for building construction and alterations, street openings, restaurants, hazardous materials, and air pollution control. The 2025 forecast for permit revenue is \$308 million, \$27 million more than 2024. The increase is due to an upturn in receipts for construction-related and sustainability permits issued by the Department of Buildings.

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 2025 forecast for tuition and charges for services is \$1,026 million, \$75 million more than 2024. Tuition revenue was adjusted downward to reflect reduced student enrollment and a surge in Affordable NY Housing Program filings in 2024.

COMPONENTS OF MISCELLANEOUS REVENUES

As a Percentage of 2025



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 rental payment from the Water Board is intended to pay for the use of the City’s water supply, distribution, collection and treatment plant, and is capped at the greater of debt service payments for outstanding water and sewer-related general obligation debt or 15 percent of Water Authority debt service. The City will receive \$1,945 million for O&M services rendered in the delivery of water and the collection, treatment, and disposal of wastewater and \$289 million for the rental of the water supply and sewer system plant, in accordance with the lease agreement between the Water Board and the City.

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 2025 forecast for forfeitures is \$1.2 million. The revenue expected from fines in 2024 and 2025 is listed below:

Fine Revenue

Type (\$ in 000’s)	2024 Forecast	2025 Executive Budget
Parking Violations.....	\$596,920	\$597,426
Speed Camera Violations.....	275,000	240,857
Environmental Control Board Violations	115,412	118,190
Department of Buildings Penalties	106,700	79,500
Bus Lane Violations.....	44,000	38,100
Red Light Camera Violations	37,500	22,500
Department of Health Violations	22,000	22,000
Taxi and Limousine Commission Violations.....	11,700	14,800
Department of Finance Late Penalties.....	16,500	13,500
Department of Consumer and Worker Protection	13,550	10,550
State Court Fines.....	4,000	4,000
Other Sources.....	73,484	70,919
Total.....	<u>\$1,316,766</u>	<u>\$1,232,342</u>

The Parking Violation division of the Department of Finance is forecasted to collect \$900.2 million in parking, red light, bus lane, weigh in motion, and speed camera fines in 2025, \$54.5 million less than in 2024.

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 \$22.5 million in 2025. 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 21 Select Bus Service routes. The revenue from these mobile cameras is remitted to New York City Transit. The Department will generate approximately \$38.1 million from fixed bus lane cameras in 2025. Legislation passed in 2019 authorizes the Department to use speed camera enforcement in 750 school zones. Currently, 2,175 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 24 hours a day, 7 days a week, year-round. Collections are expected to be \$240.9 million in 2025. Legislation passed in 2021 authorizes the Department to launch a pilot program using weigh in motion technology to capture overweight trucks on the Brooklyn Queens Expressway. The violations are expected to generate \$1.3 million in 2025.

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 \$143.4 million in 2025.

The Department of Consumer and Worker Protection enforces the City’s consumer protection, licensing, tobacco, municipal workplace, and Truth-in-Pricing laws. In 2025, the Department will generate \$10.6 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 2025 forecast for interest earnings is \$379 million, a decrease of \$254 million from 2024. The decrease is attributable to a lower projected federal funds rate for 2025.

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 2025 forecast for franchise revenue is \$345 million, \$2 million more than in 2024. The increase is attributable to changes in cable and mobile telecommunication partially offset by Department of Transportation Dining Out revocable consent fees.

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 2,600 properties are rented from the City. Approximately 500 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 2025 forecast for rental income is \$260 million, \$23 million less than in 2024. The decrease is due to an additional lease payment from the Port Authority of New York and New Jersey based on airport earnings for 2023.

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 2025 forecast for miscellaneous revenue is \$323 million, \$113 million less than in 2024. The decrease is related to one-time revenue in 2024 including one-time property sales, Law Department settlement payments, unclaimed funds and refunds for prior year expenditures.

Private Grants

The Executive Budget includes \$1,106 million in private grants in 2025, \$45 million less than 2024. 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 2025, expected reimbursements will be \$761 million.

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 2025 community boards submitted 1,866 capital requests and 1,725 expense requests to 37 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 2025 budget.

Register of Community Board Budget Requests for the Executive Budget, Fiscal Year 2025 – 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 2025 – details the expense budgets of fourteen agencies that deliver local services by borough and service district. Includes FY 2025 Executive Budget information as well as FY 2024 current modified budget and budgeted headcount data.

Executive Capital Budget for Fiscal Year 2025 – 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 2025 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.

CONTRACT BUDGET

The Contract Budget is presented as part of the 2025 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 2025 Executive Contract Budget contains an estimated 17,624 contracts totaling approximately \$22.79 billion. Of that number, 78 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 \$1.59 billion in contracts, approximately 60 percent of which represents contracts allocated for Children’s Charitable Institutions (\$501 million) and Day Care (\$451 million). Of the \$10.25 billion in Department of Education contracts, approximately 51 percent of the contracts are allocated for Transportation of Pupils (\$2.02 billion) and Charter Schools (\$3.17 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 2024 Modified Budget condition for these contract object codes.

Agencies in preparing their contract budgets were requested to categorize their contracts into 52 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.....	4,429	\$8,274	36.3%
· Home Care, Child Welfare, Employment Services, Public Assistance, Day Care, Family Services, Homeless Programs, AIDS, Senior Citizen Programs, Health, Mental Hygiene & Prison Health, etc.			
Youth and Student Related Services.....	3,115	7,905	34.7%
· (including Transportation of Pupils and Payments to Contract Schools)			
Other Services.....	3,184	2,190	9.6%
· Custodial, Security Services, Secretarial, Cultural Related, Employee Related, Economic Development, Transportation, Municipal Waste Exporting, etc.			
Professional Services/Consultant.....	3,539	2,407	10.6%
· Accounting, Auditing, Actuarial, Education, Investment Analysis, Legal Engineering & Architectural, System Development & Management Analysis, etc.			
Maintenance & Operation of Infrastructure	1,666	1,486	6.5%
· Lighting, Street Repair, Buildings, Parks, Water Supply, Sewage and Waste Disposal, etc.			
Maintenance of Equipment.....	1,691	525	2.3%
· Data Processing, Office Equipment, Telecommunications & Motorized Equipment, etc.			
TOTAL	17,624	\$22,787	100.0%

CITYWIDE SUSTAINABILITY AND RESILIENCY

In the last 15 years, New York City has experienced the most damaging storm in its history, periods of lethal high temperatures, severe flooding from rainfall, and harmful air quality caused by smoke plumes from Canadian wildfires. The world’s scientists are clear: if deliberate and urgent actions are not taken worldwide, similar events will only become more intense, frequent, and impactful.

Climate solutions can be complex and costly, requiring transformative changes to the ways infrastructure is built, buildings and vehicles are powered, and businesses and governments operate and provide services. To enable strategic and informed decisions on climate investments and alignment of city resources with climate goals, starting this year, New York City’s Office of Management and Budget (OMB) is integrating climate action into the city’s budgetary process through Climate Budgeting. Climate Budgeting is an ongoing process to assess progress towards sustainability and resiliency goals, work with partner agencies to address identified gaps, evaluate and prioritize proposed actions and investments for impact and cost, implement new actions, report on progress, and continue to reassess needs – all in a cycle aligned with the city’s budget process.

OMB has released the Fiscal Year 2025 Executive Budget Climate Budgeting Publication to complement the Message of the Mayor and other budget publications. For details on the City’s spending on climate initiatives, please refer to the [Climate Budgeting Publication](#).

FINANCING PROGRAM

The City financing program projects \$70.6 billion of long-term borrowing for the period from 2024 through 2028 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 expect to issue \$27.9 billion and \$32.3 billion, respectively, during the plan period. The City issuance supports 40 percent of the total, and TFA FTS issuance supports another 46 percent of the total. NYW expects to issue approximately \$10.4 billion.

**Financing Program
(\$ in Millions)**

	2024	2025	2026	2027	2028	Total
City General Obligation Bonds	\$4,215	\$5,000	\$5,760	\$6,360	\$6,580	\$27,915
TFA FTS Bonds	6,130	7,500	5,760	6,360	6,580	32,330
Water Authority Bonds ¹	1,530	1,869	2,236	2,282	2,487	10,404
Total.....	\$11,875	\$14,369	\$13,756	\$15,002	\$15,647	\$70,649

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 tables titled “Debt Outstanding,” “Annual Debt Service Costs,” and “Debt Burden” show statistical information for the period from 2024 through 2028, based on debt previously issued and expectations for future issuances.

Debt Outstanding
(\$ in Millions at Year End)

	2024	2025	2026	2027	2028
City General Obligation Bonds	\$41,803	\$44,351	\$47,671	\$51,653	\$55,746
TFA Bonds.....	49,946	55,793	59,724	63,793	67,859
TSASC Bonds.....	909	879	854	827	800
Conduit Debt.....	863	794	726	656	586
Total.....	\$93,521	\$101,817	\$108,975	\$116,929	\$124,991
Water Authority Bonds ¹	\$32,957	\$34,352	\$36,073	\$37,871	\$39,687

1 Does not include Fiscal 2008BB bonds which have been economically defeased and will be redeemed on May 23, 2024.

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

	2024	2025	2026	2027	2028
City General Obligation Bonds	\$4,247	\$4,458	\$4,628	\$4,804	\$5,180
TFA Bonds.....	3,124	3,661	4,191	4,695	5,149
TSASC Bonds.....	76	76	69	69	68
Conduit Debt.....	99	120	119	118	112
Total Debt Service.....	\$7,546	\$8,315	\$9,007	\$9,686	\$10,509
Water Authority Bonds ¹	\$1,819	\$1,987	\$2,141	\$2,229	\$2,525

1 Includes First Resolution debt service and Second Resolution debt service net of subsidy payments from the NYS Environmental Facilities Corporation. Does not include Fiscal 2008BB bonds which have been economically defeased and will be redeemed on May 23, 2024.

Debt Burden

	2024	2025	2026	2027	2028
Total Debt Service ¹ as % of:					
a. Total Revenue	6.5%	7.4%	8.0%	8.4%	9.0%
b. Total Taxes	10.1%	10.8%	11.5%	11.9%	12.6%
c. Total NYC Personal Income.....	1.1%	1.1%	1.1%	1.2%	1.2%
Total Debt Outstanding ¹ as % of:					
a. Total NYC Personal Income.....	13.2%	13.6%	13.9%	14.1%	14.4%

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

Currently the debt service for the City, TFA FTS, and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 6.5 percent of the City's total budgeted revenues in 2024. That ratio is projected to rise to 9.0 percent in 2028. As a percentage of tax revenues, the debt service ratio is 10.1 percent in 2024 and is projected to increase to 12.6 percent in 2028.

The primary issuers financing the City capital program have maintained credit ratings in the AA category or better by Moody's, S&P, and Fitch, and in the case of the City, Krill, as indicated in the table titled "Ratings". These entities have maintained reliable market access, including during the economic uncertainty caused by the onset of COVID-19, to finance capital spending and undertake refinancing transactions, as discussed later. All of the outlooks are stable.

Issuer	Ratings			
	Moody's	S&P	Fitch	Kroll
NYC GO	Aa2	AA	AA	AA+
TFA FTS-Subordinate ¹	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	

1 TFA may also issue FTS-Senior bonds, although none are currently outstanding. The most recent ratings assigned to the Senior credit were triple-A from each of Moody's, S&P, and Fitch.

New York City General Obligation Bonds

Since July 1, 2023, the City has issued \$4.2 billion in GO bonds for capital purposes and \$180 million in GO refunding bonds. The dates and principal amounts are shown in the table titled "NYC GO Issuances":

Series	(N)ew \$/ (R)efunding	NYC GO Issuances (\$ in Millions)			
		Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2024 A	N	8/17/2023	\$950	\$0	\$950
2024 B-1 (Social Bonds)	N	10/12/2023	0	700	700
2024 B-2	N	10/12/2023	0	265	265
2024 C	N	3/7/2024	1,200	0	1,200
2024 D	N	4/11/2024	1,100	0	1,100
2024 EF	R	4/11/2024	180	0	180
Total			\$3,430	\$965	\$4,395

Included in this total was the issuance by the City of its second series of Social Bonds, issued in October 2023, structured as \$700 million taxable General Obligation Bonds. The proceeds of the Social Bonds sale financed affordable housing programs administered by the City's Department of Housing Preservation and Development.

The GO refunding the City completed in 2024 generated approximately \$7 million of debt service savings during the financial plan period.

Additionally, the City took steps to manage outstanding floating rate debt by reoffering approximately \$551 million of floating rate bonds in a fixed rate mode.

The City plans to issue GO bonds for capital purposes of approximately \$4.2 billion, \$5.0 billion, \$5.8 billion, \$6.4 billion, and \$6.6 billion in 2024 through 2028, respectively.

The New York City Transitional Finance Authority

The TFA is a public authority of New York State created by the New York City Transitional Finance Authority Act in 1997. The TFA was created to issue FTS bonds, secured primarily 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 FTS bonds and notes. This authorization evolved over time to permit TFA

to have \$13.5 billion of FTS debt outstanding, with any amounts over and above that level subject to the City's remaining debt incurring power under the State constitutional debt limit. The State's Fiscal Year 2025 budget enacted in April 2024 increased the total amount of FTS debt authorized to be outstanding and not subject to the City's debt limit to \$21.5 billion, beginning July 1, 2024, and to \$27.5 billion beginning on July 1, 2025.

Since July 1, 2023, the TFA has issued approximately \$4.3 billion in FTS bonds for capital purposes and approximately \$1.4 billion in refunding bonds. The dates and principal amounts are shown in the table titled "NYC TFA Issuances":

<u>Series</u>	<u>(N)ew\$/ (R)efunding</u>	<u>Issue Date</u>	<u>Tax Exempt Amount</u>	<u>Taxable Amount</u>	<u>Total Par Amount</u>
2024 A	N	7/27/2023	\$950	\$130	\$1,080
2024 B	N	8/31/2023	1,000	0	1,000
2024 C	N	10/26/2023	1,000	0	1,000
2024 DE	R	1/3/2024	1,269	173	1,442
2024 F	N	2/15/2024	1,000	250	1,250
Total			<u>\$5,219</u>	<u>\$553</u>	<u>\$5,772</u>

The TFA refunding transactions completed in 2024 generated approximately \$172 million of debt service savings during the financial plan period.

The TFA plans to issue TFA FTS bonds for capital purposes of approximately \$6.1 billion, \$7.5 billion, \$5.8 billion, \$6.4 billion, and \$6.6 billion in 2024 through 2028, 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. The financial plan does not currently contemplate the issuance of BARBs for new money purposes.

New York City Related Issuers - Variable Rate Debt

The City and other issuers supporting the City capital program have utilized floating rate debt in an effort to diversify their offerings and minimize interest costs. Variable rate demand bonds, which require an accompanying bank facility, comprise the majority of the City’s variable rate portfolio. The City, TFA, and the City’s 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 \$7.2 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 savings relative to fixed rate debt, the exposure is of note because certain events can cause unexpected increased costs. Those events would include rising short-term 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 or the credit of a liquidity provider. The City uses conservative assumptions in budgeting interest rates and associated expenses from floating rate instruments.

The table “NYC Floating-Rate Exposure” shows a breakout of the City’s and its related issuers’ floating rate exposure, excluding NYW. Floating rate exposure is currently at 7.7 percent, which remains below the City’s policy guideline of 20 percent. This is even more manageable after taking into account the 10-year average balance of \$8.6 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.

NYC Floating-Rate Exposure¹
(\$ in Millions)

	<u>GO</u>	<u>TFA</u>	<u>Conduit</u>	<u>TSASC</u>	<u>Total</u>
Floating Rate Bonds	\$4,392	\$2,762	\$30	\$0	\$7,184
Synthetic Fixed	13	0	45	0	58
Total Floating-Rate	\$4,405	\$2,762	\$75	\$0	\$7,242
Total Debt Outstanding	\$41,803	\$49,946	\$863	\$909	\$93,521
<i>% of Floating-Rate / Total Debt Outstanding.....</i>	<i>7.7%</i>				
Total Floating-Rate Less \$8.6 Billion Balance in General Fund (Floating-Rate Assets).....	(1,339)				
<i>% of Net Floating Rate / Total Debt Outstanding.....</i>	<i>(1.4%)</i>				

1 End of Fiscal Year 2024 Debt Outstanding as of the April 2024 Financial Plan excluding NYW.

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 the relationship between tax-exempt and taxable floating rates. To calculate the floating rate exposure associated with synthetic fixed rate debt in the foregoing analysis, it is conservatively assumed that there is no difference between tax-exempt bond rates and the taxable rates on which swap receipts are based.

The City has not entered into any new interest rate swaps in recent years. The City is a party to one remaining GO interest rate swap with an outstanding notional amount as of March 29, 2024 of \$32 million, for which the mark-to-market value was negative \$233 thousand. This is the theoretical amount that the City would pay if the swap was terminated under market conditions as of March 29, 2024. Additionally, the City is required to make payments under two interest rate swap agreements that relate to conduit indebtedness; as of March 29, 2024, the total notional amount was \$125.5 million and the combined mark-to-market value was negative \$7 million. The TFA has no outstanding swaps.

The variable rate receipts on outstanding interest rate swap agreements were originally based on the London Interbank Offered Rate (LIBOR), a benchmark index that is being phased out. Additionally, certain floating rate debt instruments included alternative rates based on LIBOR. To address the market's transition away from LIBOR, these swap and debt instruments were modified to incorporate the Secured Overnight Financing Rate (SOFR) as a replacement.

The New York City Municipal Water Finance Authority

The New York City Municipal Water Finance Authority (NYW) was created in 1984 to finance capital improvements to the City's water and sewer system. Since its first bond sale in November 1985, the Authority has sold \$86.0 billion of bonds.

Of the aggregate bond par amount sold, as of April 24, 2024, \$33.3 billion is outstanding, \$38.5 billion, including \$665 million of special resolution crossover bonds, was refinanced, \$6.6 billion was defeased with Authority funds prior to maturity, and \$7.6 billion was retired with revenues as they matured¹. In addition to this long-term debt, NYW uses bond anticipation notes (BANs) issued to the New York State Environmental Facilities Corporation (EFC) and has used a commercial paper program as a source of flexible short-term financing. As of April 24, 2024, NYW had \$10.9 million in outstanding BAN draws and available undrawn capacity of \$215 million pursuant to agreements with EFC to fund certain projects. NYW is authorized to draw up to \$600 million of commercial paper notes, including up to \$400 million of Extendable Municipal Commercial Paper. Currently, the Authority has no commercial paper outstanding, and does not expect to issue commercial paper for the remainder of 2024.

NYW's outstanding debt also includes floating rate bonds, which have been a reliable source of cost-effective financing. Not including economically defeased Series 2008BB bonds, NYW has \$4.3 billion of floating rate bonds or approximately 14 percent of its outstanding debt. NYW's floating rate exposure consists primarily of tax-exempt floating rate debt supported by liquidity facilities. NYW also has 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 previously had two interest rate swap agreements that synthetically fixed \$401 million of floating-rate bonds. These swaps were terminated in April 2024 in connection with the refunding of the underlying bonds.

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.

¹ Does not include Fiscal 2008BB bonds which have been economically defeased and will be redeemed on May 23, 2024.

Summarized in the table titled “NYW Issuance” are the issuances that have closed to date in 2024. 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.

Series	NYW Issuance (\$ in Millions)				
	(N)ew Money / (R)ef.	Issue Date	Par Amount	True Interest Cost (TIC)	Longest Maturity
2024 AA	N/R	10/5/2023	\$693	4.67%	2053
2024 1 ¹	N	2/15/2024	\$43	0.00%	2053
2024 BB	N/R	3/19/2024	\$1,364	3.83%	2054
2024 3 ¹	N/R	4/2/2024	\$717	2.35% ²	2053
2024 CC	N/R	4/23/2024	\$789	4.22%	2054
			\$3,606		

(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 2025 to 2028, NYW expects to issue an average of approximately \$2.2 billion of new money bonds per year. Of this amount, NYW plans to issue to EFC about \$300 million of bonds annually, 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.

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. Debt service 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 on residential developments, 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 since 2015.

After the initial bond issues funding the capital improvements mentioned previously, 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 the City’s benefit in 2017. Moreover, the refunding enabled HYIC to transfer periodically to the City excess revenues over and above amounts needed for HYIC debt service. 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 HYIC’s bonds are under the legal structure established in the 2017 refunding transaction mentioned above. Moody’s rates the HYIC bonds Aa2 with a stable outlook. S&P upgraded HYIC’s bonds in September 2023 and now rates the bonds AA with a stable outlook. Fitch rates HYIC bonds AA- 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 \$380 million for project costs. As of March 31, 2024, HYIC has drawn approximately \$52 million on the term loan to fund costs of Phase II.

CAPITAL BUDGET

The Executive Capital Budget and Four-Year Plan, 2025-2028

The 2025 Executive Capital Budget includes new appropriations of \$12.5 billion, of which \$11.4 billion are to be funded from City sources. These appropriations, together with available balances from prior years, authorize total commitments of \$21.7 billion for 2025, of which \$20.2 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 2025-2028 Capital Plan totals \$77.1 billion for the construction and rehabilitation of the City's infrastructure. This will provide funding targeted to maintaining the drinking water system, building and improving schools, building new borough-based jail facilities, improving transportation, and providing affordable housing.

The City will invest \$3.3 billion to upgrade the operational integrity and resiliency of its wastewater resource recovery facilities, as well as \$1.3 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 \$2.9 billion for the repair and construction of water supply tunnels and associated infrastructure, including the Brooklyn/Queens section of City Tunnel No. 3, a tunnel between the Kensico Reservoir and the

Catskill/Delaware Ultraviolet Disinfection Facility, and the Hillview Reservoir. The Capital Plan will provide \$13.7 billion for new school construction and expansion, as well as the rehabilitation, enhancements, and improvements to existing school buildings. The Capital Plan will invest \$9.5 billion for the design and construction of new borough-based jail facilities. The City will provide \$3.4 billion to reconstruct and rehabilitate bridges to ensure a state of good repair, including the Brooklyn-Queens Expressway (BQE) triple cantilever and the Shore Road Bridge over the Hutchinson River. The City will also provide \$1.2 billion to repave 1,100 vehicle lane miles and 50 bike lane miles of roadway per year. The City will provide \$6.6 billion for the preservation and new construction of affordable housing for low to moderate income households, and those with special needs. Additionally, the City will also provide \$974.0 million to support NYCHA's Permanent Affordability Commitment Together (PACT) transactions.

**FY 2024 - 2028 Commitment Plan
(\$ in Millions)**

	2024		2025		2026		2027		2028	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
<i>Environmental Protection</i>										
Equipment	\$34	\$34	\$223	\$223	\$198	\$198	\$48	\$48	\$50	\$50
Sewers	265	276	295	301	705	711	754	754	854	854
Water Mains, Sources & Treatment	520	542	410	522	826	882	850	850	814	847
Water Pollution Control	1,313	1,429	347	429	1,652	1,723	1,122	1,149	1,365	1,365
Water Supply	451	451	1,778	1,778	187	187	384	384	571	571
Subtotal	\$2,583	\$2,732	\$3,052	\$3,253	\$3,568	\$3,701	\$3,159	\$3,185	\$3,654	\$3,687
<i>Transportation</i>										
Mass Transit	\$1,458	\$1,458	\$330	\$374	\$40	\$40	\$40	\$40	\$40	\$40
Bridges	215	261	347	512	592	599	674	674	1,598	1,921
Highways	663	801	1,024	1,320	816	903	1,315	1,413	1,246	1,268
Subtotal	\$2,335	\$2,520	\$1,700	\$2,206	\$1,448	\$1,542	\$2,029	\$2,127	\$2,884	\$3,228
<i>Education</i>										
Education	\$4,636	\$4,745	\$3,455	\$3,486	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400
Higher Education	77	81	174	174	165	165	168	168	235	235
Subtotal	\$4,713	\$4,827	\$3,630	\$3,661	\$3,565	\$3,565	\$3,568	\$3,568	\$3,635	\$3,635
<i>Housing & Economic Development</i>										
Economic Development	\$562	\$801	\$740	\$790	\$406	\$414	\$466	\$472	\$376	\$381
Housing	2,649	2,803	2,112	2,152	2,192	2,232	1,625	1,665	1,687	1,727
Subtotal	\$3,211	\$3,603	\$2,852	\$2,942	\$2,598	\$2,646	\$2,090	\$2,136	\$2,063	\$2,108
<i>Administration of Justice</i>										
Corrections	\$1,119	\$1,153	\$2,872	\$2,872	\$2,596	\$2,596	\$2,102	\$2,102	\$2,457	\$2,457
Courts	107	112	169	172	211	212	163	163	103	119
Police	168	197	218	227	146	146	109	109	55	55
Subtotal	\$1,394	\$1,462	\$3,259	\$3,271	\$2,953	\$2,954	\$2,374	\$2,374	\$2,615	\$2,631
<i>City Operations and Facilities</i>										
Cultural Institutions	\$300	\$300	\$196	\$247	\$169	\$169	\$162	\$165	\$376	\$376
Fire	211	233	212	242	242	242	171	171	131	131
Health & Hospitals	629	685	870	879	400	515	262	454	266	440
Parks	623	646	436	724	658	693	755	760	925	995
Public Buildings	181	182	282	284	280	280	262	262	123	123
Sanitation	281	283	492	502	258	263	285	285	225	225
Resiliency, Technology & Equipment	1,317	1,377	1,480	1,587	1,426	1,435	1,056	1,056	636	636
Other	1,630	1,683	1,732	1,873	1,078	1,167	815	854	645	673
Subtotal	\$5,171	\$5,389	\$5,699	\$6,339	\$4,511	\$4,763	\$3,767	\$4,007	\$3,327	\$3,598
Total Commitments	\$19,407	\$20,533	\$20,192	\$21,672	\$18,642	\$19,171	\$16,987	\$17,398	\$18,178	\$18,888
<i>Reserve for Unattained Commitments</i>										
	(\$3,365)	(\$3,365)	(\$3,812)	(\$3,812)	(\$1,860)	(\$1,860)	(\$72)	(\$72)	(\$442)	(\$442)
Commitment Plan	\$16,042	\$17,168	\$16,380	\$17,860	\$16,782	\$17,311	\$16,915	\$17,326	\$17,736	\$18,446
Total Expenditures	\$13,298	\$14,228	\$13,230	\$14,317	\$14,075	\$15,140	\$15,322	\$16,260	\$15,976	\$16,822

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

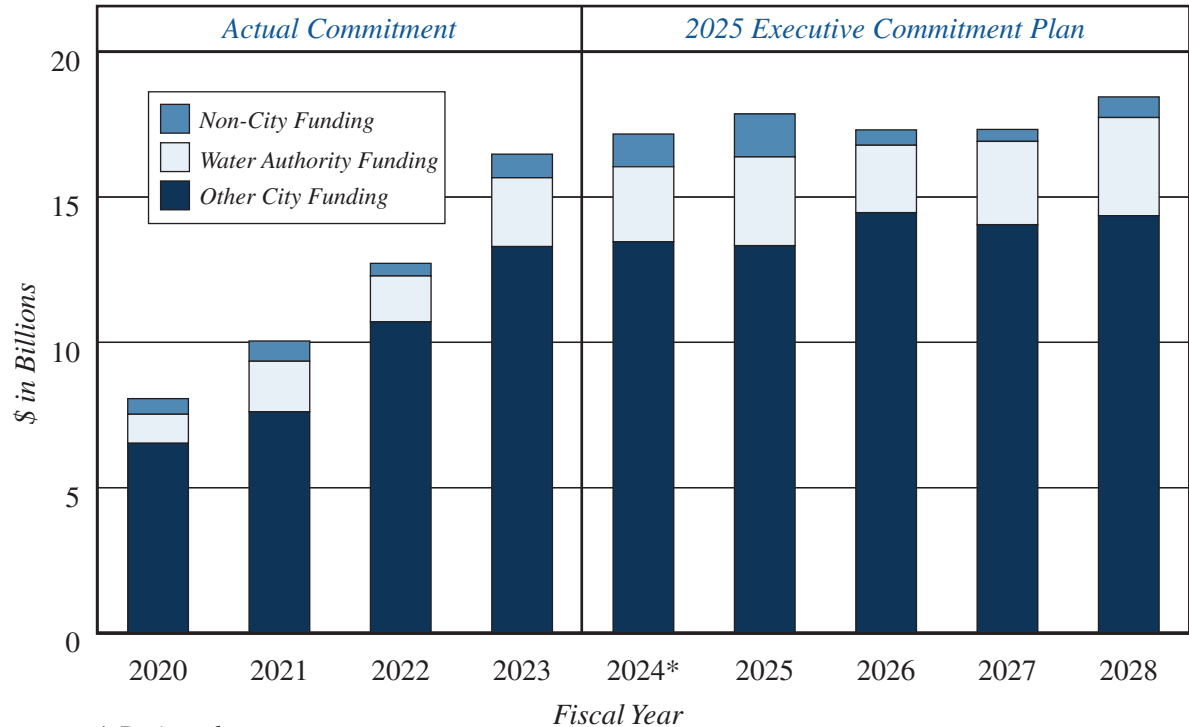
Non-City Funding Sources

Non-City capital funding sources include \$1.5 billion in the 2025 plan and \$3.1 billion over the 2025-2028 four-year plan period. The majority of non-City funding supports Transportation, Hospitals, Parks, Environmental Protection, and Housing.

Transportation programs are projected to receive non-City funding of \$1.1 billion over the 2025-2028 period, with \$718.6 million from the Federal government, \$274.4 million from the State, and private funds of \$152.4 million. Hospitals programs anticipate receiving \$485.7 million in Federal funding over the

2025-2028 period. Parks programs are projected to receive \$397.7 million over the 2025-2028 period, with \$315.5 million from the Federal government, \$54.6 million from private funds, and \$27.5 million from the State. Environmental Protection programs anticipate receiving \$392.8 million over the 2025-2028 period, with \$186.7 million from the Federal government, \$169.0 million from the State, and \$37.1 million from private funds. Housing programs are projected to receive \$160.0 million in Federal funding over the 2025-2028 period.

FY 2020 - 2028 CAPITAL COMMITMENTS BY FUNDING SOURCE



* Projected

Source: NYC OMB

The Capital Program since 2020

The table below illustrates the changes in the size of the City's capital program over the 2020-2023 period.

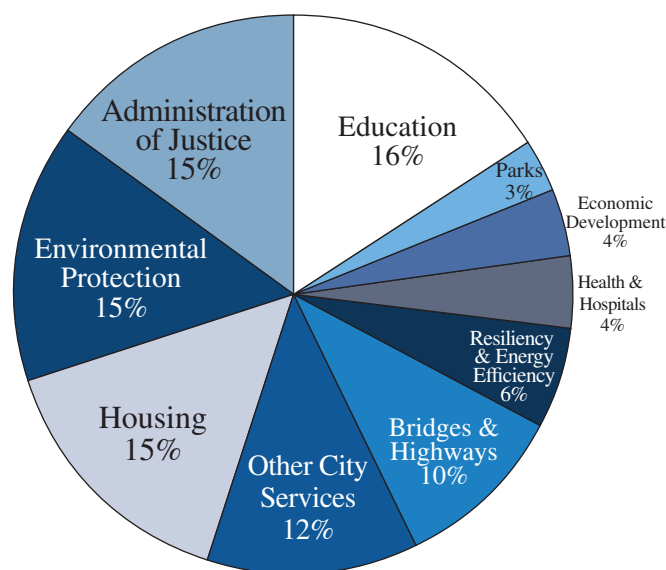
FY 2020-2023 COMMITMENTS
(\$ in Millions)

	2020		2021		2022		2023	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
<i>Environmental Protection</i>								
Equipment	\$13	\$13	\$35	\$35	\$30	\$30	\$130	\$130
Sewers	303	323	216	233	533	543	464	480
Water Mains, Sources and Treatment.....	175	176	328	329	197	197	309	326
Water Pollution Control.....	474	484	706	706	758	777	1,426	1,429
Water Supply	33	33	455	455	62	62	38	38
<i>Subtotal</i>	\$999	\$1,029	\$1,740	\$1,758	\$1,580	\$1,610	\$2,367	\$2,402
<i>Transportation</i>								
Mass Transit	\$117	\$117	\$575	\$576	\$760	\$772	\$1,189	\$1,199
Bridges.....	61	108	63	70	197	220	440	608
Highways.....	404	452	368	452	506	541	609	728
<i>Subtotal</i>	\$582	\$677	\$1,006	\$1,098	\$1,463	\$1,534	\$2,238	\$2,534
<i>Education</i>								
Education.....	\$2,703	\$2,802	\$2,641	\$2,702	\$4,139	\$3,989	\$4,519	\$4,532
Higher Education.....	42	42	4	4	44	44	100	100
<i>Subtotal</i>	\$2,745	\$2,845	\$2,645	\$2,705	\$4,183	\$4,032	\$4,619	\$4,632
<i>Housing & Economic Development</i>								
Economic Development	\$272	\$276	\$360	\$391	\$470	\$489	\$417	\$434
Housing	680	700	995	1,034	886	916	1,351	1,411
<i>Subtotal</i>	\$952	\$976	\$1,354	\$1,424	\$1,356	\$1,405	\$1,767	\$1,845
<i>Administration of Justice</i>								
Correction.....	\$40	\$42	\$61	\$62	\$499	\$499	\$775	\$775
Courts	4	4	3	3	240	241	27	27
Police.....	128	128	192	192	158	162	89	90
<i>Subtotal</i>	\$172	\$174	\$256	\$257	\$897	\$903	\$891	\$892
<i>City Operations & Facilities</i>								
Cultural Institutions.....	\$128	\$126	\$51	\$126	\$56	\$56	\$53	\$54
Fire.....	107	115	106	115	116	119	244	261
Health & Hospitals.....	373	582	294	429	629	792	711	756
Parks	305	333	447	483	461	538	482	554
Public Buildings	197	197	234	234	48	48	158	159
Sanitation.....	266	267	243	243	169	171	404	406
Resiliency, Technology & Equipment.....	297	313	648	824	778	916	1,044	1,238
Other	403	430	326	349	546	595	684	741
<i>Subtotal</i>	\$2,075	\$2,362	\$2,349	\$2,803	\$2,804	\$3,235	\$3,780	\$4,170
<i>Total Commitments</i>	\$7,525	\$8,064	\$9,350	\$10,047	\$12,282	\$12,718	\$15,663	\$16,475
<i>Total Expenditures</i>	\$9,331	\$9,774	\$8,579	\$9,431	\$9,440	\$10,530	\$10,512	\$12,150

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

2025 AUTHORIZED CAPITAL COMMITMENTS, BY PROGRAM

(\$ in Millions - All Funds)



<i>Program</i>	<i>2025 Plan</i>
Education	\$3,486
Administration of Justice	3,271
Environmental Protection	3,253
Housing	3,216
Bridges and Highways	2,059
Resiliency & Energy Efficiency	1,232
Health & Hospitals	879
Economic Development	790
Parks	724
Other City Services	2,762
Total	\$21,672

Source: NYC OMB

2025 Agency Highlights

Technology

- Information and Communication Systems: Broadband Initiative, including the expansion of wireless access for city residents (\$41.4 million); departmental initiatives for citywide projects (\$39.5 million); and Emergency Communications Transformation Program (ECTP) facilities, software, and equipment to update and integrate the City’s computer aided dispatch capabilities (\$29.2 million).

Environmental Protection and Sanitation

- Sewers: replacement of failing components (\$75.0 million); emergency replacement of failing sewer segments (\$60.1 million); Southeast Queens Infrastructure build out (\$52.7 million); and resiliency measures, Citywide (\$12.7 million). The total Sewers program for 2025 is \$301.1 million.
- Water Mains, Sources and Treatment: water main construction and ancillary work (\$277.0 million), including water main rehabilitation in partnership

with DOT street reconstruction projects (\$118.9 million) and various state-of-good-repair projects, Citywide (\$128.4 million); and improvements and repairs to infrastructure associated with water supply systems (\$245.3 million), including projects related to the Filtration Avoidance Determination (\$74.0 million). The total Water Mains, Sources, and Treatment program for 2025 is \$522.3 million.

- Wastewater Treatment: essential projects at wastewater resource recovery facilities and related infrastructure to sustain uninterrupted wastewater treatment operation (\$321.4 million); construct, install, and maintain various Green Infrastructure projects for stormwater capture, such as bioswales, tree pits, constructed wetlands, and green roofs (\$67.1 million); and address water quality problems attributed to combined sewer overflow discharges into the City’s surrounding waterways during wet weather conditions (\$10.2 million). The total Wastewater Treatment program for 2025 is \$428.9 million.

- **Water Supply:** construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Facility (\$917.1 million); and modification of the chambers at the Hillview Reservoir (\$852.5 million). The total Water Supply program for 2025 is \$1.8 billion.
- **Equipment:** facility state of good repair (\$128.0 million); water conservation programs (\$72.0 million); air monitoring and environmental compliance contracts (\$3.6 million); and network and security upgrades (\$1.4 million). The total Equipment program for 2025 is \$222.9 million.
- **Sanitation:** replacement of vehicles and equipment (\$250.5 million); component rehabilitation and construction of garages, Citywide (\$225.3 million); construction and renovation of transfer stations and other facilities in accordance with the City's Long Term Solid Waste Management Plan (\$16.9 million); and information technology and telecommunications projects (\$9.4 million).

Transportation

- **Bridges:** rehabilitation of bridges, including West Tremont Avenue over the Metro North Railroad in the Bronx (\$109.8 million); and rehabilitation of the FDR Drive Northbound from East 42nd to 49th Street (\$80.5 million). The total Bridge Program for 2025 is \$511.6 million.
- **Highways:** street reconstruction (\$668.0 million), which includes the reconstruction of Queens Boulevard, phase I (\$112.4 million) and design-build raised crosswalks (\$101.7 million); primary and arterial street resurfacing of approximately 1,100 vehicle lane miles and 50 miles of bike lanes (\$329.7 million); and reconstruction of sidewalks and pedestrian ramps (\$279.1 million). The total Highways Program for 2025 is \$1.3 billion.
- **Traffic:** signal installation (\$52.5 million), including signalized Vision Zero safety improvements (\$15.1 million); upgrades and replacement of lampposts, luminaires, and associated infrastructure (\$5.1 million); and reconstruction of parking meters and facilities (\$5.0 million). The total Traffic Program for 2025 is \$95.4 million.
- **Ferries:** ferry terminal and maintenance facility improvements (\$53.0 million); and ferry boats (\$46.8 million). The total ferries program for 2025 is \$99.8 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 2025 is \$374.3 million.

Education, Health, and Social Services

- **Education:** rehabilitate, replace, and upgrade building components (\$1.3 billion); emergency projects, research and development, insurance, and prior plan completion costs (\$869.9 million); capital improvements that enhance educational programs (\$506.0 million); expand facilities through building additions, leases, and site acquisitions (\$339.1 million); construct new schools (\$263.3 million); school safety systems, emergency lighting, and code compliance (\$107.2 million); administrative support (\$40.0 million); and expand pre-kindergarten capacity, and remove transportable classroom units with the Smart Schools Bond Act (\$31.0 million). The total Education program for 2025 is \$3.5 billion.
- **Higher Education:** miscellaneous reconstruction (\$120.4 million); new construction (\$34.7 million); and data processing and other equipment (\$19.3 million). The total Higher Education program for 2025 is \$174.4 million.
- **Health & Mental Hygiene:** new Public Health Laboratory (\$55.0 million); technology and laboratory equipment upgrades for the Office of the Chief Medical Examiner (\$34.0 million); and animal care centers and other animal welfare investments (\$7.7 million).
- **NYC Health + Hospitals (H+H):** Correctional Health Services Outposted Therapeutic Housing Units (\$312.9 million); major medical equipment upgrades (\$134.5 million); EMS ambulance purchases (\$70.9 million); and information system upgrades (\$41.0 million).
- **Aging:** rehabilitation of older adult centers and relocation of the NYC Aging administrative office (\$15.0 million); and computer and network upgrades, and equipment purchases (\$0.3 million).

- Administration for Children’s Services: renovation and upgrades of Juvenile Detention Facilities (\$63.1 million); telecommunications and data infrastructure upgrades and improvements (\$43.7 million); and renovation and upgrades of facilities (\$1.8 million).
- Homeless Services: renovation and upgrade of adult shelters (\$79.2 million); renovation and upgrade of family shelters (\$16.6 million); and computer network upgrades and equipment purchases (\$4.1 million).
- Human Resources: data infrastructure upgrades and improvements (\$93.1 million); construction and initial outfitting for citywide facilities (\$65.9 million); telecommunications (\$10.2 million); and automotive equipment (\$0.8 million).

Housing and Development

- Housing: provision of low-interest loans to finance the preservation or creation of affordable housing in privately-owned buildings (\$768.0 million), new construction (\$378.0 million), special needs housing (\$363.0 million) and disposition programs (\$123.0 million); provision of low-interest loans to support NYCHA’s Permanent Affordability Commitment Together (PACT) transactions, through which NYCHA will also leverage other private and public financing sources to address its significant outstanding capital need (\$429.0 million); and funding for technology, infrastructure, demolition and other ancillary investments (\$91.0 million).
- Housing Authority: provision of capital funding to help NYCHA meet its obligations under the 2019 Executed Agreement with HUD and the City around public health concerns, including lead, mold, waste, heating, and elevator outages (\$477.0 million); general construction at NYCHA buildings, Citywide (\$359.0 million); and replace and upgrade roofs at NYCHA buildings, Citywide (\$228.0 million).
- Economic Development: rehabilitation of existing structures, public access improvements, and infrastructure upgrades at the Brooklyn Navy Yard (\$72.0 million) and Governors Island (\$69.0 million); infrastructure improvements to support the development of the New York Climate Exchange campus at Governors Island (\$80.0 million); development and rehabilitation of waterfront esplanades along the Staten Island North Shore (\$74.0 million); infrastructure work as part of phase

II to catalyze development at Willets Point, Queens (\$60.0 million); site improvements to support Offshore Wind industry (OSW) development and manufacturing, centered at the South Brooklyn Marine Terminal (\$36.0 million); improvements to the NYC Ferry infrastructure (\$32.0 million); and activation of life science research spaces, including the Pandemic Response Institute (\$25.0 million).

Administration of Justice and Public Safety

- Correction: new jail facilities (\$2.8 billion); lifecycle replacement of equipment (\$47.6 million); and improvements to building systems, infrastructure, and support space (\$43.3 million).
- Courts: infrastructure and operational improvements of court facilities (\$79.5 million); elevator upgrades (\$72.1 million); exterior renovations (\$16.8 million); fire/life safety work (\$2.0 million); and HVAC improvements (\$1.8 million).
- Police: construction, rehabilitation, and relocation of facilities, Citywide (\$138.7 million); replacement and upgrades of portable radios, radio equipment, infrastructure, and systems (\$56.4 million); lifecycle replacement of vehicles (\$17.4 million); replacement and upgrades of critical network infrastructure equipment and data management systems (\$8.7 million); and replacement and upgrades of general equipment, Citywide (\$5.8 million).
- Fire: construction and rehabilitation of firehouses, EMS stations, and support facilities (\$117.0 million); replacement of mandated and support vehicles, and necessary fire-fighting tools and equipment (\$60.0 million); replacement of conduit and wiring in the inundation zones for the Department’s outside cable plant that was damaged during Hurricane Sandy (\$30.9 million); design and construction of new FDNY facilities (\$17.3 million); radio, alarm and telecommunication equipment upgrades (\$9.7 million); and replacement and upgrade of electronic data processing equipment components (\$7.4 million).

Recreation and Cultural

- Parks: reconstruction of the Orchard Beach Pavilion in the Bronx (\$56.5 million); reconstruction of the Shirley Chisholm recreation center in Brooklyn (\$47.2 million); planting of new street trees and park trees, restoration of natural areas, and

reconstruction of sidewalks damaged by trees, Citywide (\$42.4 million); reconstruction of the pool and rink at Harlem Meer with the Central Park Conservancy (\$38.8 million); rehabilitation of the Porpoise Bridge and associated tide gates in Queens (\$33.3 million); reconstruction of the filtration system at Astoria Pool (\$14.5 million); and phase IV reconstruction of the East River Esplanade in Manhattan (\$14.2 million).

- **Public Libraries:** New York Public Library improvements, including partial interior renovation of the Castle Hill Branch (\$9.2 million) and HVAC replacement at the Pelham Parkway-Van Nest Branch (\$4.0 million) in the Bronx, exterior rehabilitation of the Hamilton Grange Branch (\$5.2 million) and energy efficiency upgrades at the Schomburg Center for Research in Black History (\$2.0 million) in Manhattan, and initial outfitting of the Huguenot Park Branch (\$1.0 million) in Staten Island; Queens Public Library improvements including renovation and expansion of the Bay Terrace Library (\$3.4 million) and heating, cooling, and ventilation upgrades at the Rochdale Village Library (\$2.0 million); and Brooklyn Public Library improvements, including rehabilitation of the façade at the Gravesend branch (\$2.6 million) and upgrade of the Bushwick branch HVAC system (\$2.3 million).
- **Cultural Affairs:** site-wide infrastructure upgrades at the Snug Harbor Cultural Center (\$5.3 million); renovation of the Education Space at the Brooklyn Museum (\$3.5 million); construction and replacement of elevators at the historic Carnegie Hall

(\$2.7 million); exterior restoration of the Onderdonk House at the Greater Ridgewood Historical Society (\$1.4 million); and purchase of pianos for Mind-Builders Creative Art Center (\$0.2 million).

Department of Citywide Administrative Services

- **Public Buildings:** reconstruction of 70 Mulberry Street (\$74.1 million); rehabilitation of City-owned space (\$71.1 million), including projects at 100 Gold Street (\$12.7 million), 253 Broadway (\$5.1 million), and 280 Broadway (\$8.0 million) in Manhattan; legal mandates (\$50.8 million), including fuel tank replacement and remediation (\$37.6 million), and fire/life safety upgrades to ensure Local Law 5 compliance (\$11.8 million); equipment and interagency services (\$29.5 million); miscellaneous construction in other facilities (\$22.3 million); acquisition of real property (\$8.8 million); and renovation of leased space (\$3.5 million).
- **Energy Efficiency and Sustainability:** energy efficiency measures and building retrofits (\$631.4 million), including the Accelerated Conservation and Efficiency (ACE) Program (\$86.5 million) and solar panels at citywide facilities (\$17.1 million).
- **Resiliency:** citywide resiliency, facility, and operational protective measures (\$600.5 million), including the East Side Coastal Resiliency measures (\$297.5 million), the rehabilitation of Harlem River Park (\$24.3 million), and the Brooklyn Bridge – Montgomery Coastal Resiliency project (\$22.4 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 2025-2028 Borough Presidents' Allocations*
(City Funded Appropriations \$ in Thousands)

	2025	2026	2027	2028
Bronx Program				
Cultural Affairs	\$736	—	—	—
Economic Development	2,000	—	—	—
Education	14,500	—	—	—
Higher Education	500	—	—	—
Hospitals	2,575	—	—	—
Housing	750	—	—	—
New York Public Library	180	—	—	—
Parks	500	—	—	—
GRAND TOTAL: BRONX	\$21,741	\$0	\$0	\$0
Brooklyn Program				
Brooklyn Public Library	\$4,000	—	—	—
Cultural Affairs	1,537	—	—	—
Economic Development	150	—	—	—
Education	12,775	—	—	—
Fire	450	—	—	—
Higher Education	5,200	—	—	—
Hospitals	5,482	—	—	—
Housing	1,000	—	—	—
Human Resources	1,250	—	—	—
Parks	4,500	—	—	—
Public Buildings	1,000	—	—	—
GRAND TOTAL: BROOKLYN.....	\$37,344	\$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 2025-2028 Borough Presidents' Allocations*
(City Funded Appropriations \$ in Thousands)

	2025	2026	2027	2028
Manhattan Program				
Cultural Affairs	\$6,870	—	—	—
Economic Development	450	—	—	—
Education	4,148	—	—	—
Higher Education	1,328	—	—	—
Housing	2,050	—	—	—
Human Resources	140	—	—	—
Parks	1,150	—	—	—
Public Buildings	250	—	—	—
GRAND TOTAL: MANHATTAN	\$16,386	\$0	\$0	\$0
Queens Program				
Cultural Affairs	\$108	—	—	—
Education	15,944	—	—	—
Higher Education	1,500	—	—	—
Hospitals	3,200	—	—	—
Housing Authority.....	955	—	—	—
Police.....	500	—	—	—
GRAND TOTAL: QUEENS	\$22,207	\$0	\$0	\$0
Staten Island Program				
Education	\$4,463	—	—	—
New York Public Library	600	—	—	—
GRAND TOTAL: STATEN ISLAND	\$5,063	\$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 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. The annual 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 needs recommended in the condition surveys with amounts funded in the 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, roadways, 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 2025
(\$ in Millions)

Agency	Personal Service Costs				Other Than Personal Service Costs				Gross Total All Funds (Includes Intra-City)	Net Total All Funds (Excludes Intra-City)	City Funds Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Debt Service	OTPS Subtotal			
Uniformed Forces											
Police	\$5,319	\$3,130	\$2,829	\$11,278	\$446	\$—	\$213	\$659	\$11,937	\$11,688	\$11,596
Fire	2,280	1,122	1,693	5,095	259	—	203	462	5,557	5,557	5,054
Correction	857	932	525	2,314	168	—	157	325	2,639	2,639	2,624
Sanitation	1,086	634	317	2,037	757	—	285	1,042	3,079	3,070	2,847
Subtotal.....	\$9,542	\$5,818	\$5,364	\$20,724	\$1,630	\$—	\$858	\$2,488	\$23,212	\$22,954	\$22,121
Health and Welfare											
Admin. For											
Children’s Services	\$568	\$247	\$104	\$919	\$2,161	\$—	\$—	\$2,161	\$3,080	\$3,080	\$1,043
Social Services	908	453	176	1,537	2,386	8,393	87	10,866	12,403	12,399	9,858
Homeless Services	173	72	28	273	3,766	—	—	3,766	4,039	4,032	2,478
Health and Mental Hygiene	601	237	102	940	1,551	—	64	1,615	2,555	2,548	1,415
Health + Hospitals	—	58	—	58	3,046	—	294	3,340	3,398	3,315	2,920
Subtotal.....	\$2,250	\$1,067	\$410	\$3,727	\$12,910	\$8,393	\$445	\$21,748	\$25,475	\$25,374	\$17,714
Education											
Education	\$14,261	\$5,092	\$3,589	\$22,942	\$13,126	\$1,059	\$2,385	\$16,570	\$39,512	\$39,501	\$22,723
City University.....	674	230	109	1,013	391	—	78	469	1,482	1,415	1,128
Subtotal.....	\$14,935	\$5,322	\$3,698	\$23,955	\$13,517	\$1,059	\$2,463	\$17,039	\$40,994	\$40,916	\$23,851
Other Agencies.....	3,736	1,549	659	5,944	9,989	—	4,010	13,999	19,943	18,635	15,857
Elected Officials.....	853	274	136	1,263	185	—	—	185	1,448	1,439	1,355
Miscellaneous	1,405	109	112	1,626	—	4,351 ⁽¹⁾	321	4,672	6,298	6,100	5,693
Debt Service (Unallocated)	—	—	—	—	—	—	142	142	142	142	100
Total - All Funds ⁽²⁾.....	\$32,721	\$14,139	\$10,379	\$57,239	\$38,231	\$13,803	\$8,239	\$60,273	\$117,512	\$115,560	
Total - City Funds ⁽²⁾.....	\$22,704	\$11,349	\$10,235	\$44,288	\$22,842	\$11,469	\$8,092	\$42,403			\$86,691
Less: Prepayments	\$—	\$—	\$—	\$—	\$—	\$—	\$3,938	\$3,938	\$3,938	\$3,938	\$3,938
Total After Prepayments	\$32,721	\$14,139	\$10,379	\$57,239	\$38,231	\$13,803	\$4,301	\$56,335	\$113,574	\$111,622	\$82,753

(1) Includes General Reserve, Capital Stabilization 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 about 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 2025 operating budget is \$32.2 billion, a decrease of \$0.8 billion from the 2024 forecast of \$33 billion. In addition, education-related pension, debt service, and other fringe costs of \$7.3 billion are budgeted in separate agencies. These additional costs include an increase of \$541 million. City funds including pensions, debt service and other fringe support \$22.7 billion of the Department of Education's expense budget in 2025, an increase of \$2.1 billion, or 10 percent. State funds

support \$14.4 billion, an increase of \$224 million. The balance of the education budget is supported by \$2.2 billion in Federal aid, a decrease of \$2.4 billion from the 2024 forecast, \$11 million in intra-city funds and \$159 million in other categorical funds. Including those funds budgeted centrally, total funds budgeted on behalf of the Department of Education decrease from \$39.8 billion in the 2024 forecast to \$39.5 billion in the 2025 Executive Budget.

Total Department of Education Expenses 2018-2025 (\$ in Millions)

	2018	2019	2020	2021	2022	2023	Forecast 2024	Executive Change Budget 2025	Change 2024 to 2025	Change 2018 to 2025
Department Of Education Operating Budget										
City	\$12,190	\$13,592	\$14,065	\$14,709	\$13,674	\$14,484	\$14,923	\$16,493	\$1,571	\$4,303
Other Categorical	\$327	\$320	\$294	\$278	\$278	\$319	\$232	\$159	(\$72)	(\$167)
State	\$10,710	\$11,217	\$11,514	\$10,667	\$12,041	\$12,451	\$13,153	\$13,363	\$210	\$2,653
Federal	\$1,856	\$1,888	\$2,141	\$2,828	\$5,484	\$4,166	\$4,615	\$2,193	(\$2,422)	\$337
Intra-City	\$61	\$51	\$51	\$63	\$80	\$85	\$106	\$11	(\$95)	(\$50)
Total Operating Expenditures	\$25,144	\$27,067	\$28,067	\$28,545	\$31,558	\$31,505	\$33,028	\$32,220	(\$808)	\$7,076
Other City Funds Supporting Education										
Pensions	\$3,927	\$3,693	\$3,575	\$3,070	\$3,278	\$3,050	\$3,120	\$3,589	\$469	(\$338)
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	\$163	\$160	\$172	\$196	\$220	\$231	\$242	\$259	\$17	\$96
G.O. Bond Debt Service	\$1,065	\$1,117	\$1,112	\$1,043	\$993	\$1,217	\$1,366	\$1,336	(\$30)	\$270
State Aid for Debt Service	(\$3)	(\$3)	(\$3)	(\$3)	(\$3)	(\$3)	(\$3)	(\$3)	\$0	\$0
TFA Debt Service	\$1,276	\$1,532	\$1,620	\$1,666	\$1,620	\$1,939	\$2,022	\$2,108	\$86	\$832
State Aid for TFA Debt Service	(\$687)	(\$744)	(\$797)	(\$801)	(\$838)	(\$973)	(\$1,044)	(\$1,059)	(\$15)	(\$372)
Total Additional City Funds	\$5,741	\$5,755	\$5,679	\$5,171	\$5,270	\$5,462	\$5,704	\$6,230	\$526	\$489
TOTAL CITY FUNDS FOR EDUCATION	\$17,931	\$19,347	\$19,744	\$19,881	\$18,944	\$19,947	\$20,626	\$22,723	\$2,097	\$4,792
TOTAL STATE FUNDS FOR EDUCATION	\$11,400	\$11,964	\$12,314	\$11,470	\$12,882	\$13,427	\$14,200	\$14,424	\$224	\$3,024

The amounts shown for 2018 through 2023 represent actual expenditures including pensions and debt service funds budgeted in other agencies. Numbers may not add due to rounding.

Expense Budget Highlights

The 2025 Executive Budget reflects the Administration's commitment to protect core educational programs and staff that were originally funded with temporary federal stimulus dollars. The budget also invests in critical initiatives to strengthen the early childhood education system.

Stimulus Funding

The Department now has funding for the following services that were previously funded with expiring federal stimulus:

- **Pathways Programs:** To improve economic mobility for all students, the Department will continue career pathway programs in high growth sectors and provide high school students with early college credit.
- **Literacy and Dyslexia:** To better support students with print-based disabilities, the Department will continue literacy and dyslexia programs Citywide.
- **Community Schools:** To address children's non-academic needs, the Department will continue to provide wraparound services in 113 Community Schools.
- **Critical Support Staffing:** To improve mental health, the Department will continue to provide approximately 600 staff positions that support children throughout the city, including 440 social workers, 60 school psychologists, and 100 shelter-based coordinators to work with students and families in shelters.

- **Project Pivot:** To elevate student safety, the Department will continue to contract with community-based organizations that specialize in violence interruption techniques (e.g., de-escalation, mediation, conflict resolution).
- **Summer Rising:** To foster a love of learning year-round, the Department will continue to offer academic and enrichment programming during the summer.

Early Childhood Education

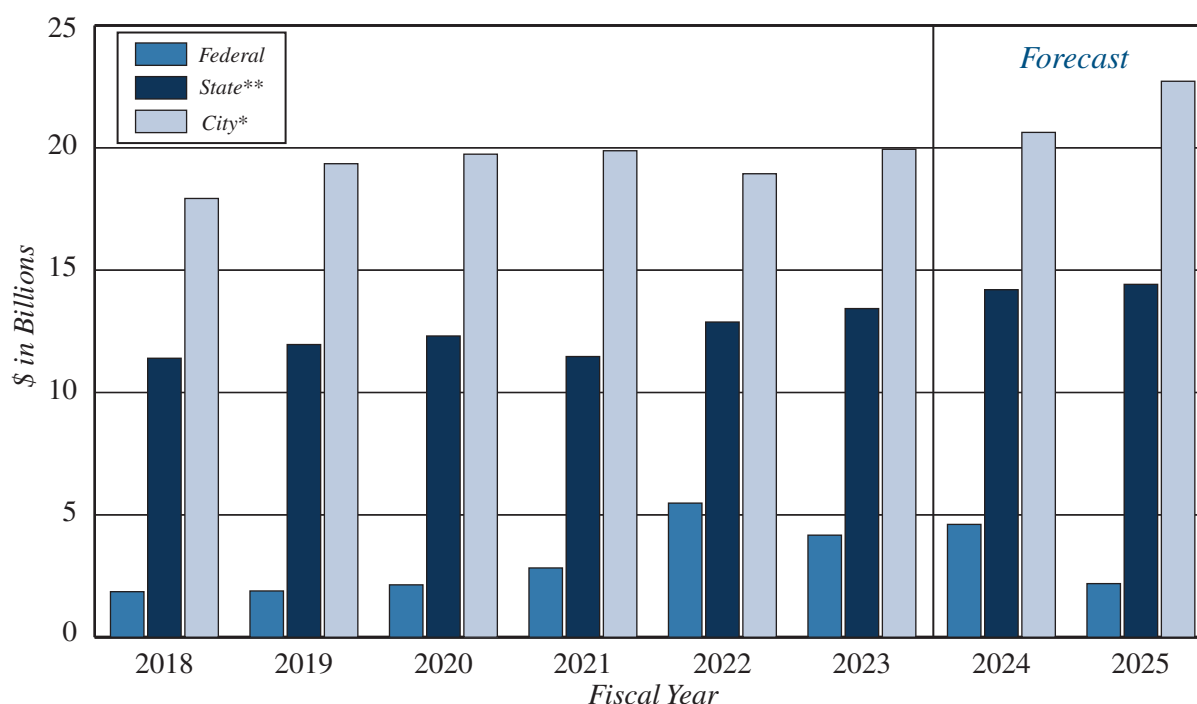
The Administration remains committed to a thriving early childhood education system. In the Executive Budget, funds were added to support the Citywide 3-K program as it transitions from its original stimulus funding source, as well as to maintain funding for special education Pre-K providers to increase service hours, and resources for DOE-related services and evaluation teams. New investments were made to increase outreach to families with the goal of maximizing enrollment in 3-K and Pre-K programs, as well as to create more special education Pre-K classrooms within district schools to provide seats to children who would otherwise be on waiting lists at contracted providers.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$13,298,926	\$14,031,555	\$14,227,170	\$14,260,878	\$229,323	\$33,708
Fringe Benefits	4,288,723	4,524,085	4,795,736	4,832,628	308,543	36,892
OTPS	13,917,835	14,472,353	12,451,598	13,126,017	(1,346,336)	674,419
Total	\$31,505,484	\$33,027,993	\$31,474,504	\$32,219,523	(\$808,470)	\$745,019
Funding						
City	\$14,484,457	\$14,922,536	\$16,063,825	\$16,493,149	\$1,570,613	\$429,324
Other Categorical Grants	319,329	231,688	159,397	159,397	(72,291)	—
IFA	—	—	—	—	—	—
State	12,451,205	13,153,140	13,046,798	13,362,798	209,658	316,000
Federal CD	29,561	3,350	3,353	2,963	(387)	(390)
Federal Other	4,136,139	4,611,195	2,190,017	2,190,016	(2,421,179)	(1)
Intra-City Other	84,793	106,084	11,114	11,200	(94,884)	86
Total	\$31,505,484	\$33,027,993	\$31,474,504	\$32,219,523	(\$808,470)	\$745,019
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$231,240	\$242,424	\$260,048	\$259,001	\$16,577	(\$1,047)
Pensions	3,050,352	3,119,880	3,588,679	3,588,679	468,799	—
Other Than Personal Service (OTPS)						
Debt Service (incl. BARBs)	3,156,081	3,388,254	3,642,431	3,443,451	55,197	(198,980)
Total Additional Costs	\$6,437,673	\$6,750,558	\$7,491,158	\$7,291,131	\$540,573	(\$200,027)
Funding						
City	5,462,312	5,703,766	6,429,713	6,229,686	525,920	(200,027)
Non-City	975,361	1,046,792	1,061,445	1,061,445	14,653	—
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$13,298,926	\$14,031,555	\$14,227,170	\$14,260,878	\$229,323	\$33,708
Fringe Benefits	4,519,963	4,766,509	5,055,784	5,091,629	325,120	35,845
Pensions	3,050,352	3,119,880	3,588,679	3,588,679	468,799	—
Total PS	\$20,869,241	\$21,917,944	\$22,871,633	\$22,941,186	\$1,023,242	\$69,553
OTPS	\$13,917,835	\$14,472,353	\$12,451,598	\$13,126,017	(1,346,336)	\$674,419
Debt Service (incl. BARBs)	3,156,081	3,388,254	3,642,431	3,443,451	55,197	(198,980)
Total OTPS	\$17,073,916	\$17,860,607	\$16,094,029	\$16,569,468	(\$1,291,139)	\$475,439
Total Agency Costs	\$37,943,157	\$39,778,551	\$38,965,662	\$39,510,654	(\$267,897)	\$544,992
Less Intra-City	\$84,793	\$106,084	\$11,114	\$11,200	(94,884)	\$86
Net Agency Cost	\$37,858,364	\$39,672,467	\$38,954,548	\$39,499,454	(\$173,013)	\$544,906
Funding						
City	19,946,769	20,626,302	22,493,538	22,722,835	2,096,533	229,297
Non-City	17,911,595	19,046,165	16,461,010	16,776,619	(2,269,546)	315,609
Personnel (includes FTEs at fiscal year-end)						
City	105,158	112,972	113,213	113,215	243	2
Non-City	36,436	39,413	38,524	38,521	(892)	(3)
Total	141,594	152,385	151,737	151,736	(649)	(1)

FUNDING SOURCES 2018 - 2025



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

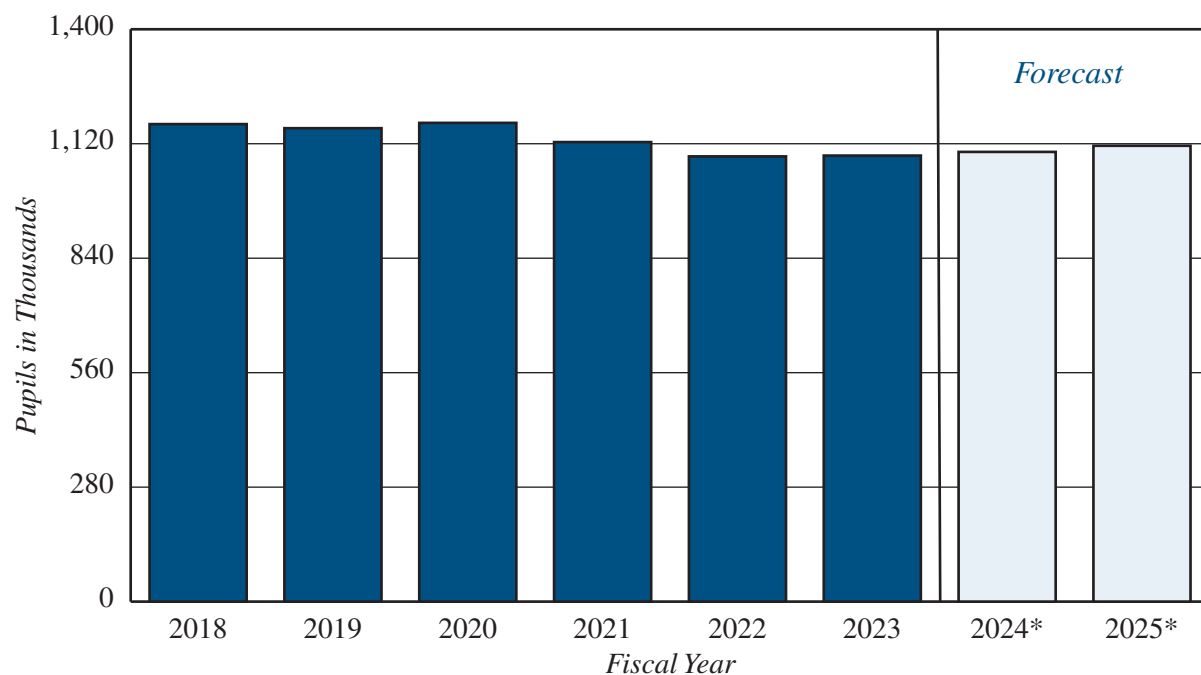
Source: NYC OMB

**New York City Public School Enrollment
 School Year 2021-2025**

	2021 Actual	2022 Actual	2023 Actual	2024 Projections	2025 Projections
DOE Facilities Enrollment					
General Education*	712,495	662,835	649,380	651,220	654,302
Special Education**	154,783	155,124	154,353	157,464	159,786
Full Day Pre-K***	26,553	27,032	27,665	27,409	28,779
Full Day 3-K****	4,432	8,862	10,643	10,726	11,262
Subtotal	898,263	853,853	842,041	846,819	854,129
Non-DOE Facilities Enrollment					
Charter Schools	135,316	134,564	135,755	140,225	144,357
Contract Schools	5,793	5,845	5,540	5,009	5,000
Full Day Pre-K at NYCEECs***	30,992	28,366	29,891	31,264	32,827
Half Day Pre-K at NYCEECs***	1,796	1,096	789	310	326
Full Day 3-K at NYCEECs****	10,880	25,297	32,008	32,956	34,604
EarlyLearn*****	3,877	4,118	6,092	10,349	10,866
Special Ed Pre-K	36,626	36,327	38,858	32,902	32,900
Subtotal	225,280	235,613	248,933	253,015	260,880
TOTAL	1,123,543	1,089,466	1,090,974	1,099,834	1,115,009

* 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.
 ***** 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 2018 - 2025



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 2025 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 increase by 15,175 from 1,099,834 in 2024 to 1,115,009 in 2025. Of this total, the City projects that general education public school enrollment for kindergarten through grade 12 will be 772,562. Of these students, 654,302 are expected to attend schools operated by the Department of Education and 118,260 are expected to attend charter schools.

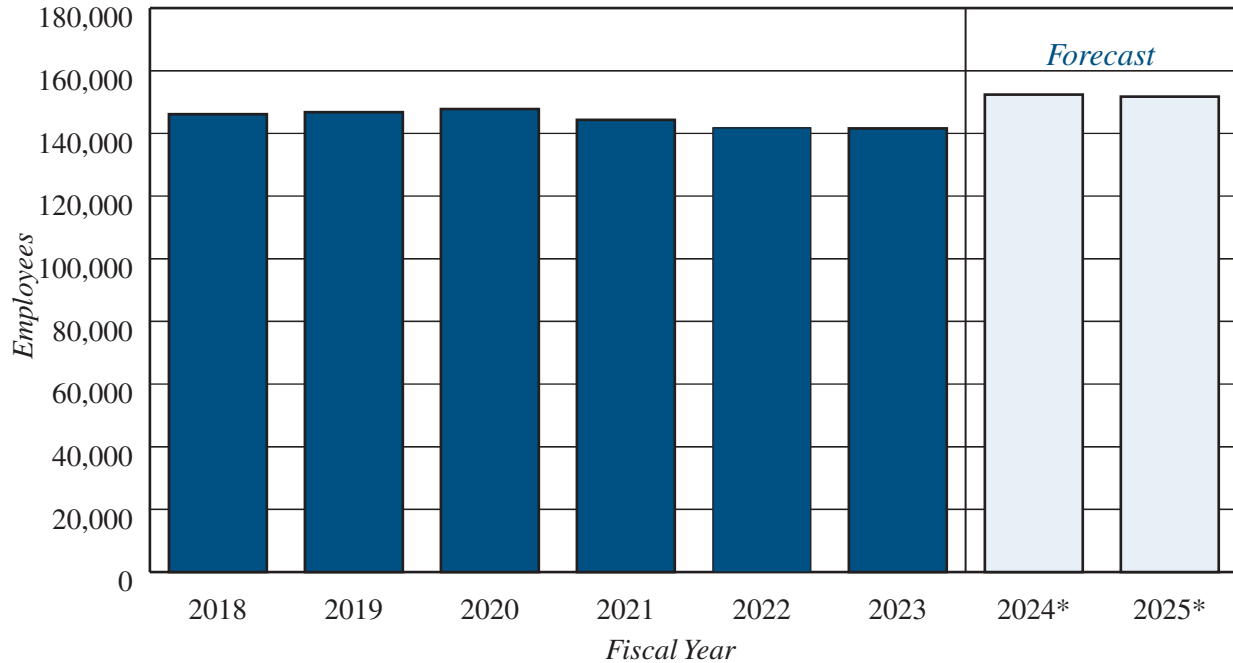
In 2025, the City projects that 190,883 school-age students will be enrolled in special education programs (a 20 percent share of total K-12 enrollment). This projected enrollment level is 2,799 students higher

than the 2024 special education population of 188,084. Of these students, 84 percent are expected to attend Department of Education facilities, 14 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 107,798 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 2018 - 2025**

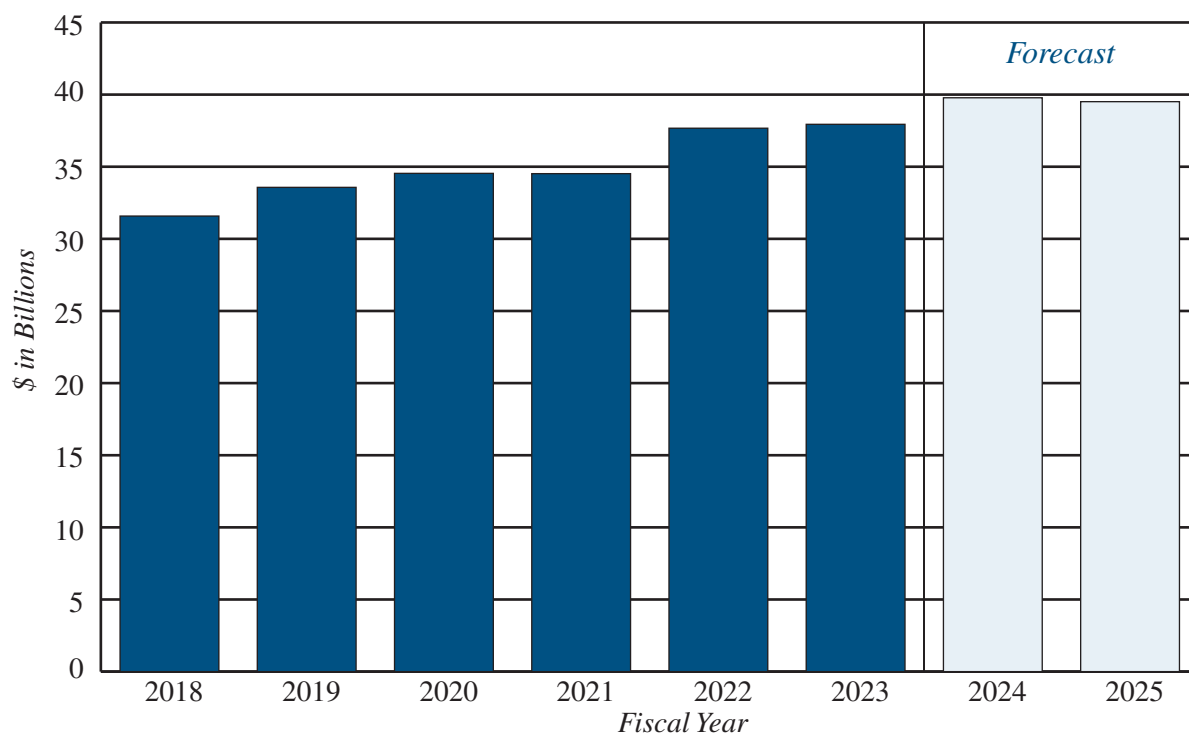


* Projected as of 2025 Executive Budget

Source: NYC OMB

In 2025, the City’s financial plan supports a staffing level of 151,736. Of this count, 138,015 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 125,188 of the full-time employees and 857 of the FTEs. Civilian employees represent 12,827 of the full-time employees and 12,864 of the FTEs.

TOTAL DEPARTMENT OF EDUCATION EXPENDITURES 2018 - 2025*



* 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 2025-2028 anticipates spending \$13.66 billion on creating new seats, school improvements, and enhancement projects and includes the first four years of the Department of Education’s and the School Construction Authority’s 2025-2029 Five-Year Capital Plan. The School Construction Authority (SCA) is responsible for managing, planning, and budgeting, as well as building new schools and supporting capital investments to existing school buildings on behalf of the Department of Education.

The table below shows planned capital commitments by program area over the 2025-2028 period.

**Capital Commitments
(\$ in 000’s)**

	2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
System Expansion: New Schools.....	\$1,450,276	\$1,450,276	\$263,340	\$263,340	\$685,710	\$685,710	\$581,970	\$581,970	\$577,510	\$577,510
System Expansion: Other.....	313,029	313,029	339,120	339,120	274,150	274,150	469,570	469,570	604,700	604,700
Rehabilitation of School Components.....	775,706	775,706	1,329,830	1,329,830	1,118,220	1,118,220	1,160,990	1,160,990	1,129,430	1,129,430
Educational Enhancements.....	485,125	485,125	506,000	506,000	506,000	506,000	506,000	506,000	506,000	506,000
Emergency, Unspecified and Miscellaneous.....	1,511,725	1,589,830	869,920	869,920	700,580	700,580	566,130	566,130	467,030	467,030
Safety and Security.....	100,437	100,437	107,220	107,220	75,340	75,340	75,340	75,340	75,330	75,330
Ancillary Facilities (Administration).....	0	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Smart Schools Bond Act.....	0	31,005	0	31,006	0	0	0	0	0	0
Total.....	\$4,636,298	\$4,745,408	\$3,455,430	\$3,486,436	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000

The Department of Education's and the School Construction Authority's 2025-2029 Five-Year Capital Plan as of February 2024 totals \$17 billion and will provide:

- Capacity \$4.98 billion. This includes \$4.13 billion for new capacity projects which will help the City meet class size reduction goals per state law. Seats include: 23,035 seats for elementary, middle, and high schools in an estimated 37 buildings. The capacity category also includes \$250 million for the removal of Temporary Classroom Units (TCUs) and playground redevelopment, \$400 million for the facility replacement program, and \$200 million for early education.
- Healthy Schools \$2.25 billion. This includes \$1.40 billion to support electrification of existing school buildings as part of Mayor Adams' Leading the Charge initiative to reduce the carbon footprint of City schools, \$350 million for heating plant upgrades, \$325 million for physical education projects, and \$180 million for health and nutrition projects.
- Capital Investment \$6.37 billion. This includes \$3.33 billion for the capital improvement program, allowing for exterior and interior building upgrades and other necessary capital repairs to school buildings. This also includes \$2.88 billion for school enhancement projects to support bathroom upgrades, science labs, accessibility, the Innovative, Diverse, Equitable, Accessible (IDEAS) program, the Career and Technical Education (CTE) program, and \$161 million for targeted investments at specific schools.
- Mandated Programs \$3.4 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 Education Capital Plan will include the following changes as of the Executive Budget:

- The Executive budget includes a \$8.72 billion add to the plan to fully fund the SCA's \$17 billion 2025-2029 Five-Year Capital Plan.

ADMINISTRATION OF JUSTICE

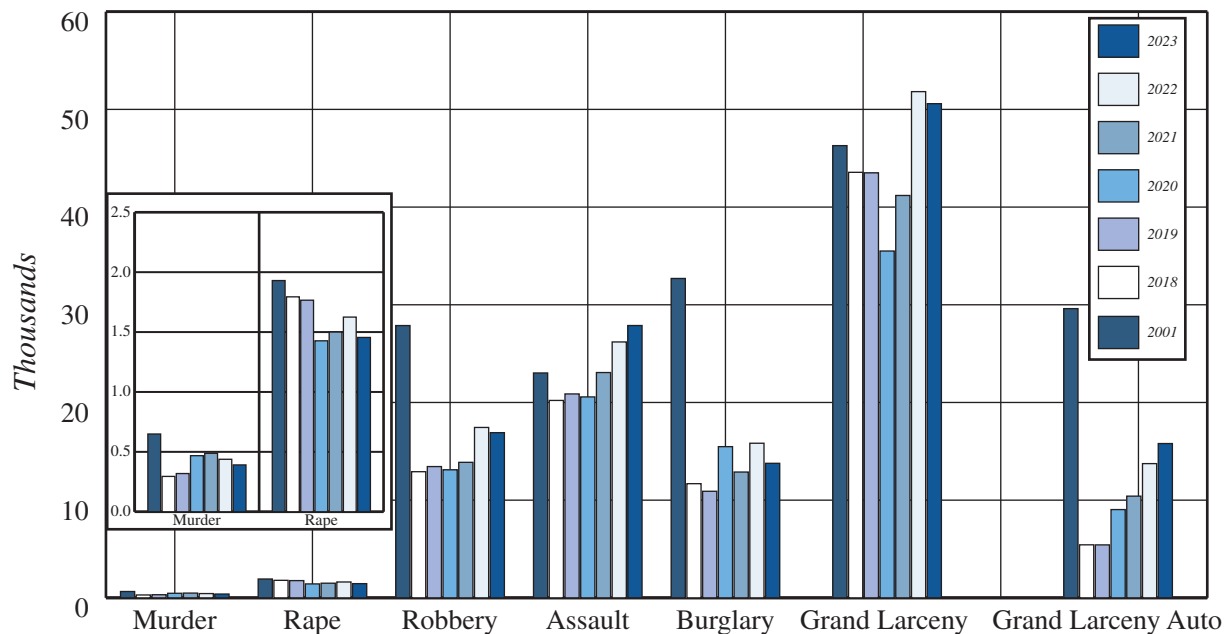
Overview

In calendar year 2023, the New York City Police Department (NYPD) continued to prioritize and adapt police operations to respond to the City’s most vulnerable communities and address the public safety concerns of everyday New Yorkers. The Department remained operational at all levels and responded to 911 and 311 calls for service, addressed criminal activity, investigated crime, countered threats of terrorism, managed traffic control, and ensured public safety citywide. The Department is committed to ensuring public safety through a multifaceted approach of precision and neighborhood policing to lower the incidence of crime, promote trust and respect, and solve problems collaboratively with members of the community.

The NYPD’s index crime data for calendar year 2023 shows that overall major felony crime decreased 0.2 percent (126,786 vs. 127,087) compared to calendar year 2022. Murder decreased by 10.7 percent (391 vs. 438), rape decreased by 10.5 percent (1,455 vs. 1,625), robbery decreased by 3.1 percent (16,910 vs. 17,442), burglary decreased by 13.0 percent (13,773 vs. 15,827), and grand larceny by decreased 2.4 percent (50,586 vs. 51,819). Assaults increased by 6.4 percent (27,876 vs. 26,195), and grand larceny auto increased by 14.9 percent (15,795 vs. 13,741).

NEW YORK CITY COMPSTAT

Calendar Years 2001 - 2023*



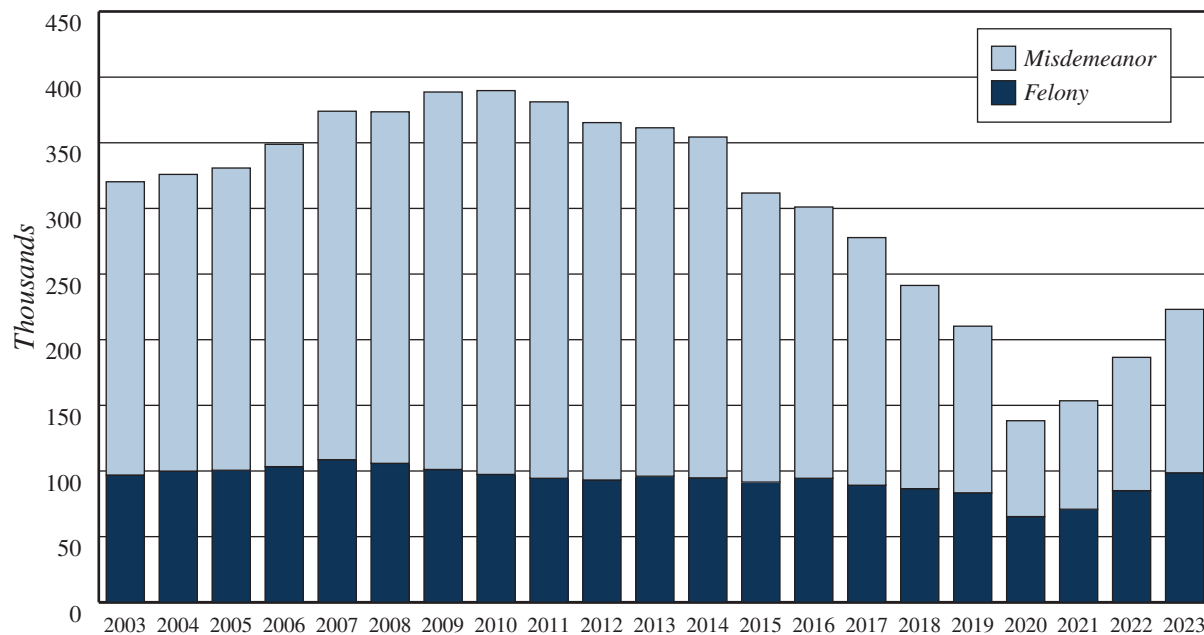
* At the time of publication, FBI Summary Index Crime statistics were unavailable for inclusion due to a reporting system change in 2023 from the FBI Index Uniform Crime Reporting (UCR) to the FBI National Incident Based Reporting System (NIBRS). NYPD is utilizing its CompStat statistics in lieu of the FBI Crime index in this year's publication.

Source: NYPD

Arrests totaled 224,419 in calendar year 2023, increasing by 37,084 from calendar year 2022. The overall arrest level increased by 19.8 percent from calendar year 2022. Felony arrests increased by 16.0 percent, misdemeanor arrests increased by 22.6 percent, and violation arrests increased by 69.9 percent. The distribution of arrests resulted in 43.9 percent felonies, 55.5 percent misdemeanors, and 0.6 percent violations.

NEW YORK CITY FELONY & MISDEMEANOR ARRESTS

Calendar Years 2003 - 2023



Source: NYPD

POLICE DEPARTMENT

In calendar year 2023, the Department renewed its effort to combat the violent and persistent crime surges experienced in prior years by employing a multifaceted deployment strategy, designed with rigorous data analysis and community intelligence. The Department strategically heightened police presence on City streets and subway stations, while relying on technology enhancements and the proactive enforcement efforts of specialized units citywide. The execution of this precision policing model and the relentless efforts of officers on the street resulted in the reduction of five out of seven major index crime categories. These enforcement efforts contributed to a 25 percent decrease in shooting incidents and 416 fewer victims of gun violence over the course of the year. Concurrently, officers arrested nearly 4,400 people for illegal possession of a firearm in 2023 and removed almost 6,500 illegal firearms off the streets. The Department will continue to integrate crime reduction, precision policing, and community engagement to address all crime conditions that impact public safety and quality of life in New York City.

DEPARTMENT OF CORRECTION

The Department of Correction is committed to operating a jail system that is safe and humane for everyone who lives and works in our facilities and serves the public interest. Department staff at all levels are expected to act with integrity and professionalism at all times, and to create a culture of service to persons experiencing incarceration. Everyone benefits when people in custody are given the tools they need to have less adverse contact with the justice system in the future. While the Department does not determine who comes into custody or how long an individual stays in a jail facility, we work hard to ensure that individuals in custody are provided with resources that support a safer environment in the jails, and a path to successful reentry once released to the community. The Department has been on the vanguard of reform in a number of areas, including the elimination of solitary confinement and restrictive housing reform, and housing incarcerated persons according to their gender identity.

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:

- Reentry Services:** MOCJ funds extensive wraparound reentry services throughout New York City—the Community Justice Reentry Network (CJRN)—which provides individuals returning to the city from state prisons, city jail, or other justice involvement with access to reentry services and resources to support their adjustment back into the community and reduce their likelihood of recidivism. CJRN services include discharge planning prior to release from jail or prison, transportation from jail and prison to nonprofit service providers in New York City, and a range of supportive services in the community such as paid transitional employment and connections to permanent employment, job training, financial literacy, career certifications, mental health and substance use treatment, individual and group counseling, benefits assistance, mentoring, family reunification, and housing assistance. CJRN serves approximately 4,600 individuals each year.
- Transitional Housing:** 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 did not 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, MOCJ replaced the hotels with a long-term Transitional Housing Program. The program currently provides 827 beds and supportive services for individuals and families recently released from custody and who would otherwise be experiencing homelessness. We anticipate having approximately 1,000 beds in operation in total in the near future. These efforts provide a successful model for how reentry services and housing can better serve our returning neighbors, giving them the resources to achieve successful long-term outcomes.
- Alternative to Incarceration (ATI):** ATI programs are diversion programs that are mandated by judges in court and provide participants with holistic, supportive services in their communities instead of a jail or prison sentence. ATI programs reduce the court's reliance on incarceration, lower the jail population, increase public safety, and allow people to remain in their communities while increasing stability and well-being and reducing recidivism. In addition to supervision, ATI programs provide mental health and substance use treatment, counseling, job readiness and employment, education assistance, benefits enrollment, and case management. MOCJ funds a wide array of ATI programs administered by non-profit services providers throughout the city that serve individuals with misdemeanor, non-violent felony, and violent felony cases, some of which specialize in serving particular populations including young people, women, and individuals with serious mental illness. Since the beginning of MOCJ's ATI contracts in 2021 to date, 81 percent of participants who completed an ATI program were not rearrested for any new crime.
- Office of Pretrial Justice Initiatives (OPJI):** OPJI is primarily responsible for the city's nationally recognized Supervised Release program and innovating in the criminal justice pretrial space to best serve New Yorkers in community who are pending trial. Additional funding to the program helped reduce supervision caseloads that resulted from the COVID-19 pandemic and expansion of the program to all criminal charges. This year, the city also launched an intensive case management pilot program designed to better serve those in community with the highest likelihood of re-offense and noncompliance with the program in Manhattan and Queens. This pilot will run until the end of 2025. Pretrial Services continues to evaluate Supervised Release and explore expansion of pretrial options for judges and those pending trial.
- The Office of Special Enforcement (OSE):** A multi-agency task force charged with addressing illegal short-term rentals, the OSE continued to protect the City's housing stock from individuals and companies that violate the law and put New Yorkers at risk. In 2024 to date, OSE fulfilled its mandate to implement the Short-term Rental Registration Law, prevailing in litigation challenging the program and bringing industry leading booking platforms into compliance, resulting in the elimination of approximately 20,000 illegal listings. OSE's litigation practice initiated

three actions against illegal short-term rental operators, obtained judgments and settlements worth over \$5.18 million, and collected over \$1.86 million in outstanding penalties and judgments and settlements, including from ongoing collection under settlements obtained in prior years.

- **Office for the Prevention of Hate Crimes:** The Office for the Prevention of Hate Crimes takes a holistic approach to preventing and responding to hate crimes, developing and coordinating community-driven strategies, and fostering healing for individuals and their communities. Through the Partners Against the Hate (P.A.T.H.) FORWARD Initiative, the city provides \$3 million in funding to over 50 community-based organizations representing the city's diversity to help combat hate and bias-motivated incidents. OPHC also coordinates city efforts through an Interagency Committee, which includes over 20 city agencies including the City Commission on Human Rights, NYPD, Mayor's Community Affairs Unit, Department of Education, Mayor's Office to End Domestic and Gender-Based Violence, Mayor's Office of Immigrant Affairs, and more. Together, these networks ensure a comprehensive and cohesive approach to preventing and responding to hate crimes.
- **Indigent Legal Services:** MOCJ's Indigent Defense Program contracts with legal service organizations to provide trial-level and appellate legal representation to criminal defendants and certain Family Court respondents or other adult parties who cannot afford to pay for their own lawyers. The program also works with the city's Assigned Counsel Plan, which supports indigent legal representation through attorneys who are compensated under Article 18-B of the New York State County Law and are assigned if a conflict prevents a city-contracted legal service organization from taking the case.

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 2025 Executive Budget provides for an operating budget of \$5.8 billion, a decrease of \$709.6 million from the \$6.5 billion forecast for 2024. This decrease is primarily attributed to annual state, federal, and private grant funding not yet recognized for 2025 and Program to Eliminate the Gap (PEG) savings reflected during the FY25 financial plan cycle. Capital commitments of \$227 million are also provided in 2025.

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 2024, the revenue estimate for the Police Department is \$95.7 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The Department received \$62.4 million in City funds for the reinstatement of the July and October 2024 police officer classes.
- In 2025, the Department will have a uniformed budgeted headcount of approximately 35,001.
- The Department expects to receive up to \$30.9 million for the protection of foreign missions under the Federal Fiscal Year 2024 Appropriation Act.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$5,630,951	\$5,773,207	\$5,247,376	\$5,318,623	(\$454,584)	\$71,247
Fringe Benefits	54,924	66,612	61,857	61,857	(4,755)	—
OTPS	624,909	696,485	445,215	446,187	(250,298)	972
Total	\$6,310,784	\$6,536,304	\$5,754,448	\$5,826,667	(\$709,637)	\$72,219
Funding						
City	\$5,779,811	\$6,059,215	\$5,486,213	\$5,559,782	(\$499,433)	\$73,569
Other Categorical Grants	34,462	13,363	—	—	(13,363)	—
IFA	—	—	—	—	—	—
State	72,962	32,790	732	732	(32,058)	—
Federal CD	—	—	—	—	—	—
Federal Other	166,842	168,184	18,188	16,688	(151,496)	(1,500)
Intra-City Other	256,707	262,752	249,315	249,465	(13,287)	150
Total	\$6,310,784	\$6,536,304	\$5,754,448	\$5,826,667	(\$709,637)	\$72,219
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$2,816,576	\$2,886,480	\$3,029,109	\$3,068,388	\$181,908	\$39,279
Pensions	2,563,006	2,597,436	2,829,291	2,829,291	231,855	—
Other Than Personal Service (OTPS)						
Debt Service	206,874	192,927	219,883	212,504	19,577	(7,379)
Total Additional Costs	\$5,586,456	\$5,676,843	\$6,078,283	\$6,110,183	\$433,340	\$31,900
Funding						
City	5,559,144	5,602,920	6,004,481	6,036,543	433,623	32,062
Non-City	27,312	73,923	73,802	73,640	(283)	(162)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$5,630,951	\$5,773,207	\$5,247,376	\$5,318,623	(\$454,584)	\$71,247
Fringe Benefits	2,871,500	2,953,092	3,090,966	3,130,245	177,153	39,279
Pensions	2,563,006	2,597,436	2,829,291	2,829,291	231,855	—
Total PS	\$11,065,457	\$11,323,735	\$11,167,633	\$11,278,159	(\$45,576)	\$110,526
OTPS	\$624,909	\$696,485	\$445,215	\$446,187	(\$250,298)	\$972
Debt Service	206,874	192,927	219,883	212,504	19,577	(7,379)
Total OTPS	\$831,783	\$889,412	\$665,098	\$658,691	(\$230,721)	(\$6,407)
Total Agency Costs	\$11,897,240	\$12,213,147	\$11,832,731	\$11,936,850	(\$276,297)	\$104,119
Less Intra-City	\$256,707	\$262,752	\$249,315	\$249,465	(\$13,287)	\$150
Net Agency Cost	\$11,640,533	\$11,950,395	\$11,583,416	\$11,687,385	(\$263,010)	\$103,969
Funding						
City	11,338,955	11,662,135	11,490,694	11,596,325	(65,810)	105,631
Non-City	301,578	288,260	92,722	91,060	(197,200)	(1,662)
Personnel (includes FTEs at fiscal year-end)						
City	48,733	50,607	50,458	50,542	(65)	84
Non-City	181	248	8	8	(240)	—
Total	48,914	50,855	50,466	50,550	(305)	84

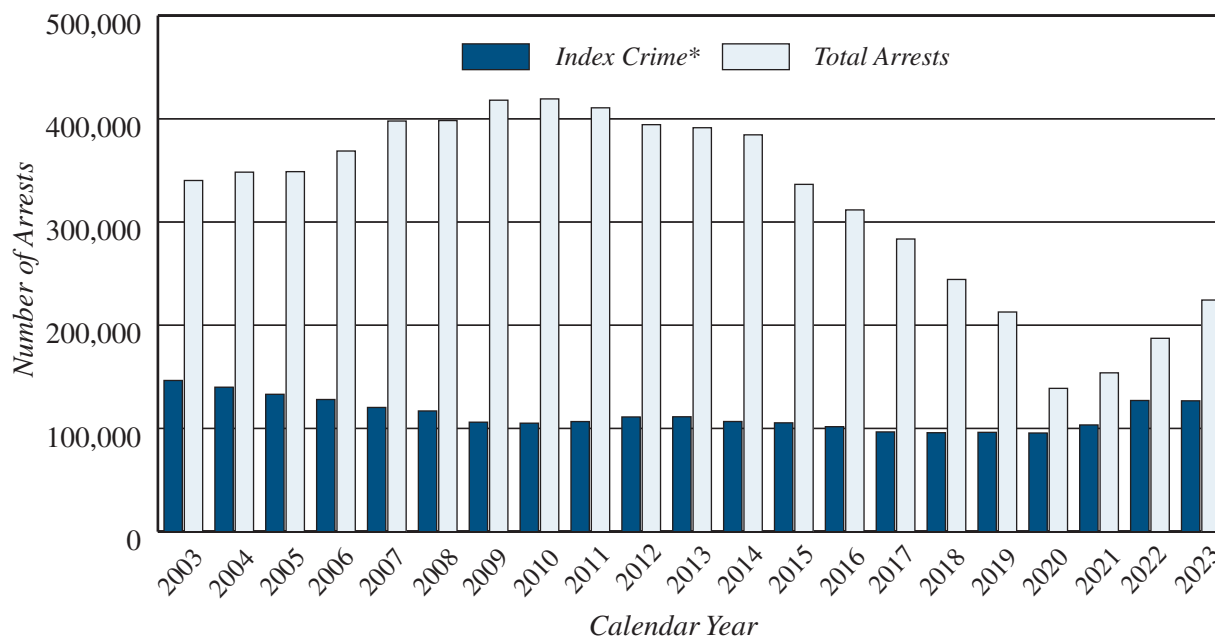
Programmatic Review and Service Impact

In calendar year 2023, the Department renewed its effort to combat the violent and persistent crime surges experienced in prior years by employing a multifaceted deployment strategy, designed with rigorous data analysis and community intelligence. The Department strategically heightened police presence on City streets and subway stations, while relying on technology enhancements and the proactive enforcement efforts of specialized units citywide. The execution of this precision policing model and the relentless efforts of officers on the street resulted in the reduction of five out of seven major index crime categories. These enforcement efforts contributed to a 25 percent decrease in shooting incidents and 416 fewer victims of gun violence over the course of the year. Concurrently, officers arrested nearly 4,400 people for illegal possession of a firearm in 2023 and removed almost 6,500 illegal firearms off the streets. The Department will continue to integrate crime reduction, precision policing, and community engagement to address all crime conditions that impact public safety and quality of life in New York City.

The NYPD’s index crime data for calendar year 2023 shows that overall major felony crime decreased 0.2 percent (126,786 vs. 127,087) compared to calendar year 2022. Murder decreased by 10.7 percent (391 vs. 438), rape decreased by 10.5 percent (1,455 vs. 1,625), robbery decreased by 3.1 percent (16,910 vs. 17,442), burglary decreased by 13.0 percent (13,773 vs. 15,827), and grand larceny by decreased 2.4 percent (50,586 vs. 51,819). Assaults increased by 6.4 percent (27,876 vs. 26,195), and grand larceny auto increased by 14.9 percent (15,795 vs. 13,741).

Arrests totaled 224,419 in calendar year 2023, increasing by 37,084 from calendar year 2022. The overall arrest level increased by 19.8 percent from calendar year 2022. Felony arrests increased by 16.0 percent, misdemeanor arrests increased by 22.6 percent, and violation arrests increased by 69.9 percent. The distribution of arrests resulted in 43.9 percent felonies, 55.5 percent misdemeanors, and 0.6 percent violations.

ARRESTS VERSUS CRIME



* At the time of publication, FBI Index Crime statistics were unavailable for inclusion due to a reporting system change in 2023 from the FBI Summary Index Uniform Crime Reporting (UCR) to the FBI National Incident Based Reporting System (NIBRS). NYPD is utilizing its CompStat statistics in lieu of the FBI Crime index in this year's publication.

Source: NYPD

The neighborhood policing philosophy is grounded in the principle that policing takes place not just in communities but also with communities. A component of this is for community members to feel safe with a visible police presence during their daily roles as a resident, visitor, or commuter. The Department has buttressed this approach with enhanced deployments in precincts with high violent crime trends and throughout the transit system. This duality leverages the strategic placement of officers to both deter criminal activity and address quality of life concerns in communities citywide. Additionally, through continued collaboration with the MTA, various City agencies, and advocacy organizations, the Department offers homeless and mental health services to those in need.

Furthermore, the Department continues to utilize specialized units to proactively engage with offenders who commit violations known to lead up to acts of violence—whether on the streets, in the transit system, or in the City’s public housing developments. These include Neighborhood Safety Teams who focus on violent street crimes, Community Response Teams who address persistent quality of life conditions such as illegal motorbikes and ghost cars (vehicles with forged or altered license plates), and Youth Response Teams who deploy outside school corridors to provide more attentive coverage to reduce youth crime during school dismissals.

These teams work in tandem with neighborhood coordination officers (NCOs) who serve as liaisons between the police and community, youth coordination officers (YCOs) who implement Department-wide youth initiatives, and field intelligence officers (FIOs) who focus on identifying the locations and individual drivers of violent crime in each command.

Additionally, the Department leverages all available tools to ensure the safety of the city, including innovative technology to enhance officer and public safety while improving internal operations. The NYPD has invested in various technological upgrades over the course of the year, such as the use of drones and the augmented reality (AR) application, encrypted radio frequency, and the expansion of vehicle dashboard cameras and body-worn cameras. These technological upgrades facilitate real time safety measures, as well as transparency and accountability for the Department to

the public. Advancements in cameras have contributed to the inclusion of valuable evidence in criminal and civil proceedings, as well as the investigation and timely resolution of civilian complaints. Moreover, the analysis of body-worn camera usage has demonstrated that cameras may help de-escalate potentially volatile encounters, mitigate future risk, and identify training and oversight needs.

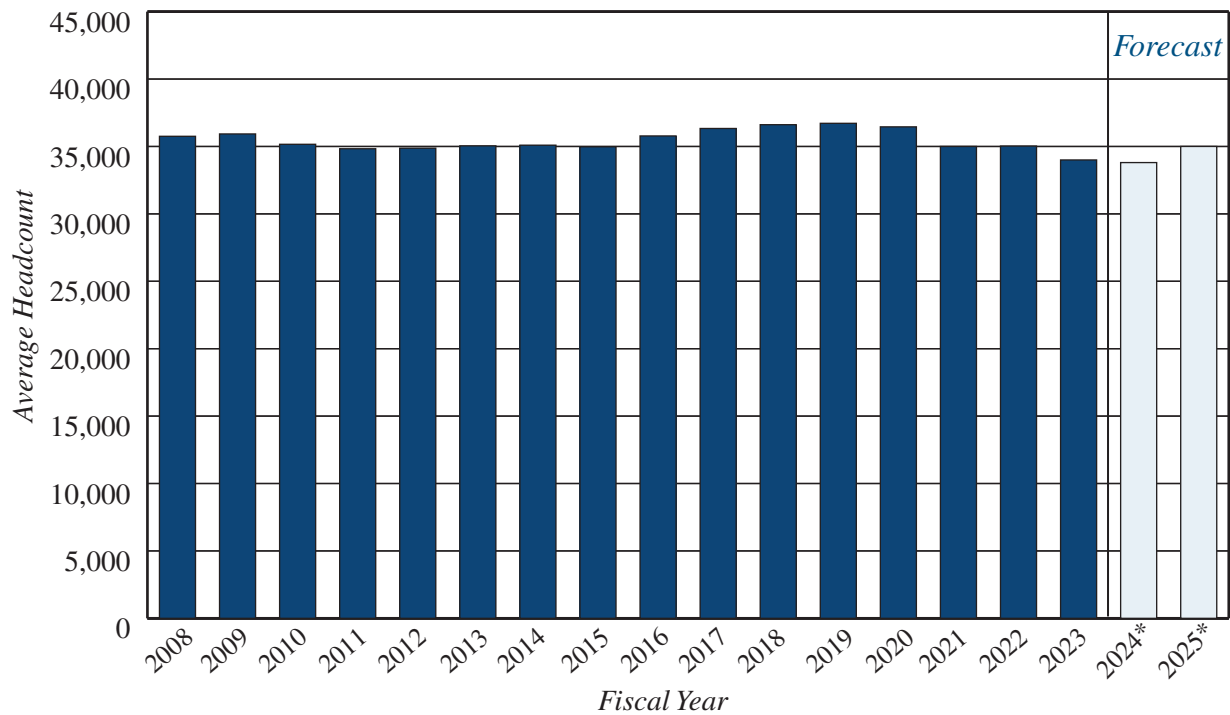
The use of drones and the AR application both provide officers in the field with easy to digest real-time information, amplifying their situational awareness, while simultaneously improving public safety. It allows officers to preview the actions of an incident, identify a response plan, and monitor coordinated efforts. The dedicated radio frequency allows for seamless coordination for the real-time response of citywide units. The NYPD will continue to test and implement new technology, specifically that which improves the safety of all.

The NYPD’s enforcement of traffic laws and education to the public regarding traffic safety plays a vital role in public safety. The Department is collaborating with the City’s Department of Transportation in an effort to reduce traffic fatalities and to maintain the safety of pedestrians, motorists, and bicyclists alike. In calendar year 2023, the NYPD issued 107,175 summonses for speeding, 52,700 summonses for using a handheld electronic device while operating a motor vehicle, and 35,500 summonses for failing to yield the right of way to a pedestrian or bicyclist.

Uniformed Headcount

The Department continues its efforts in recruiting and hiring a diverse pool of candidates for police officers. Of the 667 recruits hired for the January 2024 class, 75.6 percent identified as minorities. One hundred sixty-five recruits were born in foreign countries, and 328 speak a foreign language. The October 2023 recruit class consisted of 600 recruits, 74.6 percent of whom identified as minorities. One hundred seventy were born in foreign countries, and 300 speak a foreign language. The July 2023 recruit class consisted of 688 recruits, 76.1 percent of whom identified as minorities. One hundred ninety-seven were born in foreign countries, and 315 speak a foreign language.

TOTAL CITY, TRANSIT AND HOUSING POLICE FORCE HEADCOUNT



* 2024 data is from NYPD and 2025 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 \$537 million for the replacement, reconstruction, and maintenance of facilities citywide; replacement of computer, communication, and miscellaneous equipment; and the replacement of transportation equipment.

The table below shows capital plan commitments by program area over the 2025-2028 period.

**Capital Commitments
(\$ in 000's)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$48,979	\$49,610	\$73,690	\$102,982	\$131,394	\$138,676	\$134,614	\$134,614	\$109,027	\$109,027	\$54,807	\$54,807
Computer Equipment	6,617	6,617	16,359	16,359	8,739	8,739	3,483	3,483	0	0	0	0
Communications	20,730	20,730	60,551	60,551	56,400	56,400	0	0	0	0	0	0
Equipment	2,711	2,711	4,901	4,901	5,800	5,800	525	525	258	258	345	345
Vehicles	10,291	10,579	12,413	12,613	15,909	17,420	6,921	6,921	0	0	0	0
Total.....	\$89,328	\$90,247	\$167,914	\$197,406	\$218,242	\$227,035	\$145,543	\$145,543	\$109,285	\$109,285	\$55,152	\$55,152

Highlights of the 2025-2028 Four Year Capital Commitment Plan*Police Facilities (total commitment, \$437.1 million)*

- Construction of the Rodman's Neck Firearms Training Facility (\$225 million).
- American with Disabilities Act (ADA) compliance renovations at various NYPD precincts, Citywide (\$59.7 million).
- Renovation of Old Police Academy / 13th Precinct (\$16.2 million).
- Facility maintenance and reconstruction Department-wide (\$136.1 million).

Communications and Computer Equipment (total commitment, \$68.6 million)

- Replacement of portable radios (\$56.4 million).
- Cyber Security upgrades (\$4.7 million).
- Replacement and upgrade of various Department technologies and equipment (\$7.5 million).

Vehicles (total commitment, \$24.3 million)

- Lifecycle replacement of medium duty tow trucks (\$15.2 million).
- Lifecycle replacement of Radio Emergency Patrol trucks (\$4.9 million).
- Lifecycle replacement of all other vehicles (\$4.2 million).

Miscellaneous Equipment (total commitment, \$6.9 million)

- Purchase and upgrade of miscellaneous equipment such as facility security camera upgrades (\$6.9 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 2025 Executive Budget provides for operating expenses of \$1.05 billion, a decrease of \$200 million from the amount forecast in 2024. This decrease is primarily attributed to savings taken in the 2025 forecast. Capital commitments of \$2.9 billion are also planned in 2025.

Revenue Forecast

The Department of Correction collects revenue, which goes into the general fund, from jail commissary operations and vending machines. In 2025, the Department expects to collect approximately \$11.8 million from all revenue sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The Department received one time funding of \$358,194 for vehicles for the Bellevue Outposted Therapeutic Unit.

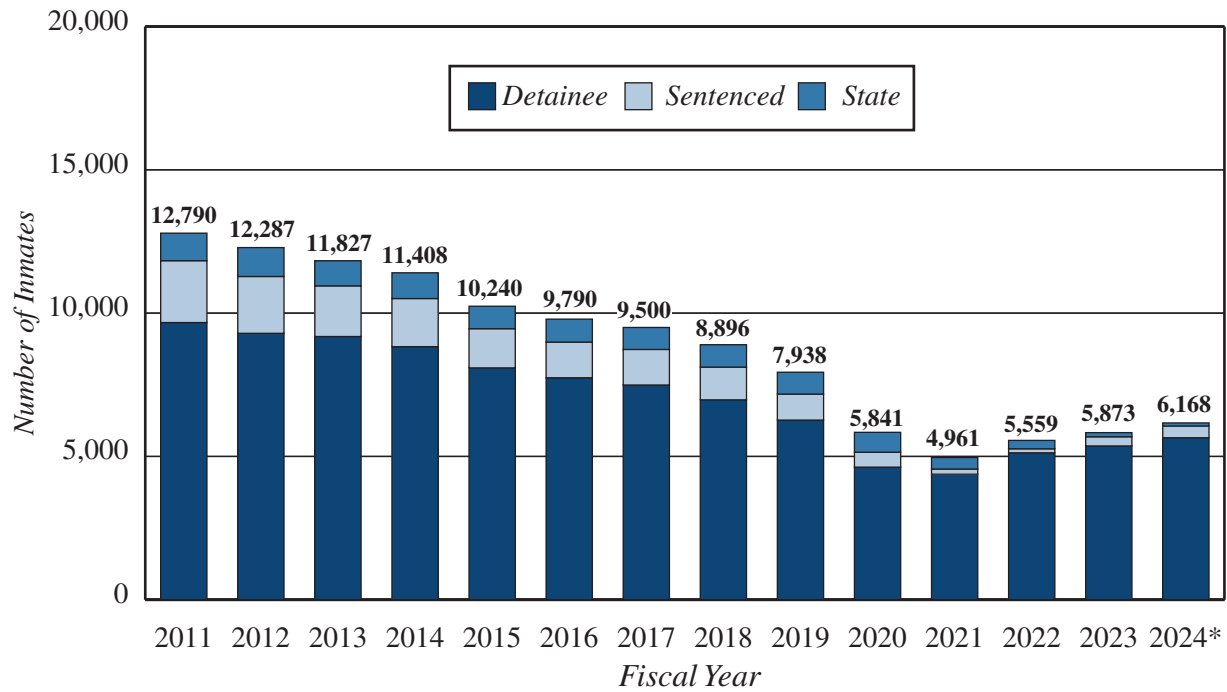
Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)					
	2023 Actual	2024 Forecast	2025		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2024 Forecast	2025 Preliminary Budget
Expenditures						
Salary and Wages	\$1,103,439	\$1,048,401	\$851,943	\$856,593	(\$191,808)	\$4,650
Fringe Benefits	24,655	24,751	24,787	24,823	72	36
OTPS	229,318	175,380	168,464	167,914	(7,466)	(550)
Total	\$1,357,412	\$1,248,532	\$1,045,194	\$1,049,330	(\$199,202)	\$4,136
Funding						
City	\$1,346,089	\$1,244,834	\$1,042,932	\$1,046,700	(\$198,134)	\$3,768
Other Categorical Grants	8,785	854	—	—	(854)	—
IFA	—	—	—	—	—	—
State	1,899	1,214	1,244	1,139	(75)	(105)
Federal CD	—	—	—	—	—	—
Federal Other	186	1,173	906	1,379	206	473
Intra-City Other	453	457	112	112	(345)	—
Total	\$1,357,412	\$1,248,532	\$1,045,194	\$1,049,330	(\$199,202)	\$4,136
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$870,361	\$855,268	\$916,421	\$907,594	\$52,326	(\$8,827)
Pensions	474,232	481,417	525,206	525,206	43,789	—
Other Than Personal Service (OTPS)						
Debt Service	125,150	142,802	139,142	157,293	14,491	18,151
Total Additional Costs	\$1,469,743	\$1,479,487	\$1,580,769	\$1,590,093	\$110,606	\$9,324
Funding						
City	1,464,991	1,466,760	1,567,846	1,576,868	110,108	9,022
Non-City	4,752	12,727	12,923	13,225	498	302
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$1,103,439	\$1,048,401	\$851,943	\$856,593	(\$191,808)	\$4,650
Fringe Benefits	895,016	880,019	941,208	932,417	52,398	(8,791)
Pensions	474,232	481,417	525,206	525,206	43,789	—
Total PS	\$2,472,687	\$2,409,837	\$2,318,357	\$2,314,216	(\$95,621)	(\$4,141)
OTPS	\$229,318	\$175,380	\$168,464	\$167,914	(\$7,466)	(\$550)
Debt Service	125,150	142,802	139,142	157,293	14,491	18,151
Total OTPS	\$354,468	\$318,182	\$307,606	\$325,207	\$7,025	\$17,601
Total Agency Costs	\$2,827,155	\$2,728,019	\$2,625,963	\$2,639,423	(\$88,596)	\$13,460
Less Intra-City	\$453	\$457	\$112	\$112	(\$345)	\$—
Net Agency Cost	\$2,826,702	\$2,727,562	\$2,625,851	\$2,639,311	(\$88,251)	\$13,460
Funding						
City	2,811,080	2,711,594	2,610,778	2,623,568	(88,026)	12,790
Non-City	15,622	15,968	15,073	15,743	(225)	670
Personnel (includes FTEs at fiscal year-end)						
City	7,851	8,851	8,847	8,847	(4)	—
Non-City	—	4	5	5	1	—
Total	7,851	8,855	8,852	8,852	(3)	—

Programmatic Review

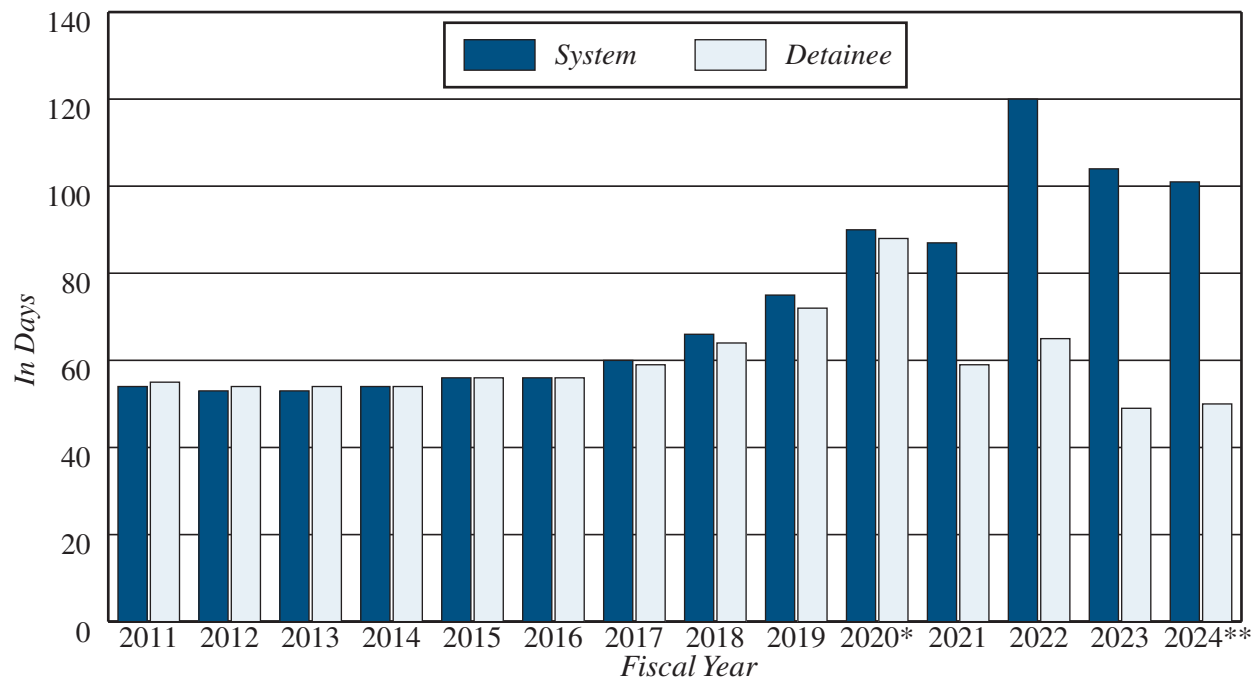
AVERAGE DAILY INMATE POPULATION



*YTD through March 31, 2024

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. Detainees now only reflect those that come in and leave as detainees. System LOS, which had been based upon that month's admissions and total ADP, is now based on actual discharges during the month.

** YTD through March 31, 2024

Source: NYC Department of Correction

The average daily population through the first nine months of 2024 was 6,200, which is 5.7 percent higher than the same period in 2023. System admissions are up 7 percent and overall system length of stay for the first nine months decreased from 106 to 101 days.

Capital Review

The Four-Year Capital Strategy totals \$10 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 2025-2028 period.

**Capital Commitments
(\$ in 000's)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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.....	\$699,151	\$699,151	\$1,061,990	\$1,061,990	\$2,780,844	\$2,780,844	\$2,426,092	\$2,426,092	\$1,929,661	\$1,929,661	\$2,329,355	\$2,329,355
Capacity Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Space	\$0	\$0	\$0	\$247	\$28,798	\$28,798	\$45,000	\$45,000	\$151,229	\$151,229	\$4,242	\$4,242
Building Systems and Infrastructure.....	\$58,013	\$58,013	\$23,673	\$56,767	\$14,481	\$14,481	\$31,507	\$31,507	\$0	\$0	\$78,281	\$78,281
Equipment.....	\$17,669	\$17,669	\$33,604	\$33,604	\$47,549	\$47,549	\$93,890	\$93,890	\$21,155	\$21,155	\$45,120	\$45,120
Total	<u>\$774,833</u>	<u>\$774,833</u>	<u>\$1,119,267</u>	<u>\$1,152,608</u>	<u>\$2,871,672</u>	<u>\$2,871,672</u>	<u>\$2,596,489</u>	<u>\$2,596,489</u>	<u>\$2,102,045</u>	<u>\$2,102,045</u>	<u>\$2,456,998</u>	<u>\$2,456,998</u>

Highlights of the 2025-2028 Four Year Capital Commitment Plan

New Jail Facilities (total commitment, \$9.5 billion)

The Department’s plan includes \$9.5 billion for the design and construction of new jail facilities.

Building Systems, Infrastructure and Support Space (total commitment, \$353.5 million)

The Department will undertake \$353.5 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 (\$225.0 million).

Information Technology, Equipment, and Vehicles (total commitment, \$207.7 million)

The Four-Year Plan provides \$207.7 million for vehicles, computers, security equipment and communication systems. Priorities include:

- Various information technology, and security upgrades (\$141.9 million).
- Vehicle replacement (\$36.2 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 throughout New York City.

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 in a shared services model, 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 Human Resources Administration administers federal and New York State benefit programs including Cash Assistance (CA), Emergency Assistance, Supplemental Nutrition Assistance (SNAP), Medical Assistance, and the Low-Income Home Energy Assistance Program (LIHEAP) to support New Yorkers in need. The Agency also provides child support services and assists individuals returning to or entering the workforce by providing a variety of employment-related services, including access to education and job training, childcare and assistance with job search and placement. In addition, HRA 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 homelessness prevention services and legal services to prevent displacement and eviction, and to 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. 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 1.69 million New Yorkers. Additionally, HRA provides financial assistance to low-income residents to meet funeral expenses for deceased family members.

Financial Review

The Department’s 2025 Executive Budget provides for operating expenses of \$11.7 billion, of which \$9.3 billion are City funds. A capital budget in 2025 of \$170.0 million is also provided, of which \$125.5 million are City funds.

Expense Budget Highlights

Program Enhancements

- An additional \$437.8 million in 2024 and \$582.5 million in 2025 in City funds will support the Department’s rental assistance programs, developed, and expanded in coordination with DHS, which have helped over 240,000 New Yorkers move out of shelter or avoid homelessness since 2015.
- An additional \$816.3 million in total funds and \$467.6 million in City funds are added in 2024 for increased costs of Cash Assistance due to caseload increases and payments for emergency rent arrears as housing court operations resume post-pandemic.
- Funding of \$8.6 million in City funds in 2025, growing to \$26.5 million by 2027, will provide a

baselined three-year, three percent wage increase to the Agency’s not-for profit service providers.

Program Efficiencies

- The Department will transfer \$52.0 million in city funds in 2025 and \$53.3 million in 2026 and beyond to support the Job Training Program (JTP) in the Department of Parks and Recreation (DPR). DPR will continue to serve HRA clients and other participants, providing opportunities for subsidized employment and training.
- Technical upgrades through the roll-out of Current NYC, a landlord, client, and provider portal for rental assistance management, will produce efficiency savings of \$16.5 million in 2025 and \$20 million in 2026 and beyond.
- The Department projects savings of \$16.5 million in City funds in 2025 and beyond from reductions in Agency overtime utilization. The Department will also realize lease savings of \$1.9 million in total funds and \$1.0 million in City funds in 2025 and 2026, growing to \$8.9 million in total funds and \$8.0 million in City funds in 2027 from space consolidation initiatives.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$866,933	\$960,463	\$892,507	\$907,551	(\$52,912)	\$15,044
Fringe Benefits	551	913	913	913	—	—
Medical Assistance	5,934,818	6,175,753	6,453,753	6,743,031	567,278	289,278
Public Assistance	1,993,624	2,466,546	1,650,222	1,650,222	(816,324)	—
Other OTPS	2,331,067	2,848,132	1,817,258	2,385,399	(462,733)	568,141
Total	\$11,126,993	\$12,451,807	\$10,814,653	\$11,687,116	(\$764,691)	\$872,463
Funding						
City	\$8,882,743	\$8,894,730	\$8,411,726	\$9,320,192	\$425,462	\$908,466
Other Categorical Grants ..	226	—	—	—	—	—
IFA	—	—	—	—	—	—
State	673,299	1,142,649	771,926	755,799	(386,850)	(16,127)
Federal CD	—	—	—	3,246	3,246	3,246
Federal Other	1,556,971	2,410,041	1,626,537	1,603,617	(806,424)	(22,920)
Intra-City Other	13,754	4,387	4,464	4,262	(125)	(202)
Total	\$11,126,993	\$12,451,807	\$10,814,653	\$11,687,116	(\$764,691)	\$872,463
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$424,657	\$421,155	\$448,354	\$452,280	\$31,125	\$3,926
Pensions	149,645	158,188	175,691	175,691	17,503	—
Other Than Personal Service (OTPS)						
Debt Service	82,736	79,349	97,286	87,401	8,052	(9,885)
Total Additional Costs ...	\$657,038	\$658,692	\$721,331	\$715,372	\$56,680	(\$5,959)
Funding						
City	496,190	480,297	543,403	537,644	57,347	(5,759)
Non-City	160,848	178,395	177,928	177,728	(667)	(200)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$866,933	\$960,463	\$892,507	\$907,551	(\$52,912)	\$15,044
Fringe Benefits	425,208	422,068	449,267	453,193	31,125	3,926
Pensions	149,645	158,188	175,691	175,691	17,503	—
Total PS	\$1,441,786	\$1,540,719	\$1,517,465	\$1,536,435	(\$4,284)	\$18,970
Medical Assistance	\$5,934,818	\$6,175,753	\$6,453,753	\$6,743,031	\$567,278	\$289,278
Public Assistance	1,993,624	2,466,546	1,650,222	1,650,222	(816,324)	—
Other OTPS	2,331,067	2,848,132	1,817,258	2,385,399	(462,733)	568,141
Debt Service	82,736	79,349	97,286	87,401	8,052	(9,885)
Total OTPS	\$10,342,245	\$11,569,780	\$10,018,519	\$10,866,053	(\$703,727)	\$847,534
Total Agency Costs	\$11,784,031	\$13,110,499	\$11,535,984	\$12,402,488	(\$708,011)	\$866,504
Less Intra-City	\$13,754	\$4,387	\$4,464	\$4,262	(\$125)	(\$202)
Net Agency Cost	\$11,770,277	\$13,106,112	\$11,531,520	\$12,398,226	(\$707,886)	\$866,706
Funding						
City	9,378,933	9,375,027	8,955,129	9,857,836	482,809	902,707
Non-City	2,391,344	3,731,085	2,576,391	2,540,390	(1,190,695)	(36,001)
Personnel (includes FTEs at fiscal year-end)						
City	9,097	9,536	9,381	9,393	(143)	12
Non-City	1,744	2,619	2,624	2,632	13	8
Total	10,841	12,155	12,005	12,025	(130)	20

Programmatic Review and Service Impact

Cash Assistance (CA)

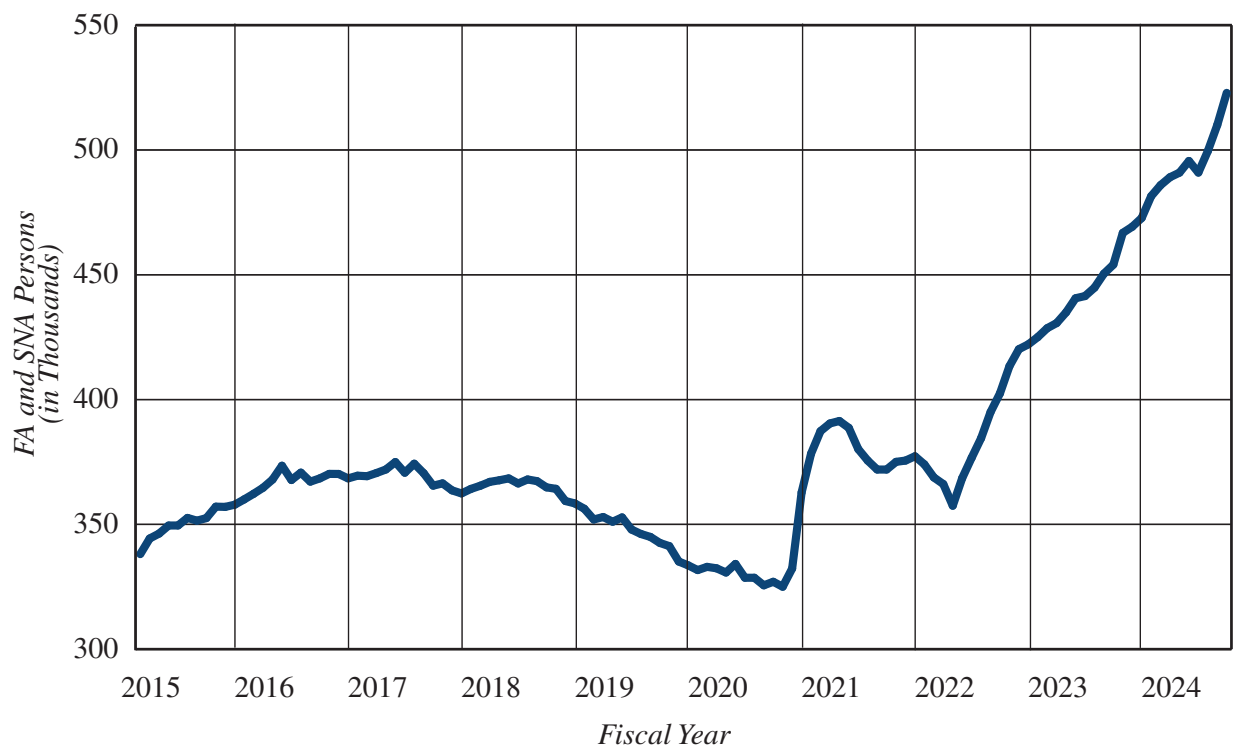
Family Independence Administration (FIA)

The Family Independence Administration (FIA) administers Cash Assistance (CA) and the Supplemental Nutrition Assistance Program (SNAP). FIA refers CA applicants and recipients to HRA Career Services to assist in obtaining employment and access to education and training. FIA provides support services including enrollment in childcare and carfare for working families; and makes one-time grants for emergencies, including rent and utility arrears, broker fees, storage fees, furniture allowances, and moving expenses.

The Department projects expenditures of \$1.65 billion on Cash Assistance (CA) benefits in 2025, of which \$875 million will be City funds.

In 2024 the CA caseload continued to increase over the course of the year with 522,876 individuals in receipt of CA benefits in February 2024. Approximately half of all recipients are children.

CASH ASSISTANCE CASELOAD 2015 - 2024



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 148,000 adults and children in February 2024. Projected FA expenditures in 2025 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 federal Temporary Assistance for Needy Families (TANF) funded benefits or who do not otherwise meet federal eligibility rules; single adults; and childless couples. In February 2024, 374,000 individuals received SNA, of whom 116,000 were adults and children who had reached the TANF

time limit. In 2025, the Department projects spending \$1.14 billion on Safety Net Assistance, of which \$804 million are City funds.

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP) 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 2023, approximately \$5.0 billion in SNAP benefits were provided to an average of 1.7 million individuals per month, including more than 539,000 children.

Client Benefits Re-Engineering

To ensure that all eligible New Yorkers can access Cash Assistance, SNAP, and other DSS benefits the Department's on-line portal, ACCESSHRA (AHRA) and an on-demand call system allow individuals to apply and recertify for CA and SNAP in an efficient and accessible way without requiring them to go into an office. As of March 2024, over 90% of SNAP and CA applications were submitted online, a trend that had accelerated during the COVID pandemic.

The Department continues to update its business processes and has implemented advanced technology solutions through the Re-engineering initiative, allowing HRA to manage staff workload more efficiently while improving the client experience. AHRA includes on-line access to the Low-Income Home Energy Assistance Program (LIHEAP), rental assistance, Medicaid, and Fair Fares as well as CA and SNAP. AHRA includes a companion Provider Portal that allows community-based partners to assist clients with applications and case issues. In 2025, DSS will enhance the Portal to include more features to enable partner organizations to assist New Yorkers interacting with DSS.

Career 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 2024, HRA began to phase in required assessment and participation in employment services that had been suspended under a New York State waiver of employment 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 through the provision of diversion and prevention services 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 "prevention first" model are intended to help families and individuals avoid the trauma of homelessness.

HPA also manages HRA's rental assistance programs, designed to prevent shelter entry and to re-house 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. In addition, HRA operates specialized Affordable Housing Service contracts and provides access to - and funding for - supportive housing. 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 January 2024, more than 240,000 people in over 99,000 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. 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.

With the implementation of the City's Universal Access law by the Department's Office of Civil Justice (OCJ), eligible tenants facing eviction in New York City Housing Court and NYCHA termination of tenancy proceedings have access to free legal counsel. Legal services have proven effective at reducing unlawful

evictions and preventing displacement. Overall, HRA's legal services anti-eviction and prevention programs have resulted in more than 700,000 New Yorkers receiving free legal supports. OCJ will issue new contracts beginning in Fiscal Year 2025 that expand the provider network in the Bronx and Queens to meet identified needs.

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 2023, there were approximately 248,000 cases with active support orders and support collections totaled \$768.5 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, mental health services, dental, rehabilitation, transportation, and vision care. Over 1.5 million New York City residents received Medicaid through HRA as of February 2024, with the Medical Assistance Program (MAP) responsible for more than 720,000 Medicaid-Only (non-CA) enrollees. Another approximately 2.8 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 approximately 50 percent since December 2013. HRA also provides Certified Application

Counselor (CAC) services in HRA locations to assist individuals with applications for Medicaid facilitated through the State Exchange.

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 2023, HCSP delivered personal care services to an average of 6,000 personal care cases and provided Medicaid financial eligibility review to approximately 258,000 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 in the Long-Term Home Health Care Program (LTHHCP), as well as for children in the Care-at-Home Waiver Program. HCSP personal care services are also provided 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.

CAS provides assessments, referrals and monitoring of treatment provided to CA clients by outside substance use providers and oversees clients enrolled

in residential and non-residential treatment. CAS oversees 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.

Health Services Office (HSO)

The DSS Health Services Office (HSO) is comprised of the Office of the Medical Director (OMD), Visiting Psychiatric Services (VPS), and the Office of Citywide Health Insurance Access (OCHIA). Through these divisions, HSO provides oversight of medical and behavioral health, food and nutrition, health insurance access, and public health interventions and methods to address the health-related needs of DHS and HRA clients.

OMD oversees the state-certified Opioid Overdose Prevention Program, coordinates care and services for DHS clients with complex medical and behavioral health conditions, works to prevent and control communicable diseases, and implements food standards in shelter.

VPS provides community based-psychiatric evaluation and crisis intervention services to clients of HRA and other agencies. VPS completes a comprehensive mental health evaluation of the referred individual and determines next steps to stabilize the situation in the least restrictive manner.

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. As of February 2024, HASA served 33,000 individuals in 32,000 households. Over 19,000 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 February 2024, HASA supported over 2,600 units in its emergency housing portfolio and over 4,700 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 2023, APS received 23,000 referrals and assessed an average of 3,700 individuals each month. APS maintained an average monthly protective services caseload of 5,500 and an average monthly Community Guardian caseload of 2,300.

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 2,375 beds for survivors of domestic violence and their children. ODV's Tier II shelters include 644 family units for clients who require additional services before transitioning back to the community.

Approximately 1,200 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.

Low Income Home Energy Assistance Program (LIHEAP) and Other Utility Assistance Programs

The Low-Income Home Energy Assistance Program (LIHEAP) is a federally funded program that assists low-income homeowners and renters to pay for heating and cooling costs and heating equipment repair bills. LIHEAP serves approximately 900,000 households annually during the heating season, which runs from October to March of each year. Most benefits are provided to CA, SNAP, and SSI recipients who receive automatic payments. LIHEAP also provides emergency benefits for assistance with gas and other heat-related utility bills and shut-offs, helps obtain service extensions, and pays for emergency oil deliveries, furnace repairs and replacements, and cooling equipment and installation to other income-eligible households through an application process.

Additional programs include Heat-Line, which offers LIHEAP applications and other public benefits to the homebound population; the Utility Assistance Program, which offers similar benefits to those identified as eligible through utility companies, and the Department of Environmental Conservation's Safety Net program which assists low-income homeowners with their water bills.

Community Food Connection (CFC)

The Community Food Connection (CFC) program (formerly the Emergency Food Assistance Program) provides food, funding, and technical assistance to approximately 600 food pantries and soup kitchens throughout New York City. In Fiscal Year 2023, CFC distributed 45.7 million pounds of fresh and shelf stable food to these programs. CFC also provides SNAP

materials, education, trainings, pre-screenings and application assistance to the public, other government agencies and community-based organizations throughout the five boroughs of New York City.

Fair Fares

The Fair Fares program, implemented in 2019 provides half-fare transit benefits to New York City residents at or below 120% of the federal poverty level who are not eligible for other transit subsidies or benefits. Fair Fares enrollment was approximately 325,000 in March 2024.

IDNYC

Implemented in Fiscal Year 2015, IDNYC is the largest municipal identification program in the U.S., providing identifications cards to New York City residents ages 10 and up. As of March 2024, IDNYC has enrolled 1.69 million unique card holders and 364,000 New Yorkers have renewed their cards to-date after reaching the 5-year renewal date.

Office of Emergency Management

The DSS Office of Emergency Management responds to City-wide disasters and emergencies. The unit is responsible for the Disaster Task Force consisting of over 4,000 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 Plan for 2025-2028 totals \$338.5 million, of which \$245.1 million are City funds. Of this \$184.9 million is included for technology to streamline Department operations, including key investments related to the AHRA Provider Portal, the Current NYC portal, and to Cyber Security upgrades. Additionally, HRA is making capital investments of \$150.5 million for facilities maintenance, equipment and improvements, and \$3.2 million is provided for vehicles.

Capital Commitments

(\$ in 000’s)

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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
Buildings	\$28,502	\$28,502	\$95,411	\$111,460	\$61,754	\$65,868	\$31,966	\$45,832	\$16,992	\$23,998	\$14,763	\$14,763
Data Processing	7,693	25,216	14,433	23,472	57,412	93,079	18,138	26,717	14,294	20,182	19,035	30,781
Telecommunications	92	332	8,981	\$16,466	5,511	10,205	—	—	3,159	3,938	—	—
Automotive	—	—	746	746	825	825	509	986	246	503	491	856
Total	\$36,287	\$54,050	\$119,571	\$152,144	\$125,502	\$169,977	\$50,613	\$73,535	\$34,691	\$48,621	\$34,289	\$46,400

Human Resources Administration

Highlights of the Four-Year Capital Plan

- Investments to upgrade the AHRA Provider Portal to facilitate the ability of community-based partner organizations to assist clients with navigating DSS benefits (\$5.3 million).
- Cyber Security Upgrades to furnish users with secure access to confidential data and ensure compliance with modern cyber security standards (\$23.3 million).

DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES DEPARTMENT OF HOMELESS SERVICES

The Department of Homeless Services (DHS) operates the nation's largest and most comprehensive municipal shelter system for homeless adults and families through a network of directly operated facilities and programs, as well as non-profit partnerships. DHS' mission is to prevent homelessness whenever possible, provide safe and service-rich temporary emergency shelter when needed, assist individuals and families transition to permanent housing, and provide outreach, drop-in and transitional housing and permanent housing placement for individuals experiencing unsheltered homelessness.

DHS addresses homelessness through a borough-based approach to shelter siting and emphasizes a trauma-informed service model. DHS, along with HRA, focuses on homelessness prevention; improving shelter conditions, services and security; addressing street homelessness; and rehousing.

In the last quarter of Fiscal Year 2022, an unprecedented influx of asylum-seeking migrants from Central and South America began arriving in New York City from the southern United States border. Asylum seekers continued to arrive throughout 2023, and many came to New York City with no resources or contacts and were forced to seek emergency shelter. In April 2022, the DHS shelter census was approximately 45,000 persons, but as of March 2024, that number surged to 85,000 persons, and asylum-seeking migrants have been the overwhelming driver of the census spike. Since April of 2022, 76% of the growth in total individuals in the DHS census was due to asylum-seekers; without this wave of immigration, the census would have been approximately 55,000 as of the last quarter of Fiscal Year 2024.

In February 2022, the City released the Subway Safety Plan, addressing public safety concerns and supporting people experiencing homelessness and serious mental illness, with a focus on New York City's unsheltered homeless and the subways. The plan provides enhanced investments in outreach teams; new safe haven, drop-in center and stabilization bed development; clinical services; as well as cross-agency collaboration, including City and New York State agencies and the Metropolitan Transportation Authority. As part of the plan, DHS invested in additional low-barrier Safe Haven and Stabilization beds for unsheltered individuals. As of April 2024, nearly 4,000 beds were on-line with another 250 planned to open by the end of 2024. These new beds allowed DHS and its contracted outreach teams to make over 8,500 placements in Fiscal Year 2023 and an additional 4,100 placements from July through October of Fiscal Year 2024.

In 2025, the Department will continue to work with HRA and other City partners to help households experiencing homelessness transition into permanent housing. Since 2015 through January 2024, over 240,000 people in more than 99,000 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 (EHV) funded through the American Rescue Plan) and NYCHA placements.

Financial Review

The Department's 2025 Executive Budget provides for operating expenses of \$3.9 billion, of which \$2.4 billion are City funds. A capital budget of \$99.9 million is also provided in 2025.

Expense Budget Highlights

Program Enhancements

- Asylum seeker funding adjustments will provide an additional \$441 million across 2024 and 2025 to support the ongoing costs of shelter, services and staffing related to the influx of asylum seekers who have entered DHS shelter since April 2022.

- An additional \$312.1 million in City funds in 2024 will support costs for family and adult shelter as a result of census increases and the costs of incremental shelter development.
- Funding of \$27.0 million in City funds in 2025, growing to \$83.3 million by 2027, will provide a baselined three-year, three percent wage increase to the Agency's not-for profit service providers.

Program Efficiencies

- As part of a Citywide initiative to reduce asylum-seeker costs, DHS City expenditures are projected to decline by \$227 million in 2024 and \$332 million in 2025, relative to the November 2023 plan. Citywide savings are derived from management of the asylum seeker census and ongoing strategies to reduce the per diem cost of caring for asylum seeker households. DHS savings are largely a function of census management.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$157,452	\$178,511	\$168,293	\$172,684	(\$5,827)	\$4,391
Fringe Benefits	1,485	1,632	832	832	(800)	—
OTPS	3,381,441	3,712,311	3,794,541	3,766,430	54,119	(28,111)
Total	\$3,540,378	\$3,892,454	\$3,963,666	\$3,939,946	\$47,492	(\$23,720)
Funding						
City	\$2,384,775	\$2,197,399	\$1,853,323	\$2,383,221	\$185,822	\$529,898
Other Categorical Grants	6,700	3,000	3,000	3,000	—	—
IFA	—	—	—	—	—	—
State	605,706	1,088,440	1,481,921	928,569	(159,871)	(553,352)
Federal CD	4,478	718	553	553	(165)	—
Federal Other	522,921	594,179	617,773	617,507	23,328	(266)
Intra-City Other	15,798	8,718	7,096	7,096	(1,622)	—
Total	\$3,540,378	\$3,892,454	\$3,963,666	\$3,939,946	\$47,492	(\$23,720)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$65,494	\$69,055	\$70,990	\$71,188	\$2,133	\$198
Pensions	23,979	25,603	28,479	28,479	2,876	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$89,473	\$94,658	\$99,469	\$99,667	\$5,009	\$198
Funding						
City	86,833	89,314	94,189	94,387	5,073	198
Non-City	2,640	5,344	5,280	5,280	(64)	—
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$157,452	\$178,511	\$168,293	\$172,684	(\$5,827)	\$4,391
Fringe Benefits	66,979	70,687	71,822	72,020	1,333	198
Pensions	23,979	25,603	28,479	28,479	2,876	—
Total PS	\$248,410	\$274,801	\$268,594	\$273,183	(\$1,618)	\$4,589
OTPS	\$3,381,441	\$3,712,311	\$3,794,541	\$3,766,430	\$54,119	(28,111)
Debt Service	—	—	—	—	—	—
Total OTPS	\$3,381,441	\$3,712,311	\$3,794,541	\$3,766,430	\$54,119	(\$28,111)
Total Agency Costs	\$3,629,851	\$3,987,112	\$4,063,135	\$4,039,613	\$52,501	(\$23,522)
Less Intra-City	\$15,798	\$8,718	\$7,096	\$7,096	(\$1,622)	\$—
Net Agency Cost	\$3,614,053	\$3,978,394	\$4,056,039	\$4,032,517	\$54,123	(\$23,522)
Funding						
City	2,471,608	2,286,713	1,947,512	2,477,608	190,895	530,096
Non-City	1,142,445	1,691,681	2,108,527	1,554,909	(136,772)	(553,618)
Personnel (includes FTEs at fiscal year-end)						
City	1,745	1,918	1,889	1,887	(31)	(2)
Non-City	52	56	18	18	(38)	—
Total	1,797	1,974	1,907	1,905	(69)	(2)

Programmatic Review and Service Impact

Shelter Operations: 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, but are not limited to, those addressing mental health, substance use and employment needs. The DHS Division of Shelter Operations also provides shelter to adult couples and families without minor children in contracted shelters.

DHS and its contracted providers offer and make referrals to a spectrum of services that may include educational and job training programs as well as clinical and mental health services. The Agency also 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 through one of the many available rental assistance or subsidized housing programs; in addition, they have access to supportive housing and Affordable Housing Service program models, which provide permanent housing combined with on-site and community-based services for clients with varying levels of special needs. In Fiscal Year 2023, DHS placed 1,558 single adults and adult families into supportive housing programs, including into NYC “15/15” units.

Shelter Operations: Family Services

The Department serves families with children experiencing homelessness through a network of shelters that provide social services, access to childcare 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 educational 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 childcare and Universal Pre-Kindergarten programs.

In 2025, 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 health.

In 2025, DHS will continue to operate Sanctuary sites, a network of shelters that opened beginning in early Fiscal Year 2023 to address the influx of asylum seekers. In March of 2024, most DHS Sanctuary sites served families with children and provided services specially targeted to the needs of asylum seekers, including referrals to immigration-related legal services.

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

DHS provides 24/7 outreach efforts on New York City streets, subways and terminal destinations. DHS’s low-threshold safe havens and stabilization beds are a part of 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 April 2024, DHS had operating capacity of nearly 4,000 stabilization and safe haven beds, more than twice the capacity that was available just five years ago. In 2023, just 5% of individuals experiencing homelessness in New York City were unsheltered – the second lowest rate among large jurisdictions, as shown in data from the annual Point-in-Time Count mandated by the U.S. Department of Housing and Urban Development. 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 Plan for 2025–2028 totals \$320.8 million. The plan provides \$69.8 million for homeless family facilities, \$235.1 million for single adult facilities, and \$15.9 million for technology projects and equipment purchases. The table below reflects actual capital commitments for Fiscal Year 2023 and planned capital commitments over the Fiscal Year 2024-2028 period by program area.

**Capital Commitments
(\$ in 000’s)**

	2023		2024		2025		2026		2027		2028	
	Actual		Plan		Plan		Plan		Plan		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...	\$3,682	\$3,682	\$18,012	\$18,012	\$14,305	\$14,305	\$21,854	\$21,854	\$14,891	\$14,891	\$18,751	\$18,751
Single Adult Facilities.....	10,777	\$10,777	63,935	\$63,935	79,218	\$81,468	34,637	\$35,462	73,944	\$73,944	44,200	\$44,200
Information Technology and Equipment.....	237	\$237	5,675	\$5,675	4,117	\$4,117	3,600	\$3,600	4,050	\$4,050	4,154	\$4,154
Total	\$14,696	\$14,696	\$87,622	\$87,622	\$97,640	\$99,890	\$60,091	\$60,916	\$92,885	\$92,885	\$67,105	\$67,105

Highlights of the Four -Year Capital Plan

- Continued funding for exterior and interior building upgrades at Bellevue Men’s Shelter of \$70 million.
- Ongoing roof and façade replacement and reconstruction of \$96 million.
- Funding of \$16 million 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.

ADMINISTRATION FOR CHILDREN'S SERVICES

The Administration for Children's Services (ACS) provides a broad range of programs that protects and promotes the safety and well-being of New York City's children and families by providing child welfare, juvenile justice, and child care and family well-being 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, and 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 and communities have the resources and supports they need to care for their children.

Financial Review

The Department's 2025 Executive Budget provides for operating expenses of \$2.73 billion, \$843 million of which are city funds. Capital commitments of \$341.8 million are provided from 2025 through 2028, of which \$293.8 million are city funds.

Expense Budget Highlights

ACS's 2025 Executive Budget responds to the challenges faced by New York's most vulnerable youth and families and lays important foundations for the future, including:

Child Care: Funds the 2022 State Market Rate increase for Child Care providers at \$81 million in fiscal year 2024.

Foster Care: Resulting from the Statewide settlement increasing the Foster Parent Stipends and Adoption Subsidies, ACS is now required to reimburse at 100 percent. In addition, the Maximum State Aid Rates (MSAR) were also increased as of July 1, 2023; This funding of \$118 million added in the 2025 preliminary budget reflects the additional cost of the new rates in fiscal year 2024.

Savings: Achieved between the November and Preliminary 2025 budget through a series of initiatives, including revenue maximization, administrative efficiencies and savings due to fewer youth in special education residential settings, juvenile justice and prevention placements for a total \$200 million in fiscal year 2024 and growing to \$54 million in the out years.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$578,894	\$559,416	\$561,179	\$567,904	\$8,488	\$6,725
Fringe Benefits	505	281	1	1	(280)	—
OTPS	2,408,905	2,753,408	2,150,706	2,160,569	(592,839)	9,863
Total	\$2,988,304	\$3,313,105	\$2,711,886	\$2,728,474	(\$584,631)	\$16,588
Funding						
City	\$1,056,733	\$988,300	\$830,107	\$842,779	(\$145,521)	\$12,672
Other Categorical Grants	—	—	—	—	—	—
IFA	—	—	—	—	—	—
State	881,807	1,062,264	773,731	777,061	(285,203)	3,330
Federal CD	—	—	—	—	—	—
Federal Other	1,045,854	1,257,870	1,107,905	1,108,491	(149,379)	586
Intra-City Other	3,910	4,671	143	143	(4,528)	—
Total	\$2,988,304	\$3,313,105	\$2,711,886	\$2,728,474	(\$584,631)	\$16,588
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$230,978	\$225,707	\$244,429	\$247,075	\$21,368	\$2,646
Pensions	87,413	92,645	103,819	103,819	11,174	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$318,391	\$318,352	\$348,248	\$350,894	\$32,542	\$2,646
Funding						
City	177,691	165,640	197,288	200,489	34,849	3,201
Non-City	140,700	152,712	150,960	150,405	(2,307)	(555)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$578,894	\$559,416	\$561,179	\$567,904	\$8,488	\$6,725
Fringe Benefits	231,483	225,988	244,430	247,076	21,088	2,646
Pensions	87,413	92,645	103,819	103,819	11,174	—
Total PS	\$897,790	\$878,049	\$909,428	\$918,799	\$40,750	\$9,371
OTPS	\$2,408,905	\$2,753,408	\$2,150,706	\$2,160,569	(\$592,839)	\$9,863
Debt Service	—	—	—	—	—	—
Total OTPS	\$2,408,905	\$2,753,408	\$2,150,706	\$2,160,569	(\$592,839)	\$9,863
Total Agency Costs	\$3,306,695	\$3,631,457	\$3,060,134	\$3,079,368	(\$552,089)	\$19,234
Less Intra-City	\$3,910	\$4,671	\$143	\$143	(\$4,528)	\$—
Net Agency Cost	\$3,302,785	\$3,626,786	\$3,059,991	\$3,079,225	(\$547,561)	\$19,234
Funding						
City	1,234,424	1,153,940	1,027,395	1,043,268	(110,672)	15,873
Non-City	2,068,361	2,472,846	2,032,596	2,035,957	(436,889)	3,361
Personnel (includes FTEs at fiscal year-end)						
City	6,176	6,946	6,891	6,891	(55)	—
Non-City	46	167	167	167	—	—
Total	6,222	7,113	7,058	7,058	(55)	—

Programmatic Review and Service Impact

Division of Child Protection (DCP)

ACS/DCP responded to 61,501 reports of abuse and neglect transmitted to ACS from the State Central Register during 2023. These resulted in 42,816 investigations and 10,054 CARES cases. (Some investigations result from multiple reports, which are consolidated.)

ACS DCP is required to respond to allegations of child abuse and neglect reports transmitted by the New York Statewide Central Register to ACS. 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 lower-risk cases, DCP can pursue a non-investigative differential response, known as Collaborative Assessment, Response, Engagement and Support (CARES). Cases assigned to the CARES track do not require an investigation determination regarding the neglect allegations that generated the report, and thus leave no adverse determination on a parent's record, which might later impact employment and other opportunities. ACS has substantially increased the number and percentage of cases assigned to CARES so now 25% of cases no longer require an investigative response.

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. ACS has substantially reduced the number of cases where ACS is supervising with the number of families receiving court ordered supervision down 50 percent from January 2021 to January 2024.

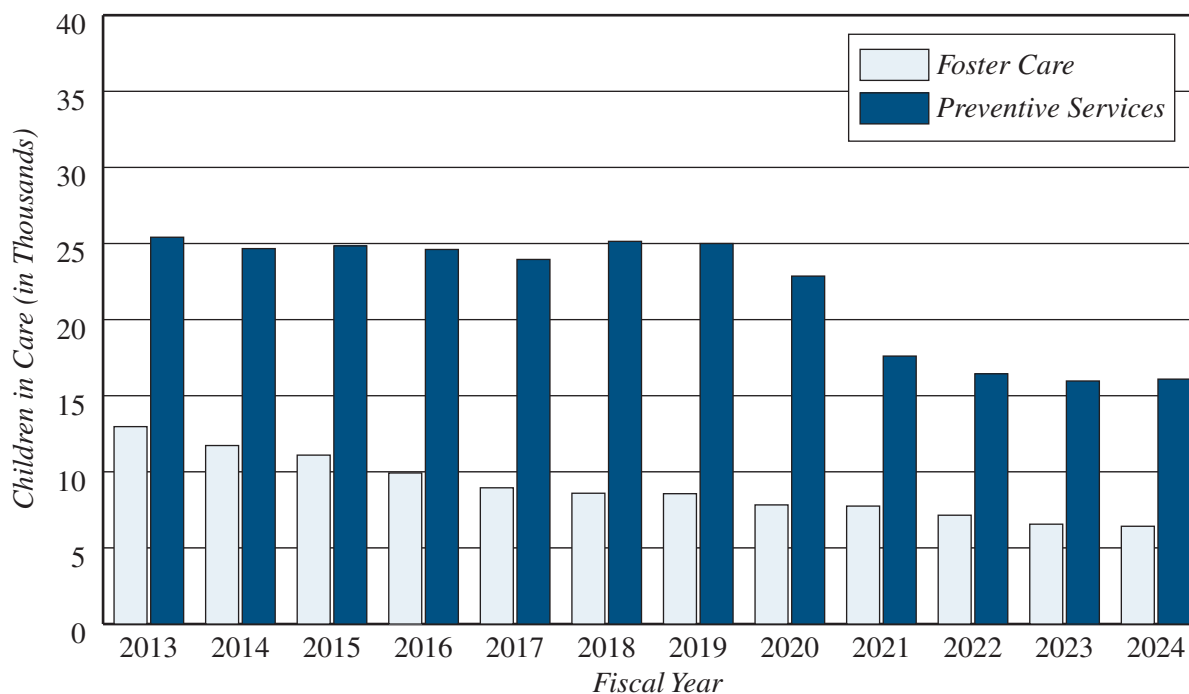
While ACS is required to respond to all child protective reports referred by the state, less than 25 percent are indicated for child abuse or maltreatment. Given this, and the impact investigations have on families, ACS has been working with sister agencies to retrain mandated reporters on how to access supports for families without making reports to the child abuse hotline, when a child is not at imminent risk of maltreatment. As a result, we have for instance seen a 10 percent reduction in reports from schools.

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. ACS continues to support the professional development of staff through graduate and undergraduate scholarships, as well as a broad array of career-long learning opportunities available through the ACS Workforce Institute, a collaboration with the City University of New York.

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 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 very few 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. In 2023, 14,816 families with 31,937 children participated in ACS prevention services, including 6,915 new families.

CHILDREN IN FOSTER CARE AND PREVENTIVE SERVICES 2013 - 2024



Source: NYC OMB

ACS launched a redesigned prevention services system on July 1, 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 the development of the models that ACS offers and in the day-to-day service delivery on individual cases. Services are free and available citywide—in every community, in all five boroughs.

Foster Care

Placements in family foster care, residential settings, or specialized care facilities are provided on a temporary basis until children and youth leave foster care. 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 overall foster care census has continued declining, from 6,757 in January 2023 to 6,399 in January 2024, and 45 percent are living with kin. The number of foster children in residential settings has also continued to decline, from

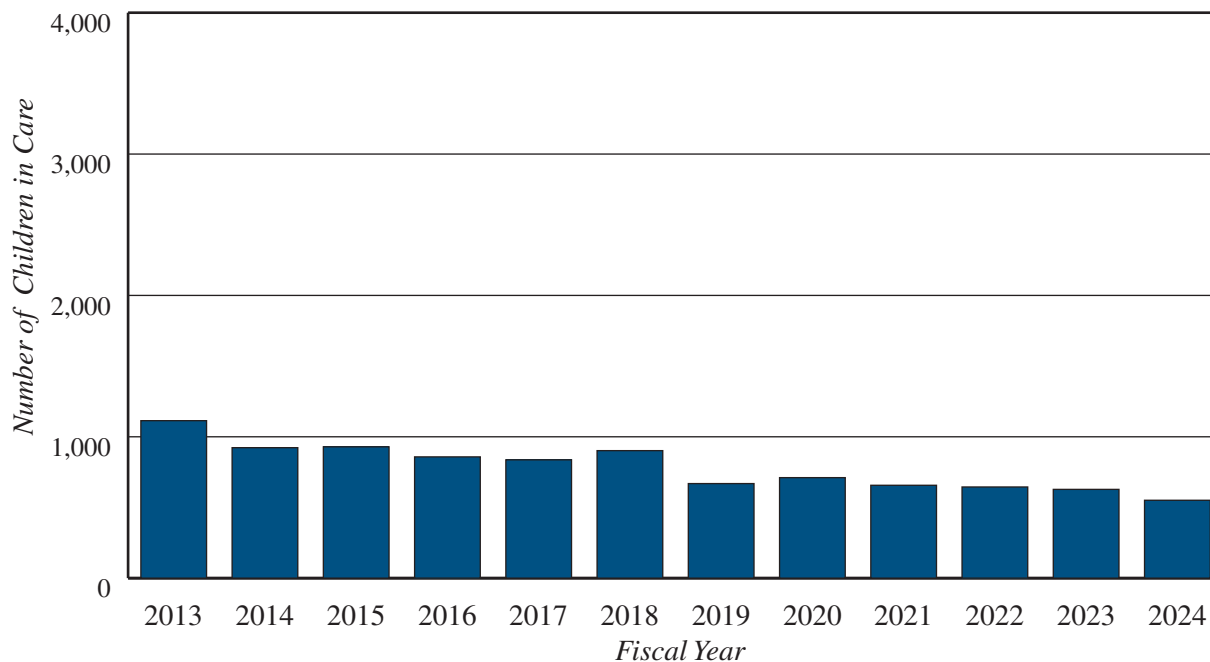
628 in January 2023 to 528 in January 2024, reaching a nine year low of 583 children in June 2023.

ACS developed a revised 5-year plan which started on July 1, 2023, which identifies four Core Collective Priorities designed to serve, and guide New York City foster care practice moving forward. The collective priorities are as follows:

- 1) Meet the present need with sufficient capacity.
- 2) Focus on family.
- 3) Create safety and stability.
- 4) Ensure child and youth success and improved well-being.

The Core Collective Priorities were informed by the lessons learned from the previous five-year plan and information gathered from a large-scale case review. Through these case reviews, ACS identified strategies to overcome barriers to permanency and strengthen case planning.

RESIDENTIAL CASELOADS 2013 - 2024



Note: Starting in 2012, the residential caseload no longer includes adjudicated juvenile delinquents in congregate settings operated by private not-for-profit agencies. Source: NYC OMB

ACS is implementing a range of strategies outlined in the Request for Proposal released in 2021. Through these new foster care contracts, ACS and foster care providers aim to:

- Blend regular and therapeutic foster care programs into one model support children’s needs and increase stability.
- Incorporate parent voice by adding Parent Advocates to the case management team.
- Increase therapeutic and evidence-based services for youth in care and their families.
- Add additional workforce enhancements to support and retain staff.
- Increase youth and family voice; improve race equity outcomes; improve LGBTQAI+ services and outcomes for youth identifying as LGBTQAI+; and
- Create a payment structure that provides great flexibility to cover fixed costs necessary to maintain adequate staffing, infrastructure support, and other services to deliver stable services.

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 by streamlining the administrative processes and providing enhanced technical assistance to agencies to reduce time to reunification and expedite adoption and kinship guardianship. Most 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’s efforts to increase placement with relatives and family friends include 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.

ACS continues to partner closely with the Family Court to address the backlog of adoption and KinGAP cases that developed as a result of the pandemic. In 2022, adoptions continued to increase; there were 242 adoptions in 2020, 438 in 2021, 503 in 2022 and 571 in 2023. The number of children exiting foster care to KinGAP was 398 in 2019, dropped to 215 in 2020, rebounded significantly to 494 in 2021, decreased to 345 in 2022 and increased to 386 in 2023.

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 April 2024, 9,724 adopted children were receiving an adoption subsidy, and 2,959 children who exited foster care through kinship guardianship were receiving a KinGAP subsidy.

Fair Futures

The funding for Fair Futures is baselined at \$30.7 million. Fair Futures provides youth in foster care with dedicated coaches that provide social and emotional support to build life skills, set academic and career goals, facilitate connections to programs/services that support goal attainment, and plan for successful transitions from foster care. In recent years the program was expanded to older youth up to the age of 26-years-old as well as youth in juvenile justice programs.

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 seven 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, medical care, mental health support, programming, recreation, and case management.

In the city's Close to Home initiative, launched in 2012, DYFJ assumed custody of adjudicated youth in Family Court found to need 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, education programs, and aftercare re-entry services.

Currently, the city has 151 non-secure placement (NSP) beds and 50 limited-secure placement (LSP) beds. However, ACS issued new awards through the RFP process that will begin July 1st, 2024. The City's Close to Home program will serve 147 youths, 99 NSP and 42 LSP, with an additional six beds for a Transitional Residential Care program for youths who are preparing to leave NSP or LSP without a permanent living arrangement. The new contracts will reduce the number of beds by 54 as the number of youth requiring placement remains low. Juvenile Offenders and Adolescent Offenders, those convicted of the most serious crimes, remain in state-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, programming, and medical and mental health care. DYFJ has increased its investment in court-involved young people with the continued expansion of fair futures and Workforce Development services in secure detention.

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 Department 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 provide families and children the critical supports they need to thrive and have 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 foster well-being for families, children, and communities. CFWB helps families afford child care, funds community-based models that promote parent and child well-being, and promotes child safety through education, training, and resource distribution.

Child Care

CFWB administers child care assistance to approximately 51,000 children through child care vouchers supported by Child Care Block Grant, other state and federal funds, as well as city tax levy funds. This includes families with child welfare involvement, and eligible families that meet income criteria.

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 assistance to ensure that New York City has accessible, equitable, high-quality, affordable child care and early childhood education for those who need it most.

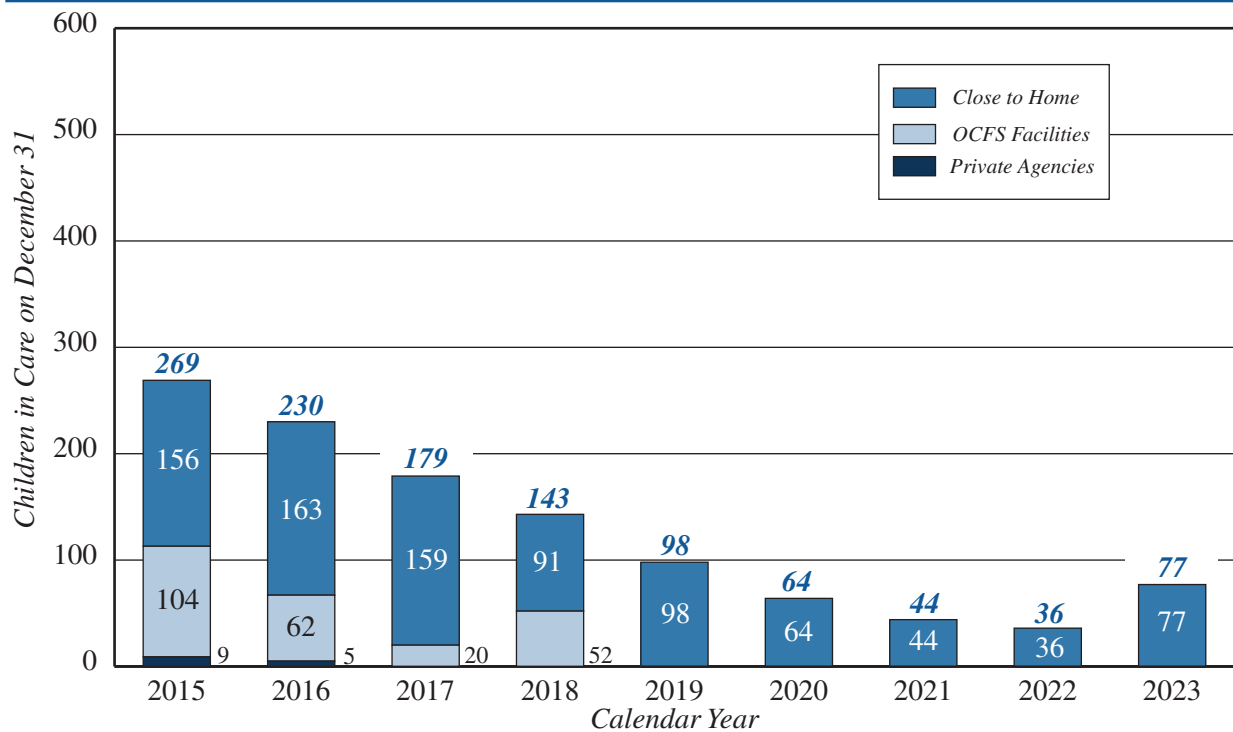
Community-Based Programs

CFWB contracts directly with community-based organizations (CBOs) to manage two community-led models, Community Partnerships (CPs) and Family Enrichment Centers (FECs). Since 2007, ACS has funded 11 CPs that serve as community coalitions through which service providers, community leaders, and residents share resources and information, address community needs, and design and promote strategies to support families and children. FECs are warm, inviting spaces open to all community members and led by caring staff and parent advisory councils. The spaces are meant to promote protective factors – like social connection, access to concrete needs, and parental resilience -- that foster strong family and community environments, contributing to healthy child and youth development and a reduction of risks related to child maltreatment. e. The FECs are co-designed with the communities in which they are located and are run by supportive staff and a parent advisory council. ACS is in the process of expanding to 30 FECs over the next two years. ACS currently contracts with 20 nonprofit organizations for Family Enrichment Centers throughout NYC, 12 of which are open to families and community and offering supports; the remaining 8 are preparing to open in the coming months. This spring, ACS recommended awards for nine additional FECs, which will begin their contracts in July 2024.

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 the 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 and to provide concrete resources. This 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 - 2023



* 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 \$341.7 million, of which \$293.8 million are City funds. The Capital Plan includes \$233.3 million for DYFJ programs, \$18.7 million for the buildings and renovations, \$37.4 million for equipment and information systems, \$8.3 million for City Council childcare and child welfare projects, and \$5.7 million for Borough President child welfare projects.

Capital Commitments

(\$ in 000's)

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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.....	\$439	\$439	\$104,634	\$106,780	\$75,582	\$75,582	\$84,062	\$84,062	\$88,135	\$97,144	\$4,183	\$4,183
Child Care.....	\$—	\$—	\$680	\$680	\$—	\$—	\$107	\$107	\$—	\$—	\$—	\$—
Buildings.....	\$80	\$80	\$5,669	\$7,667	\$673	\$673	\$100	\$588	\$1,205	\$1,205	\$—	\$—
MIS.....	\$4,503	\$9,473	\$12,867	\$22,388	\$26,650	\$45,123	\$7,894	\$23,275	\$922	\$1,815	\$4,329	\$8,004
Total.....	\$5,021	\$9,992	\$123,850	\$137,515	\$102,905	\$121,378	\$92,163	\$108,032	\$90,262	\$100,164	\$8,512	\$12,187

Highlights of the Four-Year Capital Plan

- \$37.4 million will support telecommunications and data infrastructure upgrades and improvements.
- \$18.7 million will support building renovations.
- \$233.3 million will support the Department's juvenile justice operations, including the addition of an annex to the Horizon complex, and renovations of the Department's two secure detention facilities – Crossroads and Horizon.

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

The New York City Department of Youth and Community Development (DYCD) contracts with hundreds of nonprofit community-based organizations to operate a continuum of services, including support programs for families and youth in neighborhoods throughout the five boroughs. DYCD's mission is to invest in a network of community-based organizations and programs to alleviate the effects of poverty, and to provide opportunities for New Yorkers and communities to flourish. The agency's vision is a New York City in which everyone flourishes, and outcomes are not determined by race, gender, gender identity, sexual orientation, income, neighborhood, immigration status, or disability.

DYCD programming includes Beacon and Cornerstone Community Centers, the Comprehensive Afterschool System of New York City (COMPASS), School's Out New York City (SONYC), Fatherhood, Immigration programs, Literacy Services, Neighborhood Development Areas (NDAs), the Office of Neighborhood Safety (ONS), Runaway and Homeless Youth (RHY), Saturday Night Lights (SNL), the Summer Youth Employment Program (SYEP), and Summer Rising. As the designated Community Action Agency for New York City, DYCD is the local grantee for federal Community Services Block Grant (CSBG) funding, which supports a variety of programs that promote self-sufficiency and healthy communities.

Financial Review

The Department's 2025 Executive Budget provides for operating expenses of \$1,179.9 million, of which \$926.8 million are City funds.

Expense Budget Highlights

DYCD's 2025 Executive Budget acknowledges the current fiscal challenges facing the city, as well as maintaining the crucial foundations for the city's youth, communities, and families. This includes:

- Funding to support a jobs connection and training program which will provide pathways to employment and economic mobility for people who reside in communities where gun community violence is most prevalent, including neighborhoods identified as priority areas by the Gun Violence Prevention Taskforce. Participants will be offered work readiness training, occupational training, and

internships for in-demand sectors and receive wrap-around services, including job placement assistance, supportive services such as mental health counseling and connections to social services, resources, and benefits.

- Funding to support six Neighborhood Safety Councils (NSCs) in neighborhoods specified by the Mayor's Gun Violence Prevention Task Force. The NSCs will serve as a platform for community members to co-design, plan, and implement initiatives that help achieve community safety. In addition, NSCs will create regular opportunities for collaboration, mutual trust building, and relationship building among the community, other CBOs, elected leaders, and local NYPD precincts.
- Funding to baseline Crisis Management System (CMS) enhancements from FY24.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$45,723	\$52,508	\$54,787	\$55,232	\$2,724	\$445
Fringe Benefits	—	—	—	—	—	—
OTPS	1,080,765	1,285,059	1,073,137	1,124,692	(160,367)	51,555
Total	\$1,126,488	\$1,337,567	\$1,127,924	\$1,179,924	(\$157,643)	\$52,000
Funding						
City	\$857,659	\$1,055,569	\$876,598	\$926,761	(\$128,808)	\$50,163
Other Categorical Grants	696	101	—	—	(101)	—
IFA	—	—	—	—	—	—
State	9,724	18,497	10,955	12,455	(6,042)	1,500
Federal CD	7,405	7,537	7,151	7,162	(375)	11
Federal Other	113,781	114,513	91,983	92,309	(22,204)	326
Intra-City Other	137,223	141,350	141,237	141,237	(113)	—
Total	\$1,126,488	\$1,337,567	\$1,127,924	\$1,179,924	(\$157,643)	\$52,000
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$17,235	\$19,160	\$19,687	\$20,203	\$1,043	\$516
Pensions	6,898	7,308	8,193	8,193	885	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$24,133	\$26,468	\$27,880	\$28,396	\$1,928	\$516
Funding						
City	24,083	25,582	27,291	27,777	2,195	486
Non-City	50	886	589	619	(267)	30
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$45,723	\$52,508	\$54,787	\$55,232	\$2,724	\$445
Fringe Benefits	17,235	19,160	19,687	20,203	1,043	516
Pensions	6,898	7,308	8,193	8,193	885	—
Total PS	\$69,856	\$78,976	\$82,667	\$83,628	\$4,652	\$961
OTPS	\$1,080,765	\$1,285,059	\$1,073,137	\$1,124,692	(\$160,367)	\$51,555
Debt Service	—	—	—	—	—	—
Total OTPS	\$1,080,765	\$1,285,059	\$1,073,137	\$1,124,692	(\$160,367)	\$51,555
Total Agency Costs	\$1,150,621	\$1,364,035	\$1,155,804	\$1,208,320	(\$155,715)	\$52,516
Less Intra-City	\$137,223	\$141,350	\$141,237	\$141,237	(\$113)	\$—
Net Agency Cost	\$1,013,398	\$1,222,685	\$1,014,567	\$1,067,083	(\$155,602)	\$52,516
Funding						
City	881,742	1,081,151	903,889	954,538	(126,613)	50,649
Non-City	131,656	141,534	110,678	112,545	(28,989)	1,867
Personnel (includes FTEs at fiscal year-end)						
City	466	512	503	535	23	32
Non-City	39	90	81	81	(9)	—
Total	505	602	584	616	14	32

Programmatic Review and Service Impact

Beacon Community Centers

Pioneered in 1991 under Mayor David 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 Community Centers

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. During the summer, Cornerstones provide daily services until 11 p.m., to allow community residents evening access to a safe place for recreation and learning when school is out. 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 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. Another location at the Gowanus Houses is expected to open in FY25.

Comprehensive Afterschool System of New York City (COMPASS)/School's Out New York City (SONYC)

The Comprehensive Afterschool System of New York City (COMPASS) and School's Out New York City (SONYC) middle school programs offer a mix of academic, recreational, and cultural activities for young people after school, during school closing days, and in the summer. Nearly 900 programs 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. Through DYCD-funded community-based organizations, COMPASS offers high quality afterschool 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, COMPASS has served more than 115,000 students in K-12 for the 2023-2024 school year.

Fatherhood Programs

By promoting positive involvement of fathers in the lives of their children, DYCD's seven 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 FY24, the Department allocated \$2.7 million in CSBG funding to provide services to approximately 1,400 participants.

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 FY24, DYCD's funding for adult literacy services is \$25.8 million, and it is projected that 17,393 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. These programs are currently in the Request for Proposals (RFP) process for FY25. The RFP includes hybrid classes and mental health services to address issues such as depression, anxiety, trauma, and substance abuse. This is consistent with Mayor Adams' focus on mental health supports, especially as the city continues its recovery from COVID-19, and addresses the impact the pandemic had on the well-being of New Yorkers. New contracts are expected to start in FY25.

Neighborhood Development Area (NDA) Programs

DYCD administers the federal Community Services Block Grant (CSBG) program to fund anti-poverty initiatives in 41 designated low-income Neighborhood Development Areas (NDAs) across the five boroughs of New York City. 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 FY24, the Department received \$15.7 million in CSBG funding for these programs, which provides immigrant services, family support services, youth development, senior support, and housing assistance to 12,306 participants.

Office of Neighborhood Safety (ONS)

In 2023, DYCD began overseeing the Office of Neighborhood Safety (ONS), which manages the city's community violence intervention work. ONS is comprised of the Crisis Management System (CMS), the Mayor's Action Plan for Neighborhood Safety (MAP), Atlas, and the Precision Employment Initiative. CMS is a partnership of organizations—including a network of residents, credible messengers, and community leaders—that mediate community conflicts, connect young people aged 16 to 24 most at risk of gun violence to mentorship and risk reduction plans, and mobilize the community to promote peace and shift norms around the use of violence.

Runaway and Homeless Youth (RHY)

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 eight Drop-In Centers, five which operate 24/7. In 2024, DYCD funds 813 beds in Runaway and Homeless Youth residential programs that are online for youth ages 16 to age 24.

Saturday Night Lights (SNL)

Saturday Night Lights (SNL) serves young people at 136 sites citywide. SNL programs offer safe and engaging evening sports programs, including basketball, soccer, volleyball, dance, and martial arts.

Summer Rising

The Summer Rising program, in partnership with NYC Public Schools, serves 110,000 elementary and middle school youth. The program connects them with fun, hands-on enrichment experiences to strengthen skills, develop interests, and cultivate curiosity. Examples of programming include drama, yoga, community service, visual art, sports, and cooperative games.

Youth Workforce Development

The Summer Youth Employment Program (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 \$16 per hour. Younger participants receive a stipend to complete project-based learning experiences. In FY24, 100,000 youth participated in SYEP at over 17,000 worksites across the city. In FY25, the city is committed to serving the same number of young people.

Work, Learn and Grow (WLG), a school-year extension of SYEP, is now serving over 7,000 youth, its largest class to date with more than one-third of enrolled youth residing in or attending school in the six priority police precincts identified in the Mayor's Blueprint for Community Safety.

In addition to SYEP and WLG, DYCD operates several other workforce development programs for youth between the ages of 14 to 24, including 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.

To administer the Advance & Earn program in 2024, DYCD received \$9.2 million from OEO, \$3.4 million from YMI, \$6 million for AE Expansion, and \$970,000 from an intercity agreement with the Administration for Children's Services (ACS), totaling approximately \$19.6 million. Without ACS and Expansion funding, DYCD received approximately \$12.7 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 training, credentials and certifications, and paid internships. The program will serve 1,280 participants this year (1,200 participants if you exclude ACS).

In FY24, DYCD received \$25.6M in Workforce Innovation and Opportunity Act (WIOA) funding which is used to support the Learn & Earn and the Train & Earn programs. These programs are currently in the Request for Proposals (RFP) process for FY25.

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 in upgrading their occupational and educational skills. Train & Earn programs are operated by community-based organizations throughout the 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.

NYC AGING

The NYC Aging (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. NYC Aging serves as an advocate for the City’s older adult population through legislative activity and public policy initiatives.

Financial Review

NYC Aging’s 2025 Executive Budget provides for operating expenses of \$494.0 million, of which \$355.9 million are City funds. In addition, the Department’s Ten-Year Capital Plan includes \$93.1 million.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024 Forecast	2025 Preliminary Budget
			Preliminary Budget	Executive Budget		
Expenditures						
Salary and Wages	\$27,992	\$33,018	\$30,632	\$32,142	(\$876)	\$1,510
Fringe Benefits	—	—	—	—	—	—
OTPS	466,749	475,518	454,459	461,835	(13,683)	7,376
Total	\$494,741	\$508,536	\$485,091	\$493,977	(\$14,559)	\$8,886
Funding						
City	\$329,332	\$361,022	\$346,915	\$355,889	(\$5,133)	\$8,974
Other Categorical Grants	15	453	185	185	(268)	—
IFA	—	—	—	—	—	—
State	32,558	59,297	45,012	44,866	(14,431)	(146)
Federal CD	853	362	362	362	—	—
Federal Other	129,363	84,959	92,102	92,160	7,201	58
Intra-City Other	2,620	2,443	515	515	(1,928)	—
Total	\$494,741	\$508,536	\$485,091	\$493,977	(\$14,559)	\$8,886
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$11,695	\$12,811	\$12,865	\$13,268	\$457	\$403
Pensions	4,223	4,876	5,016	5,016	140	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$15,918	\$17,687	\$17,881	\$18,284	\$597	\$403
Funding						
City	15,857	17,358	17,127	17,522	164	395
Non-City	61	329	754	762	433	8
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$27,992	\$33,018	\$30,632	\$32,142	(\$876)	\$1,510
Fringe Benefits	11,695	12,811	12,865	13,268	457	403
Pensions	4,223	4,876	5,016	5,016	140	—
Total PS	\$43,910	\$50,705	\$48,513	\$50,426	(\$279)	\$1,913
OTPS	\$466,749	\$475,518	\$454,459	\$461,835	(\$13,683)	\$7,376
Debt Service	—	—	—	—	—	—
Total OTPS	\$466,749	\$475,518	\$454,459	\$461,835	(\$13,683)	\$7,376
Total Agency Costs	\$510,659	\$526,223	\$502,972	\$512,261	(\$13,962)	\$9,289
Less Intra-City	\$2,620	\$2,443	\$515	\$515	(\$1,928)	\$—
Net Agency Cost	\$508,039	\$523,780	\$502,457	\$511,746	(\$12,034)	\$9,289
Funding						
City	345,189	378,380	364,042	373,411	(4,969)	9,369
Non-City	162,850	145,400	138,415	138,335	(7,065)	(80)
Personnel (includes FTEs at fiscal year-end)						
City	221	238	216	222	(16)	6
Non-City	91	131	139	129	(2)	(10)
Total	312	369	355	351	(18)	(4)

Programmatic Review and Service Impact

Older Adult Centers

The core of NYC Aging, \$232 million contracted this year, is the citywide network of 315 Older Adult Centers, which every day offer older New Yorkers meals, socialization, recreation, benefits counseling, application assistance, and participation in a wide array of activities designed to improve their health and quality of life.

Case Management

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 2025, \$44 million will support case management services. Most of the case management clients benefit from home-delivered meals services five days a week each year.

Home Delivered Meals

NYC Aging has 15 contracts for home delivered meals, which offer older adults the option of frozen, fresh-chilled, or hot meal deliveries. In 2025, \$60.7 million will support 4.8 million home delivered meals. Home-delivered meals (HDM) program is a vital component in NYC Aging's network of services. Not only do HDMs provide sustenance to homebound older adults across the five boroughs, the interaction with the delivery person—which for many of our clients may be the only direct human interaction for the day—support our ongoing effort to combat social isolation which was exacerbated during the pandemic. This program continues to follow the strict guidance set by the State and is open to those who meet those criteria.

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

NYC Aging'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, NYC Aging's transportation services program offers group transportation to enhance community engagement for seniors by offering recreational, social, and educational trips. Each year, NYC Aging's \$5.1M transportation program provides over 250,000 one-way trips citywide.

Caregiver Services

NYC Aging'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 2025, funding for the caregiver program is \$8.2 million.

Capital Review

The Department’s Four -Year Capital Plan for 2025–2028 totals \$61.7 million. The Four-year Capital Strategy includes funding for rehabilitation of older adult centers and for information and technology projects.

Capital Commitments

(\$ in 000’s)

	2025 Plan		2026 Plan		2027 Plan		2028 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Capital Commitments.....	\$14,258	\$14,258	\$27,748	\$27,748	\$13,835	\$13,835	\$17,024	\$17,024
Total	<u>\$14,258</u>	<u>\$14,258</u>	<u>\$27,748</u>	<u>\$27,748</u>	<u>\$13,835</u>	<u>\$13,835</u>	<u>\$17,024</u>	<u>\$17,024</u>

Four-Year Capital Strategy Highlights

- The Department’s Four-Year Capital Strategy totals \$61.7M for 2025-2028 and includes rehabilitation of older adult centers, with a focus on structural and accessibility issues (\$50.3 million); computer and network upgrade and equipment purchases (\$8.2 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, as we are all healthier when we live in a City that is healthy.

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 Chief Medical Examiner (the Office, or 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. The Office provides additional forensic services, including DNA testing, to support investigations. OCME also manages all functions of the City mortuary, including the retrieval and processing of unclaimed deceased bodies, and facilitates final disposition. Finally, OCME maintains a specialized mass fatality management team ready to support the City in responding to mass fatalities and other disasters.

Financial Review

The Department's 2025 Executive Budget provides for operating expenses of \$2.2 billion, a decrease of \$0.5 billion below the amount forecasted in 2024. Capital commitments of \$187.0 million are also provided, a decrease of \$16.1 million below the 2024 Plan amount.

Revenue Forecast

The Department generates revenue from licenses, permits, inspection and service fees. In 2025, the Department will generate \$31.6 million in revenue from these sources.

Expense Budget Highlights

Budgetary Priorities

- Funding for medical debt relief.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$569,229	\$613,578	\$580,844	\$600,714	(\$12,864)	\$19,870
Fringe Benefits	1,641	2,710	859	857	(1,853)	(2)
OTPS	1,764,617	2,083,960	1,483,135	1,551,446	(532,514)	68,311
Total	\$2,335,487	\$2,700,248	\$2,064,838	\$2,153,017	(\$547,231)	\$88,179
Funding						
City	\$1,216,201	\$1,121,017	\$1,034,651	\$1,054,232	(\$66,785)	\$19,581
Other Categorical Grants	46,815	82,769	17,119	25,805	(56,964)	8,686
IFA	—	—	—	—	—	—
State	525,094	677,674	655,824	659,907	(17,767)	4,083
Federal CD	—	—	—	—	—	—
Federal Other	526,929	795,872	350,385	406,419	(389,453)	56,034
Intra-City Other	20,448	22,916	6,859	6,654	(16,262)	(205)
Total	\$2,335,487	\$2,700,248	\$2,064,838	\$2,153,017	(\$547,231)	\$88,179
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$215,039	\$217,912	\$232,736	\$236,065	\$18,153	\$3,329
Pensions	86,126	89,482	102,291	102,291	12,809	—
Other Than Personal Service (OTPS)						
Debt Service	69,689	57,735	57,599	63,594	5,859	5,995
Total Additional Costs	\$370,854	\$365,129	\$392,626	\$401,950	\$36,821	\$9,324
Funding						
City	351,173	323,993	351,454	360,689	36,696	9,235
Non-City	19,681	41,136	41,172	41,261	125	89
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$569,229	\$613,578	\$580,844	\$600,714	(\$12,864)	\$19,870
Fringe Benefits	216,680	220,622	233,595	236,922	16,300	3,327
Pensions	86,126	89,482	102,291	102,291	12,809	—
Total PS	\$872,035	\$923,682	\$916,730	\$939,927	\$16,245	\$23,197
OTPS	\$1,764,617	\$2,083,960	\$1,483,135	\$1,551,446	(\$532,514)	\$68,311
Debt Service	69,689	57,735	57,599	63,594	5,859	5,995
Total OTPS	\$1,834,306	\$2,141,695	\$1,540,734	\$1,615,040	(\$526,655)	\$74,306
Total Agency Costs	\$2,706,341	\$3,065,377	\$2,457,464	\$2,554,967	(\$510,410)	\$97,503
Less Intra-City	\$20,448	\$22,916	\$6,859	\$6,654	(\$16,262)	(\$205)
Net Agency Cost	\$2,685,893	\$3,042,461	\$2,450,605	\$2,548,313	(\$494,148)	\$97,708
Funding						
City	1,567,374	1,445,010	1,386,105	1,414,921	(30,089)	28,816
Non-City	1,118,519	1,597,451	1,064,500	1,133,392	(464,059)	68,892
Personnel (includes FTEs at fiscal year-end)						
City	4,778	4,797	5,376	5,374	577	(2)
Non-City	1,386	2,476	1,538	1,565	(911)	27
Total	6,164	7,273	6,914	6,939	(334)	25

Programmatic Review and Service Impact

Public health is at a pivotal moment in New York and the US. The pandemic laid bare public health infrastructure challenges that have long existed due to underfunding and the fragmentation of social services, public health, and health care. The worst of the COVID-19 emergency may be behind us, but we are left with an unprecedented loss of life expectancy in New York City. In response to the decline, the Health Department launched HealthyNYC in late calendar year 2023, the city's plan for healthier, longer lives for New Yorkers. HealthyNYC specifically focuses on the main drivers of declining life expectancy, including overdoses, chronic and diet-related diseases, birth inequities, climate change, and gun violence. Dr. Vasani worked closely with the New York City Council to pass Local Law 93, codifying HealthyNYC into city planning, to be revised and reported on every five years in perpetuity, regardless of the administration.

Prior to the launch of HealthyNYC, the Health Department released a citywide population mental health plan addressing the crisis plaguing youth; New Yorkers with severe mental illness; and people at risk of drug overdose. NYC TeenSpace, a digital front-door to mental health care available to more than 400,000 New Yorkers aged 13-17; declared social media a public health crisis and led the city's litigation against TikTok, YouTube, SnapChat, and Meta; doubled funding to more than \$30 million to scale capacity and expanded enrollment in the city's psychosocial clubhouse system for people with severe mental illness; led the NYC strategy on opioid epidemic response, including expanding naloxone access, launching public health vending machines, scaling treatment resources, and continuing to support organizations operating overdose prevention centers as life-saving solutions; and has invested in workforce wellbeing, improving staff morale and job satisfaction, and reducing turnover, mental health care access and benefits, and launching new, innovative wellness programming including Let's Talk! NYC Health, a program to train managers and leaders to support staff with mental health needs and support conversations about mental health in the workplace.

Simultaneous to this work, the agency launched Center for Population Health Data Science, a state-of-the-art data hub that leverages advanced technology, informatics, data engineering, and AI, creating a real-time citywide disease surveillance system capable of responding to the next pandemic and addressing routine acute and chronic health priorities in the city.

This moment requires reassessing our tools for addressing the health of the city. The challenges of COVID-19 prompted the Health Department to undertake a rigorous review of our internal capabilities and priorities. As a result of this review process, the agency has developed a new strategic plan which commits to strengthening internal capabilities such as embedding health equity and anti-racism in all activities, modernizing data systems and improving processes across divisions, and refocusing our priorities on the city's most urgent health needs.

Mental Hygiene

The Division of Mental Hygiene aims to (1) decrease morbidity and premature mortality, (2) use preventive measures to promote mental wellness and wellbeing, and (3) promote community participation, among all New Yorkers, including those experiencing or affected by: mental health conditions; intellectual and developmental disabilities; substance use; and/or intersections with the criminal legal system. The Division prioritizes advancing racial justice, promoting the understanding that environmental and social factors perpetuate health inequities, and increasing access to quality healthcare across the lifespan of all New Yorkers. In 2024, the Health Department:

- Launched Teenspace which provides free mental health support to any teenager ages 13 to 17 living in NYC. Once signed up, teens are matched with a licensed therapist within days. Teenspace therapists work to address a vast range of mental health conditions and concerns, including anxiety, depression, stress, relationships, grief and trauma.
- Fully adopted the federal 988 suicide and crisis support line and transitioned our legacy local hotline, NYC Well, to meet national standards.
- Expanded clubhouse program, doubling the city's investment for people experiencing severe mental illness to \$30 million.
- Expanded Intensive Mobile Treatment (IMT) capacity by 135 slots, bringing our overall IMT capacity up to 972 individuals at one time. IMT provides long term mental health and substance use treatment and support services to adults with complex needs cycling in and out of institutional care, such as hospital, shelter, and jail.

- Expanded Single Point of Access (SPOA) to refer eligible applicants to other rehabilitative programs like clubhouse, assisted competitive employment, and peer advocacy as a complement or alternative to mobile treatment or care coordination services. This expansion is an effort to reduce the waitlist and recognize the wide array of non-clinical recovery promoting services available for adults with SMI.
 - Opened over 600 new units of Supportive Housing that are available to New Yorkers with or at risk of developing SMI and/or substance use disorder, bring our overall supportive housing portfolio up to around 12,000 units open and available.
 - Launched a new Perinatal Mental Health Initiative, which expands access to perinatal mental health care within the Early Childhood Mental Health Network and provides trainings on equity-focused, culturally appropriate perinatal mental health topics to home visitors, doulas, social workers and community health workers in Health Department programs serving pregnant people and families, including the New Family Home Visiting Initiative, Nurse-Family Partnership, Citywide Doula Initiative, and Family Wellness Suites.
 - Expanded Relay, the City’s peer-led, hospital-based non-fatal overdose response service, to its 15th hospital at Brookdale Hospital Medical Center.
 - Partnering with H+H to implement a new hospital-based suicide prevention program in Spring 2024, beginning in Queens. The Caring Transitions Program supports youth following a suicide attempt or serious suicide related behavior (and their caregivers), providing follow-up care, transition support and connections to ongoing treatment and community supports.
 - Releasing the “Status of Mental Health of New Yorkers” report in Spring 2024.
- 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. In 2024, the Health Department:
- Enrolled 1,670 New Yorkers at risk for food insecurity in Groceries to Go, for a total of 3,924 participants since early calendar year 2023, receiving monthly credits to purchase groceries.
 - Published Diabetes reduction plan, enabling clear strategic investments for diabetes health equity projects.
 - Launched Community Support Network (CSN) in 3 neighborhoods (2 in the Bronx, 1 in Brooklyn). This work involves community health workers conducting street outreach around mental and physical health needs with links to health referrals.
 - Launched BRAVE (Building Resilience and Vaccine Equity). This work seeks to reduce racial and ethnic disparities in COVID-19 and influenza immunization by expanding vaccine coverage, confidence and access, and raises Long COVID community awareness and how it may impact health and well-being.
 - Expanded the Coalition to End Racism in Clinical Algorithms agenda to include ending the use of race-based algorithms in hypertension.
 - Established the Office of Healthcare Accountability in accordance with local law 78.

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

Disease Control

The mission of the Disease Control Division is to safeguard the health of New Yorkers through the identification, surveillance, treatment, control, and prevention of 90+ infectious diseases. It is one of the largest Divisions at the Health Department with more than 1,500 staff and includes seven bureaus: Bureau of Communicable Diseases; Bureau of Hepatitis, HIV, and Sexually Transmitted Infections; Bureau of Tuberculosis Control; Bureau of Immunization; Bureau of Public Health Clinics; Public Health Laboratory; and Bureau of Division Management and Systems Coordination.

Expanded Sexual Health Clinic services

- Reopened the Central Harlem clinic in July 2023.
- Expanded medication abortion services to the Central Harlem clinic.
- Implemented a Community Health Model with Voces Latinas at the Corona clinic to increase awareness of and access to HIV and STI prevention and treatment among Latino MSM in Queens.
- Roll-out of doxycycline post-exposure prophylaxis (Doxy PEP) for bacterial STIs to high-risk patients, beginning at the Corona clinic (November 2023) and expanded to Morrisania (April 2024).

Promoted updated COVID-19 vaccines

- Launched I Vax, We Vax COVID/flu multi-media vaccination campaign.
- Conducted a two-week vaccination campaign at four Health Department sites and set up one vaccine pop-up event in partnership with a community-based organization, which vaccinated almost 3,000 community members for COVID-19 and/or flu.
- Coordinated the new Vaccines For Adults/Bridge Access and Continued Access to Vaccination Programs to ensure access to no-cost vaccine for the uninsured and underinsured.
- Coordinated the Vaccines for Children program to ensure that pediatric providers are ordering the updated vaccine to administer to eligible children.
- Surveyed nursing homes on vaccine coverage; giving educational presentations; and conducted on site COVID/flu vaccine clinics.

Supported Asylum Seeker health

- As of April 18, 2024, the Bureau of Immunization (BOI) conducted outbreak investigations involving over 909 cases of varicella linked to 106 different housing facilities. Administered more than 10,000 vaccine doses to 3,200 children at 34 shelters and linked 56 shelters to Federally Qualified Health Centers where residents can be referred for immunizations and other health services.

- Coordinating on-site TB testing, referrals to healthcare partners for evaluation and treatment, and expanded access to TB clinical services for asylum seeker populations; expanded contact investigation activities to address increase in cases and complexity of investigations; and began offering monthly Saturday hours at the Fort Greene TB clinic.

Launched a Citywide Antibigram and Antibiotic Prescribing decision-making support app

- Launched a citywide regional antibiogram Firstline app in November 2023, a compilation of drug-resistance patterns of the most commonly encountered bacteria in NYC. Firstline is available for free as a mobile download for iOS or Android systems or on the web at app.firstline.org.

Alpha-gal syndrome reporting now lab reportable

- Successfully proposed amending the NYC Health Code to require laboratories to report positive Alpha-gal syndrome (AGS) test results, an allergic reaction to meat and products made from mammals, thought to be triggered by the bite of the lone star tick; the amendment became effective October 2023.
- Reporting of AGS test results will improve our knowledge about the incidence and prevalence of AGS and will help to inform outreach and education on tick prevention.

Advanced several key Data Modernization Initiative (DMI) projects

- Advanced DMI initiatives: Master Person Index, OnCall App, eCR Registration Tool, and Citywide Immunization Registry Automation.
- Developed a person-matching prototype that links information from different source systems to create a Disease Control Master Person Index proof-of-concept. This agency-owned person-matching approach is now being assessed for integration into other surveillance and data systems including the Electronic Disease Reporting Infrastructure (EDRI), the Citywide Immunization Registry, and the DOHMH Interoperability proof-of-concept project.
- Launched a new reporting system for the On Call program, which facilitates immediate reporting of notifiable diseases and conditions to the Health Department.

- Launched an eCR Registration Tool that allows health care organizations to track their electronic health record onboarding status and electronic case reporting readiness as well as facilitate input of information regarding affiliated facilities and other information.

Environmental Health

The 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, childcare 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. In 2024, the Health Department:

Launched the Harlem Rat Mitigation Zone which focuses on both private and public properties throughout Harlem, in our efforts to reduce the rat population in Harlem. New funding supported the following:

- Two dedicated exterminators and three city pest control aides to work on public and private property rat remediation efforts.
- Staff to inspect and monitor conditions at schools, NYCHA properties and parks in Harlem. These staff also guide on site staff in rat remediation efforts.
- Community outreach and education including free Rat Academy training, case management for the local community for problematic properties and the creation of print and digital resources for New Yorkers to promote best practices in rat reduction.

Office of Emergency Preparedness and Response

The Department's Office of Emergency Preparedness and Response (OEPR) aims to advance the Health Department 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. 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. In 2024, the Health Department:

- Developed a blueprint which outlines how to integrate and advance readiness in priority domains across the agency; from health and racial equity, to public health communications, to a more resilient workforce.
- Established emergency contract agency-wide for a range of needed services that can be quickly activated to prepare the agency to quickly respond and maintain continuity of operations during future emergencies.
- Co-led an effort with NYC Emergency Management, NYC Health + Hospitals, and the Mayor's Office of Operations to conduct a review of the city's COVID-19 response to evaluate preparedness and response strategies. More than 35 city agencies participated in this effort to develop the New York City COVID-19 Response Review Report to document best practices and areas for improvement for future citywide emergencies. The review identified 70+ recommendations for the city to address across the following operational areas: 1) City, State, and Federal Coordination, 2) Health and Medical Operations, 3) Novel Social and Economic Operations, 4) Response Staffing, 5) Data and Technology, 6) Public Outreach and Communications, and 7) Equity. The recommendations are intended to help strengthen the City's overall preparedness and capacity to respond to future citywide emergencies. The report is anticipated to be published Summer 2024.
- In partnership with NYC Emergency Management (NYCEM), the Health Department recruited, scheduled, and deployed city workers to serve at Asylum Seeker Respite Centers since the first Respite Center sites opened in June 2023. To date, the Health Department has recruited over 12,000 city employees from 31 agencies to serve in the Respite Centers or one of their auxiliary sites. 11,300 of those recruited remain active and have been deployed to fill over 22,000 shifts in these sites, including almost 700 shifts reserved for staff with language proficiency in the most common languages in the system.

Center for Population Health Data Science (formerly Division of Epidemiology)

The Center for Population Health Data Science (CPHDS), launched in November 2023, aims to catalyze critical data modernization work and enable the agency to make progress toward linking public health, healthcare, and social service for timely and effective public action. It works towards making these data more accessible, timely, equitable, meaningfully usable, and protected – and actively used to protect and promote the health and wellbeing of New Yorkers.

CPHDS aims to build on our expertise in epidemiology and strengthen agency wide data capabilities by empowering and training our workforce in modern data engineering, data science, and data product management skills, promoting intra- and inter-agency data sharing, and implementing modern technology to yield trusted and integrated data and insights. Our goal is to deliver a real-time and comprehensive view of city needs is needed to promote and protect the health of all New Yorkers.

In an effort to better align various functions within the Department, the component units of the Bureau of Public Health Training and Information Dissemination will be integrated into other divisions. The Office of Workforce Development will move to the Division of Administration, the Scientific Education Unit will move to the Chief Medical Officer’s office, and the Preventive Medicine Residency Program will move to the Center for Health Equity and Community Wellness.

Division of Family and Child Health

The Division of Family and Child Health works to improve the health of children, women and families in New York City throughout the life cycle, with an emphasis on reducing health disparities and advancing equity. The Division’s diverse and expansive portfolio of work includes providing home visits to new parents, caring for acute and chronic conditions in school children, and engaging communities around promoting sexual and reproductive justice, including equitable abortion access. Four bureaus comprise the Division: Bureau of Maternal, Infant and Reproductive Health; Bureau of Early Intervention; Office of School Health; and the Bureau of Administration. In 2024, the Health Department:

- Expanded the partnership with three philanthropic foundations to expand its electronic referral and retention efforts that facilitate and monitor a child’s

progress through the Early Intervention referral process. These partnerships have helped connect families living in underserved communities who have children ages birth to three with developmental concerns, facilitating over 5,000 Early Intervention referrals, with over 50% of those referrals for children living in neighborhoods with high- and very-high-poverty rates.

- Launched the Perinatal Mental Health Initiative to support training and capacity building for Health Department teams who serve pregnant and birthing persons and reduce barriers to mental health clinical services, by serving an additional 150 pregnant and postpartum families to receive evidenced based mental health care through the Early Childhood Mental Health Network.
- Announcing the convening of the Infant Mortality Action Team, a diverse, multidisciplinary team of community members, health care professionals and other partners to review all infant injury deaths and make recommendations to improve services, systems, and resources for infants and families. The Infant Mortality Action Team will focus on injury deaths to infants with the goal of identifying and addressing the root causes of racial inequities in infant mortality.

Office of Chief Medical Examiner

The role of the Office of Chief Medical Examiner (the Office, or OCME) is to protect public health and to serve impartial justice through forensic science and medicine. OCME’s independent investigations of deaths and analysis of evidence provide answers in support of 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.

OCME created the OCME Drug Intelligence & Intervention Group (or The DIIG), a first-of-its kind model for expanded comprehensive death investigations that is coupled with navigation to care and services for family and social networks surrounding fatalities relating to the opioid crisis. Through this initiative, when someone dies from an overdose, the OCME’s investigation and response now includes skilled social workers and public health professionals to engage with that person’s family and friends who may also be at risk, and to provide support and a “warm handoff” to potentially lifesaving interventions to a wide range of services, including grief and bereavement support, mental health and substance use counseling, health care, and housing support.

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 created the first in the nation, DNA Gun Crimes Unit with scientists and equipment dedicated exclusively to DNA testing of gun crimes evidence. The GCU maintains a 30-day turnaround time for processing samples, which is the fastest of any major jurisdiction in the country.

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.

Following OCME’s role as mass fatality response lead for the city, the agency has continued to experience a sustained increase in our caseload across all operational areas post pandemic. OCME has adjusted operations to accommodate.

Capital Review

The 2025-2028 Four-Year Plan totals \$406.7 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 reflects actual capital commitments for 2023 and planned capital commitments over the 2024-2028 period by program area.

**Capital Commitments
(\$ in 000’s)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$247	\$247	\$1,832	\$1,832	\$5,000	\$5,000	\$16,538	\$16,538	\$—	\$—	\$—	\$—
Animal Care	\$106,431	\$106,431	\$9,868	\$9,868	\$7,747	\$7,747	\$—	\$—	\$—	\$—	\$3,000	\$3,000
Renovations.....	\$17,496	\$17,496	\$37,196	\$37,196	\$42,833	\$42,909	\$38,255	\$38,255	\$29,239	\$29,239	\$18,447	\$18,447
Equipment.....	\$14,134	\$14,146	\$11,310	\$11,322	\$30,960	\$31,290	\$14,802	\$15,572	\$27,977	\$27,977	\$12,863	\$12,863
Information Technology.....	\$6,759	\$7,594	\$10,610	\$11,997	\$10,006	\$11,029	\$8,510	\$9,717	\$4,462	\$5,015	\$2,778	\$3,122
Laboratories	\$191,147	\$191,147	\$89,683	\$89,683	\$55,000	\$55,000	\$30,000	\$30,000	\$—	\$—	\$—	\$—
OCME	\$4,515	\$4,515	\$8,953	\$9,019	\$34,050	\$34,050	\$5,575	\$5,575	\$1,451	\$1,451	\$2,892	\$2,892
Total	\$340,729	\$341,576	\$169,452	\$170,917	\$185,596	\$187,025	\$113,680	\$115,657	\$63,129	\$63,682	\$39,980	\$40,324

Highlights of the 2025-2028 Four-Year Plan Capital Strategy:

The Department's 2025-2028 Four-Year Capital Strategy features several important projects, including:

- Renovation of various public health facilities (\$128.9 million).
- A new Public Health Laboratory (\$85 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 (\$28.9 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 (\$10.7 million).
- Purchase of equipment and vehicles, and upgrades of IT infrastructure within the Office of Chief Medical Examiner (\$44.0 million).

FIRE DEPARTMENT

The Fire Department is responsible for protecting the lives and property of the residents 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 2025 Executive Budget provides for operating expenses of \$2.6 billion, a decrease of \$190 million from the amount forecasted for 2024. This variance is driven largely by Federal grant funding that has not been reflected in 2025.

Capital commitments of \$242 million are also provided in 2025. This represents an increase of \$9 million from the amount forecasted for 2024. The 2025 forecast is higher primarily due to higher planned commitments for facilities construction and reconstruction projects.

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 2025, the revenue estimate for the Fire Department is \$103 million.

The Department also collects revenue from Emergency Medical Services (EMS) ambulance transports. In 2025, total EMS revenue is projected at \$400 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.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)					
	2023 Actual	2024 Forecast	2025		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2024 Forecast	2025 Preliminary Budget
Expenditures						
Salary and Wages	\$2,213,838	\$2,365,365	\$2,258,445	\$2,279,513	(\$85,852)	\$21,068
Fringe Benefits	19,514	32,677	26,477	32,067	(610)	5,590
OTPS	318,847	363,136	240,817	259,348	(103,788)	18,531
Total	\$2,552,199	\$2,761,178	\$2,525,739	\$2,570,928	(\$190,250)	\$45,189
Funding						
City	\$2,242,631	\$2,394,137	\$2,098,917	\$2,113,126	(\$281,011)	\$14,209
Other Categorical Grants	203,275	239,775	394,103	400,488	160,713	6,385
IFA	507	567	567	567	—	—
State	29,111	3,516	1,835	1,835	(1,681)	—
Federal CD	—	—	—	—	—	—
Federal Other	73,781	122,113	30,311	54,906	(67,207)	24,595
Intra-City Other	2,894	1,070	6	6	(1,064)	—
Total	\$2,552,199	\$2,761,178	\$2,525,739	\$2,570,928	(\$190,250)	\$45,189
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$994,695	\$1,015,843	\$1,046,582	\$1,090,349	\$74,506	\$43,767
Pensions	1,518,269	1,579,623	1,692,733	1,692,733	113,110	—
Other Than Personal Service (OTPS)						
Debt Service	233,036	183,875	202,164	202,534	18,659	370
Total Additional Costs	\$2,746,000	\$2,779,341	\$2,941,479	\$2,985,616	\$206,275	\$44,137
Funding						
City	2,704,515	2,731,344	2,896,724	2,940,658	209,314	43,934
Non-City	41,485	47,997	44,755	44,958	(3,039)	203
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$2,213,838	\$2,365,365	\$2,258,445	\$2,279,513	(\$85,852)	\$21,068
Fringe Benefits	1,014,209	1,048,520	1,073,059	1,122,416	73,896	49,357
Pensions	1,518,269	1,579,623	1,692,733	1,692,733	113,110	—
Total PS	\$4,746,316	\$4,993,508	\$5,024,237	\$5,094,662	\$101,154	\$70,425
OTPS	\$318,847	\$363,136	\$240,817	\$259,348	(\$103,788)	\$18,531
Debt Service	233,036	183,875	202,164	202,534	18,659	370
Total OTPS	\$551,883	\$547,011	\$442,981	\$461,882	(\$85,129)	\$18,901
Total Agency Costs	\$5,298,199	\$5,540,519	\$5,467,218	\$5,556,544	\$16,025	\$89,326
Less Intra-City	\$2,894	\$1,070	\$6	\$6	(\$1,064)	\$—
Net Agency Cost	\$5,295,305	\$5,539,449	\$5,467,212	\$5,556,538	\$17,089	\$89,326
Funding						
City	4,947,146	5,125,481	4,995,641	5,053,784	(71,697)	58,143
Non-City	348,159	413,968	471,571	502,754	88,786	31,183
Personnel (includes FTEs at fiscal year-end)						
City	16,916	17,230	17,003	17,200	(30)	197
Non-City	154	124	122	122	(2)	—
Total	17,070	17,354	17,125	17,322	(32)	197

Programmatic Review and Service Impact

In 2025 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 39 seconds in 2025. The Department anticipates that it will respond to over 1.6 million medical incidents in 2025.

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 851 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 computer aided dispatch (CAD) system two fully redundant Public Safety Answering Centers.

Capital Review

The 2025-2028 Four-Year Capital Plan totals \$786 million. 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 2025-2028 period.

**Capital Commitments
(\$ in 000’s)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$22,260	\$36,717	\$1,844	\$22,505	\$13,237	\$40,584	\$8,230	\$8,230	\$500	\$500	\$2,333	\$2,333
Electronic Data Processing	20,108	20,109	16,875	16,875	7,382	7,382	8,458	8,458	18,668	18,668	7,007	7,007
Reconstruction/Modernization of Facilities	58,508	60,772	93,083	93,538	131,097	134,339	178,668	178,668	94,878	94,878	70,593	70,593
Vehicles and Equipment	143,500	143,517	99,276	100,033	59,793	60,027	46,668	46,668	57,240	57,240	50,921	50,921
Total	\$244,376	\$261,115	\$211,078	\$232,951	\$211,509	\$242,332	\$242,024	\$242,024	\$171,286	\$171,286	\$130,854	\$130,854

Highlights of the 2025-2028 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 (\$374 million).
- The rehabilitation of training facilities on Randall's Island and at Fort Totten (\$104 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$215 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 (\$32 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 (\$49 million).

The 2025 Plan for the Department totals \$242 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 (\$87 million).
- The rehabilitation of training facilities at Fort Totten (\$26 million).
- The replacement of HVAC systems at Borough Communication Offices (\$21 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$60 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 (\$31 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 (\$4 million).
- The replacement of end of life information technology and communications equipment (\$13 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 2025 Executive Budget provides for operating expenses of \$1.89 billion, a decrease of \$98 million from the 2024 forecast, largely due to a lower allocation for uniformed operations.

Capital commitments of \$502 million are also provided in 2025, an increase of \$219 million from the 2024 Plan amount, primarily due to higher planned commitments for new garages and facilities rehabilitation projects.

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, Commercial Waste Zone administrative fees, and from an assortment of miscellaneous fees and minor sales. The Department's 2025 revenue estimate is \$16.4 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.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$1,099,606	\$1,147,617	\$1,081,007	\$1,086,062	(\$61,555)	\$5,055
Fringe Benefits	\$43,659	\$45,850	\$44,409	\$44,477	(\$1,373)	\$68
OTPS	\$776,014	\$791,723	\$756,469	\$756,679	(\$35,044)	\$210
Total	\$1,919,279	\$1,985,190	\$1,881,885	\$1,887,218	(\$97,972)	\$5,333
Funding						
City	\$1,869,915	\$1,567,354	\$1,666,255	\$1,671,099	\$103,745	\$4,844
Other Categorical Grants	6,198	1,069	750	750	(319)	—
IFA	5,476	6,019	6,117	6,117	98	—
State	940	—	—	—	—	—
Federal CD	—	—	—	—	—	—
Federal Other	30,555	400,367	200,000	200,489	(199,878)	489
Intra-City Other	6,195	10,381	8,763	8,763	(1,618)	—
Total	\$1,919,279	\$1,985,190	\$1,881,885	\$1,887,218	(\$97,972)	\$5,333
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$544,223	\$553,524	\$570,749	\$589,867	\$36,343	\$19,118
Pensions	275,701	291,194	317,260	317,260	26,066	—
Other Than Personal Service (OTPS)						
Debt Service	286,396	258,474	300,832	284,703	26,229	(16,129)
Total Additional Costs	\$1,106,320	\$1,103,192	\$1,188,841	\$1,191,830	\$88,638	\$2,989
Funding						
City	1,098,263	1,087,496	1,172,941	1,176,216	88,720	3,275
Non-City	8,057	15,696	15,900	15,614	(82)	(286)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$1,099,606	\$1,147,617	\$1,081,007	\$1,086,062	(\$61,555)	\$5,055
Fringe Benefits	587,882	599,374	615,158	634,344	34,970	19,186
Pensions	275,701	291,194	317,260	317,260	26,066	—
Total PS	\$1,963,189	\$2,038,185	\$2,013,425	\$2,037,666	(\$519)	\$24,241
OTPS	\$776,014	\$791,723	\$756,469	\$756,679	(\$35,044)	\$210
Debt Service	286,396	258,474	300,832	284,703	26,229	(16,129)
Total OTPS	\$1,062,410	\$1,050,197	\$1,057,301	\$1,041,382	(\$8,815)	(\$15,919)
Total Agency Costs	\$3,025,599	\$3,088,382	\$3,070,726	\$3,079,048	(\$9,334)	\$8,322
Less Intra-City	\$6,195	\$10,381	\$8,763	\$8,763	(\$1,618)	\$—
Net Agency Cost	\$3,019,404	\$3,078,001	\$3,061,963	\$3,070,285	(\$7,716)	\$8,322
Funding						
City	2,968,178	2,654,850	2,839,196	2,847,315	192,465	8,119
Non-City	51,226	423,151	222,767	222,970	(200,181)	203
Personnel (includes FTEs at fiscal year-end)						
City	9,979	9,898	9,673	9,709	(189)	36
Non-City	45	117	58	58	(59)	—
Total	10,024	10,015	9,731	9,767	(248)	36

Programmatic Review and Service Impact

The Department's two principal 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.

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 2024, the paper recycling program is anticipated to generate an average of \$12.80 of revenue per ton from various vendors, or \$4 million.

In 2025, the Department will complete expansion of the organics collection program. 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 operating waste transfer stations and through its waste export contracts. Refuse is transported out of New York City primarily by barge and rail. SWM is also responsible for the Fresh Kills landfill closure and post-closure care activities.

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.

The Bureau of Facilities Planning and Engineering oversees Sanitation's capital construction and reconstruction projects. The Department is funded to construct a replacement for the aging Bronx 9, 10, and 11 garage complex. The Department also has funding to construct a new garage for Queens 1 on a site located within that district. 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 2025-2028 Capital Plan totals \$1.3 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; 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 2025-2028 Capital Plan totals \$1.3 billion. The table below shows capital commitments by program area over the 2025-2028 period.

Capital Commitments
(\$ in 000’s)

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$30,424	\$30,424	\$17,113	\$17,113	\$16,876	\$16,876	\$2,935	\$2,935	\$2,400	\$2,400	\$3,224	\$3,224
Garages and Facilities.....	37,888	37,671	53,994	56,452	214,968	225,263	28,786	34,006	100,346	100,346	29,540	29,540
Equipment.....	324,720	327,387	194,281	194,282	250,518	250,518	223,542	223,542	177,822	177,822	187,407	187,407
Information Technology and Telecommunications	10,213	10,213	15,343	15,343	9,374	9,374	2,569	2,569	3,942	3,942	4,491	4,491
Total	\$403,245	\$405,695	\$280,731	\$283,190	\$491,736	\$502,031	\$257,832	\$263,052	\$284,510	\$284,510	\$224,662	\$224,662

Highlights of the 2025-2028 Four-Year Capital Plan

- Construction of a new garage for Bronx Community Districts 9, 10 and 11 (\$106 million).
- Construction of a new garage for Queens Community District 1 (\$20 million).
- Construction and reconstruction of other garages and facilities (\$264 million).
- Solid waste management infrastructure (\$25 million).
- Replacement of vehicles and other equipment (\$839 million).
- Information technology and telecommunications (\$20 million).

The 2025 Capital Plan provides \$502 million in 2025 including:

- Construction and reconstruction of various DSNY facilities, Citywide (\$225 million).
- Solid waste management infrastructure (\$17 million).
- Replacement of vehicles and other equipment (\$251 million).
- Information technology and telecommunications (\$9 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 2025 Executive Budget provides for operating expenses of \$582.9 million, a decrease of \$25.4 million below the amount forecasted in 2024. The decrease is due to retroactive collective bargaining costs in 2024 tied to the executed Organization of Staff Analysts labor contract and an increase in exterminator staff for the borough of Brooklyn. Capital commitments of \$724.2 million are also provided, an increase of \$15.4 million above the 2024 Plan amount.

- 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 2025 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.

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 \$63.2 million from these sources in 2025.

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 is also provided in partnership with 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.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$469,291	\$439,708	\$441,929	\$440,276	\$568	(\$1,653)
Fringe Benefits	3,090	6,388	3,556	3,556	(2,832)	—
OTPS	141,905	162,180	138,233	139,050	(23,130)	817
Total	\$614,286	\$608,276	\$583,718	\$582,882	(\$25,394)	(\$836)
Funding						
City	\$492,648	\$490,221	\$460,122	\$518,679	\$28,458	\$58,557
Other Categorical Grants	14,362	23,253	4,182	4,182	(19,071)	—
IFA	53,049	55,785	56,280	57,061	1,276	781
State	1,681	1,268	667	667	(601)	—
Federal CD	2,439	2,701	1,721	1,834	(867)	113
Federal Other	993	236	203	203	(33)	—
Intra-City Other	49,114	34,812	60,543	256	(34,556)	(60,287)
Total	\$614,286	\$608,276	\$583,718	\$582,882	(\$25,394)	(\$836)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$170,930	\$179,560	\$187,906	\$193,160	\$13,600	\$5,254
Pensions	71,268	75,996	84,643	84,643	8,647	—
Other Than Personal Service (OTPS)						
Debt Service	481,289	558,282	554,047	614,934	56,652	60,887
Total Additional Costs	\$723,487	\$813,838	\$826,596	\$892,737	\$78,899	\$66,141
Funding						
City	705,603	792,261	805,325	870,149	77,888	64,824
Non-City	17,884	21,577	21,271	22,588	1,011	1,317
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$469,291	\$439,708	\$441,929	\$440,276	\$568	(\$1,653)
Fringe Benefits	174,020	185,948	191,462	196,716	10,768	5,254
Pensions	71,268	75,996	84,643	84,643	8,647	—
Total PS	\$714,579	\$701,652	\$718,034	\$721,635	\$19,983	\$3,601
OTPS	\$141,905	\$162,180	\$138,233	\$139,050	(\$23,130)	\$817
Debt Service	481,289	558,282	554,047	614,934	56,652	60,887
Total OTPS	\$623,194	\$720,462	\$692,280	\$753,984	\$33,522	\$61,704
Total Agency Costs	\$1,337,773	\$1,422,114	\$1,410,314	\$1,475,619	\$53,505	\$65,305
Less Intra-City	\$49,114	\$34,812	\$60,543	\$256	(\$34,556)	(\$60,287)
Net Agency Cost	\$1,288,659	\$1,387,302	\$1,349,771	\$1,475,363	\$88,061	\$125,592
Funding						
City	1,198,251	1,282,482	1,265,447	1,388,828	106,346	123,381
Non-City	90,408	104,820	84,324	86,535	(18,285)	2,211
Personnel (includes FTEs at fiscal year-end)						
City	6,839	6,857	7,069	6,301	(556)	(768)
Non-City	542	638	629	631	(7)	2
Total	7,381	7,495	7,698	6,932	(563)	(766)

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 86 percent acceptable for overall condition and 92 percent acceptable for cleanliness in fiscal year 2022.

Throughout the city's history, when New Yorkers have needed to exercise, find space to enjoy themselves with family and friends, or enjoy quiet time and solitude, they have always turned to City parks, and this reliance has only grown in recent years. In 2022, NYC Parks expanded its commitment to providing safe and engaging recreational and cultural programming opportunities for young people across New York City by expanding recreation center hours at nine sites, adding 1,400 programming hours for beloved programs like "Saturday Night Lights." Seven of the nine sites were in neighborhoods most impacted by the pandemic, as identified by the Taskforce on Racial Inclusion & Equity (TRIE), so that these communities can fully enjoy the fun, health and wellness that recreation centers help provide.

NYC Parks planted thousands of new trees across the city, including in heat-vulnerable neighborhoods. To help New Yorkers better understand the state of the City's urban tree canopy, NYC Parks launched the NYC Tree Map, a first-of-its-kind dynamic map

that showcases nearly one million of the City's trees, including unique identification numbers, species information, and maintenance status. New Yorkers can report tree conditions in parks and on streets directly to NYC Parks staff, increasing the efficiency of tree care efforts.

NYC Parks managed over 400 capital park improvement projects and renovated, rebuilt or expanded over eight GreenThumb community gardens throughout the city.

To ensure that the city continues to be accessible to all New Yorkers, the city is investing in its greenways. NYC Parks received funding for six projects to improve existing greenway routes in Flushing, Queens, and Bay Ridge, Brooklyn. The City is simultaneously working to fill key gaps in the Manhattan Waterfront Greenway under a multi-agency strategy covering Inwood, Harlem, East Harlem, and East Midtown. NYC Parks continues to reconstruct portions of the East River Esplanade between East 60th Street and East 125th Street. These greenway reconstruction projects will enhance quality of life, waterfront access and pedestrian and cyclist safety.

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 over 1,000 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.

Capital Review

The 2024-2033 Ten-Year Capital Strategy totals \$8.4 billion which includes \$3.2 billion in the 2025-2028 Four-Year Plan. The table below reflects actual capital commitments for FY 2023 and planned capital commitments over the FY 2024-2028 period by program area.

Capital Commitments
(\$000's)

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$79,228	\$92,250	\$43,317	\$49,347	\$10,282	\$174,525	\$8,022	\$39,168	\$3,570	\$4,677	\$13,836	\$64,344
Land Acquisition and Tree Planting	52,318	52,318	99,103	105,340	53,543	136,286	38,219	38,445	50,590	50,590	34,378	34,602
Major Recreation Facilities and Facility Reconstruction	223,235	224,336	275,581	280,040	197,440	220,486	339,237	339,257	309,203	313,203	221,957	224,965
Neighborhood Parks and Playgrounds	144,501	144,501	92,971	93,249	59,453	69,369	36,305	39,590	328,829	328,829	472,855	487,646
Vehicles and Equipment	1,586	1,586	5,111	5,111	0	455	0	0	1,235	1,235	996	996
Large, Major and Regional Park Reconstruction	38,408	38,408	106,778	112,875	115,235	123,061	236,309	236,309	57,250	57,250	180,909	182,082
Zoos	446	446	174	174	0	0	0	0	4,319	4,319	506	506
Total	\$539,722	\$553,845	\$623,035	\$646,136	\$435,953	\$724,182	\$658,092	\$692,769	\$754,996	\$760,103	\$925,437	\$995,141

Highlights of the 2024-2033 Ten-Year Capital Strategy and Four-Year Plan

The 2024-2033 Ten-Year Capital Strategy totals \$8.4 billion of which the 2025-2028 Plan includes \$3.2 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 (\$584.9 million, including \$92.9 million in the Four-Year Plan).
- Continued implementation of Parks Equity Initiatives including the Anchor Parks, Community Park Initiative, Parks Without Borders, and Walk to a Park Programs (\$554.4 million, including \$66.6 million in the Four-Year Plan).
- Reconstruction of recreation centers, Citywide (\$885.9 million, including \$250.8 million in the Four-Year Plan)
- Reconstruction of the Red Hook Ballfields and Recreation Area in Brooklyn (\$173.0 million, including \$35.2 million in the Four-Year Plan).
- Improvements to DPR's green infrastructure including the construction of new greenways (\$558.4 million, including \$379.4 million in the Four-Year Plan).
- Various reconstruction projects within Flushing Meadows Corona Park in Queens (\$272.5 million, including \$77.9 million in the Four-Year Plan).
- Rehabilitation of DPR-owned pedestrian bridges including the Riverside Park Amtrak Overbuild in Manhattan (\$1.3 billion, including \$475.1 million in the Four-Year Plan).
- Reconstruction of citywide waterfront infrastructure including the Orchard Beach Pavilion in the Bronx (\$49.6 million, including \$9.9 million in the Four-Year Plan).

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 1.3 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 2025 Executive Budget provides for operating expenses of \$1.7 billion. It also provides capital commitments of \$13.4 billion to be financed by Water Finance Authority funds and \$392.8 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 2025 is \$20.6 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- DEP supplies approximately 1.0 billion gallons of drinking water per day to eight and a half million City residents and one million upstate residents and maintains the City's water main and sewer infrastructure. Approximately 2,345 personnel and \$705.7 million are dedicated to this function. In addition, there are 298 police and security force personnel (\$41.9 million), including 222 environmental police officers, who protect the upstate watershed and respond to hazardous materials emergencies.
- The Department treats an average of 1.3 billion gallons of dry-weather sewage per day at the City's 14 WRRFs. Approximately 1,771 personnel and \$568.0 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 (\$135.1 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 (\$70.3 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 196 personnel and \$18.2 million dedicated to this function.
- The Department will continue implementation of the City's Green Infrastructure Plan with 213 personnel and \$36.7 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 (\$6.8 million).

Restructuring and Streamlining

The Department expects to achieve a savings of \$5.8 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 \$5.6 million.
- The Department will save \$0.3 million through vacancy reductions.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$613,450	\$686,903	\$679,756	\$695,061	\$8,158	\$15,305
Fringe Benefits	3,075	3,601	3,297	3,297	(304)	—
OTPS	919,396	989,940	923,965	975,477	(14,463)	51,512
Total	\$1,535,921	\$1,680,444	\$1,607,018	\$1,673,835	(\$6,609)	\$66,817
Funding						
City	\$1,440,000	\$1,572,205	\$1,542,731	\$1,611,820	\$39,615	\$69,089
Other Categorical Grants	18,635	6,815	—	—	(6,815)	—
IFA	65,492	64,074	63,044	60,772	(3,302)	(2,272)
State	2,004	1,752	—	—	(1,752)	—
Federal CD	—	300	300	300	—	—
Federal Other	8,004	25,860	318	318	(25,542)	—
Intra-City Other	1,786	9,438	625	625	(8,813)	—
Total	\$1,535,921	\$1,680,444	\$1,607,018	\$1,673,835	(\$6,609)	\$66,817
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$261,677	\$266,985	\$282,782	\$291,977	\$24,992	\$9,195
Pensions	93,014	95,796	110,471	110,471	14,675	—
Other Than Personal Service (OTPS)						
Debt Service	71,915	42,866	37,414	47,216	4,350	9,802
Total Additional Costs	\$426,606	\$405,647	\$430,667	\$449,664	\$44,017	\$18,997
Funding						
City	421,262	392,608	417,388	436,317	43,709	18,929
Non-City	5,344	13,039	13,279	13,347	308	68
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$613,450	\$686,903	\$679,756	\$695,061	\$8,158	\$15,305
Fringe Benefits	264,752	270,586	286,079	295,274	24,688	9,195
Pensions	93,014	95,796	110,471	110,471	14,675	—
Total PS	\$971,216	\$1,053,285	\$1,076,306	\$1,100,806	\$47,521	\$24,500
OTPS	\$919,396	\$989,940	\$923,965	\$975,477	(\$14,463)	\$51,512
Debt Service	71,915	42,866	37,414	47,216	4,350	9,802
Total OTPS	\$991,311	\$1,032,806	\$961,379	\$1,022,693	(\$10,113)	\$61,314
Total Agency Costs	\$1,962,527	\$2,086,091	\$2,037,685	\$2,123,499	\$37,408	\$85,814
Less Intra-City	\$1,786	\$9,438	\$625	\$625	(\$8,813)	\$—
Net Agency Cost	\$1,960,741	\$2,076,653	\$2,037,060	\$2,122,874	\$46,221	\$85,814
Funding						
City	1,861,262	1,964,813	1,960,119	2,048,137	83,324	88,018
Non-City	99,479	111,840	76,941	74,737	(37,103)	(2,204)
Personnel (includes FTEs at fiscal year-end)						
City	269	290	292	296	6	4
Non-City	5,492	6,244	6,196	6,207	(37)	11
Total	5,761	6,534	6,488	6,503	(31)	15

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 838,000 water and sewer customer accounts, of which 30,000 are billed on a flat-rate system. Currently, more than 833,069 accounts are metered, while just over 3,000 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 68,874 property owners receive the Home Water credit, another 47,822 apartment units receive the Multi-Family Credit, and 3,843 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 2024, 262,806 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 \$4.0 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 \$182.8 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 222 officers dedicated to this function.

Capital Review

Overview

The Four-Year Capital Plan for 2025 through 2028 provides a total of \$13.8 billion from the following sources: \$13.4 billion financed by Water Finance Authority funds and \$392.8 million in non-City funds.

The table below shows capital commitments by program area over the 2023-2028 period.

Capital Commitments
(\$ in 000’s)

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$1,425,558	\$1,428,561	\$1,313,222	\$1,429,056	\$346,533	\$428,925	\$1,651,569	\$1,722,896	\$1,122,472	\$1,148,810	\$1,365,215	\$1,365,215
Water Mains	309,499	326,362	519,806	542,450	410,229	522,325	826,244	882,044	850,196	850,196	813,529	846,729
Sewers	464,299	479,827	264,969	275,621	294,769	301,069	705,245	710,545	753,705	753,705	853,900	853,900
Water Supply	37,710	37,710	451,134	451,134	1,777,590	1,777,590	187,173	187,173	384,390	384,390	571,373	571,373
Equipment	130,036	130,036	34,007	34,097	222,908	222,908	197,856	197,856	48,244	48,244	49,826	49,826
Total	\$2,367,102	\$2,402,496	\$2,583,138	\$2,732,358	\$3,052,029	\$3,252,817	\$3,568,087	\$3,700,514	\$3,159,007	\$3,185,345	\$3,653,843	\$3,687,043

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 (\$3.3 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 (\$120.6 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 (\$533.2 million). This includes the construction of two CSO holding tanks to improve water quality in the Gowanus Canal (\$306.3 million) and the construction of the Hutchinson River Disinfection facility for CSO mitigation in the Bronx River (\$32.3 million).
- Construction of a comprehensive sewer system in Southeast Queens, including strategically selected projects to deliver near-term and long-term flooding relief (\$959.1 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 (\$1.5 billion).
- Reducing CSOs through the use of green infrastructure (\$913.4 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 (\$493.2 million).
- Construction related to the activation of the Brooklyn/Queens section of City Tunnel No. 3 (\$389.6 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 (\$229.8 million).
- Reconstruction of Hillview Reservoir, including new chemical addition facilities, flow control improvements, and electrical upgrades (\$852.5 million).
- Reconstruction of upstate and in-City dams, excluding the Olive Bridge Dam already noted, to ensure the long-term reliability of the City's reservoir infrastructure (\$279.3 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 (\$6.3 million); mandated studies and facility upgrades to reduce nitrogen levels in treated wastewater (\$61.1 million); and enhancement of the existing chlorination system at various WRRFs in order to meet stricter chlorine discharge limits (\$59.8 million).
- Continuation of various filtration avoidance measures and land acquisition in the upstate watershed in support of the 10-year 2017 Filtration Avoidance Determination (\$95.2 million).
- Complete rehabilitation and optimization of the Catskill Aqueduct (\$127.7 million). This total includes the inspection and repair of deep-rock pressure tunnels that maintain tunnel pressure for water distribution (\$97.0 million).
- Emergency rehabilitation and replacement of sewers and water mains in the event of line breaks (\$266.5 million).

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (DOT) maintains and reconstructs City bridges, plans and funds street reconstruction, oversees ferry operations, manages the traffic signals and street lighting networks, maintains and collects revenue from parking meters, manages the automated camera enforcement programs, 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 2025 Executive Budget provides for operating expenses of \$1.4 billion. Capital commitments of \$2.1 billion are planned for 2025. The 2025-2028 Capital Commitment Plan provides for \$9.2 billion in capital funds, including \$1.1 billion in Federal, State, and private funding.

Revenue Forecast

The Department of Transportation collects revenue from parking meters and parking garages, franchises, concessions, outdoor dining fees, electrical transformers, street opening, and pedestrian sidewalk permits, among others. In 2025, the Department will collect \$473.6 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Funding of \$609.3 million for the traffic and transportation planning and management programs,

including \$73.1 million for energy costs associated with all streetlights and traffic signals and any other electrical devices affixed to them throughout the City, and \$221.9 million for the maintenance of approximately 13,870 signalized intersections, 2,800 automated enforcement cameras, and about 350,000 streetlights Citywide.

- Funding of \$209.3 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 \$153.0 million for the operation of the Staten Island Ferry and regulation of private ferry services.
- Funding of \$57.9 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 \$22.3 million for the in-house bridge flag/corrective repair program.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$570,653	\$615,514	\$615,265	\$630,910	\$15,396	\$15,645
Fringe Benefits	6,549	9,259	4,980	4,980	(4,279)	—
OTPS	808,184	824,525	782,967	810,770	(13,755)	27,803
Total	\$1,385,386	\$1,449,298	\$1,403,212	\$1,446,660	(\$2,638)	\$43,448
Funding						
City	\$827,855	\$872,653	\$864,405	\$886,776	\$14,123	\$22,371
Other Categorical Grants	11,431	5,292	1,717	2,092	(3,200)	375
IFA	287,765	308,840	292,058	313,701	4,861	21,643
State	131,219	134,621	132,354	132,268	(2,353)	(86)
Federal CD	—	—	—	—	—	—
Federal Other	123,770	122,232	109,900	109,045	(13,187)	(855)
Intra-City Other	3,346	5,660	2,778	2,778	(2,882)	—
Total	\$1,385,386	\$1,449,298	\$1,403,212	\$1,446,660	(\$2,638)	\$43,448
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$261,349	\$261,644	\$281,329	\$286,196	\$24,552	\$4,867
Pensions	87,082	90,510	103,425	103,425	12,915	—
Other Than Personal Service (OTPS)						
Debt Service	938,684	918,943	1,038,690	1,041,567	122,624	2,877
Total Additional Costs	\$1,287,115	\$1,271,097	\$1,423,444	\$1,431,188	\$160,091	\$7,744
Funding						
City	1,192,059	1,161,434	1,323,760	1,332,026	170,592	8,266
Non-City	95,056	109,663	99,684	99,162	(10,501)	(522)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$570,653	\$615,514	\$615,265	\$630,910	\$15,396	\$15,645
Fringe Benefits	267,898	270,903	286,309	291,176	20,273	4,867
Pensions	87,082	90,510	103,425	103,425	12,915	—
Total PS	\$925,633	\$976,927	\$1,004,999	\$1,025,511	\$48,584	\$20,512
OTPS	\$808,184	\$824,525	\$782,967	\$810,770	(\$13,755)	\$27,803
Debt Service	938,684	918,943	1,038,690	1,041,567	122,624	2,877
Total OTPS	\$1,746,868	\$1,743,468	\$1,821,657	\$1,852,337	\$108,869	\$30,680
Total Agency Costs	\$2,672,501	\$2,720,395	\$2,826,656	\$2,877,848	\$157,453	\$51,192
Less Intra-City	\$3,346	\$5,660	\$2,778	\$2,778	(\$2,882)	\$—
Net Agency Cost	\$2,669,155	\$2,714,735	\$2,823,878	\$2,875,070	\$160,335	\$51,192
Funding						
City	2,019,914	2,034,087	2,188,165	2,218,802	184,715	30,637
Non-City	649,241	680,648	635,713	656,268	(24,380)	20,555
Personnel (includes FTEs at fiscal year-end)						
City	2,559	2,724	2,767	2,768	44	1
Non-City	3,148	3,368	3,353	3,339	(29)	(14)
Total	5,707	6,092	6,120	6,107	15	(13)

Programmatic Review and Service Impact

Bridges

The Division of Bridges is responsible for the reconstruction, repair, maintenance, and operation of approximately 806 City-owned bridge and tunnel structures. In 2025, the Division of Bridges provides for 711 positions and has an operating budget of \$118.6 million.

The Bridge program in the 2025 Executive Budget continues the City's commitment to preserve and maintain its infrastructure. The Bridge "Flag" and Corrective Repair program corrects mostly structural ("red" and "yellow" flags, in descending order of priority) and safety deficiencies on bridges by using both in-house forces and contracted services. Furthermore, the Bridge Preventive Maintenance program includes the oiling, sweeping, cleaning, deck sealing, 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 and 1,175 lane miles of which are arterial highways within the five boroughs. The Permits Management and Construction Control programs are responsible for regulating the excavation and various other uses of City streets and sidewalks. In 2025, Roadway Repair and Maintenance has a budget totaling \$259.7 million.

Sidewalk and Inspection Management

The Sidewalk Program's goal is to make the City's over 12,000 miles of sidewalk safe for pedestrians and help prevent injuries caused by defective sidewalk and curb. As per section 19-152 of the Administrative Code, property owners are required to maintain and construct the sidewalk adjacent to their property. In addition to repairs performed through private contractors, the City's Prior Notice Capital contracts also repair an average of over 1 million square feet of sidewalk repair every year.

The Pedestrian Ramp Program is responsible for the City's approximately 185,000 corners. Pedestrian (curb) ramps are an integral component of the sidewalk network and are a critical component in providing for safe and accessible means of travel throughout New York City. Pedestrian ramps provide access on and

off our streets and sidewalks and are an essential tool for all pedestrians, especially aging New Yorkers and individuals with disabilities. The Pedestrian Ramp Program is dedicated to upgrading and installing new pedestrian ramps, including those at mid-block crossings and medians. All pedestrian ramps must comply with the current Americans with Disabilities Act (ADA) Standards for Accessible Design.

Traffic Operations and Transportation Planning and Management

The Division of Traffic Operations maintains approximately 13,870 signalized intersections and 350,000 streetlights, collects revenue from 2,800 automated enforcement cameras, approximately 89,117 metered parking spaces, and operates 38 municipal parking facilities consisting of 31 parking lots and 7 parking garages. The Division of Transportation Planning and Management installs and maintains almost one million traffic signs and over 350 million linear feet of pavement markings. The 2025 Executive Budget for the Division of Traffic Operations and Division of Transportation Planning and Management provides for 1,665 positions and \$609.3 million.

The Division of Traffic Operations manages programs that support the Department's Vision Zero and public safety goals. Responsibilities include the installation of Accessible Pedestrian Signals (APS) to deliver traffic signal information to pedestrians with visual impairments, installation of Leading Pedestrian Intervals (LPI) at signalized intersections, installation of new traffic control signals at uncontrolled intersections, traffic signal re-timings, management of the automated traffic enforcement camera program, and management of the new mobile payment app "ParkNYC" for municipal parking services.

The Division of Transportation Planning and Management plans and implements Street Improvement Projects (SIPs) that further the City's goals of providing safe, sustainable, and attractive transportation options to New Yorkers in a reliable and high-quality transportation network. Projects implemented under the Safe Streets for Seniors, Safe Routes to Schools, Safe Routes to Transit, 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 lane and busway installations, installation of transit signal priority, and bus stops upgrades that include adding seating and accessibility improvements. Expansion of the 1,500-mile bike network, as outlined in the Green Wave plan continues with the Mayor’s FY24 commitment to create 60 miles of greenway corridors. Wider protected bike line designs, including Manhattan’s 3rd and 10th Avenues, increases the safety and convenience of cycling and the number of people who commute by bike.

The Department oversees several pedestrian and micromobility focused programs, including Open Streets, NYC Plazas, Shared Streets, and street furniture, including the WalkNYC Wayfinding signs, City Benches, and Bike Parking. The programs provide valuable open space for community gathering, greening, and activity programming, maps for local navigation, and benches and bike racks to encourage walking, biking, and transit trips. Each are addressing critical equity needs in neighborhoods lacking the adequate public space and infrastructure investments that make walking and biking a convenient and comfortable

option. Since the launch of the Open Streets program, several corridors have been redesigned as Shared Streets and Bike Boulevards, including Broadway, Berry Street, and 34th Avenue. Other agency efforts to improve the public realm include the Pedestrian Mobility Plan and the Curb Management Action Plan. Both provide data-driven tools to ensure sidewalks and curb lanes are designed and programmed to prioritize the access, movement, and safety of people and goods.

Transit Operations (Ferries)

The Department operates and maintains the Staten Island Ferry boats and terminals and regulates private ferry operations. The 2025 Executive Budget for Ferries provides for 674 positions and an operating budget of \$153.0 million.

The Staten Island Ferry carried approximately 15.7 million passengers in 2023 and achieved an on-time performance rating of 94 percent. Privately operated commuter ferries, including those contracted by the Economic Development Corporation, carried 12.2 million passengers.

Capital Review

The Department of Transportation’s 2025-2028 Capital Commitment Plan totals \$9.2 billion for the reconstruction of transportation infrastructure, of which approximately 87 percent is City-funded. The table below shows commitments by program area between 2024 and 2028.

**Capital Commitments
(\$ in 000’s)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$608,679	\$727,564	662,583	800,870	1,023,605	1,320,107	816,030	903,456	1,314,802	1,412,600	1,246,422	1,267,545
Highway Bridges	262,620	311,252	146,677	193,008	343,908	508,870	579,433	585,830	673,685	673,685	1,474,424	1,797,284
Waterway Bridges.....	177,722	296,472	68,039	68,039	2,738	2,738	12,172	12,759	250	250	123,432	123,432
Traffic.....	95,421	130,631	63,332	66,714	88,543	95,415	104,961	107,475	34,765	34,901	4,676	7,468
Vehicles/Equipment	5,807	5,807	33,275	33,275	32,171	32,171	5,175	5,175	24,423	24,423	5,470	5,470
Ferries	9,137	17,767	46,623	49,559	31,160	99,782	17,909	60,499	34,035	49,377	14,288	23,261
Total	\$1,159,386	\$1,489,493	\$1,020,529	\$1,211,465	\$1,522,125	\$2,059,083	\$1,535,680	\$1,675,194	\$2,081,960	\$2,195,236	\$2,868,712	\$3,224,460

The Highlights of the 2025-2028 Capital Plan include:

- Complete rehabilitative work of bridge structures scheduled for life extension (\$1.4 billion), including the Boston Road Bridge over the Hutchinson River (\$15.8 million, in addition to \$0.2 million in 2024) and the Grand Street Bridge over Newtown Creek (\$267.6 million).
- Complete reconstruction or rehabilitation of bridge structures currently rated “fair” or “good” (\$2.0 billion), including the Brooklyn-Queens Expressway (BQE) triple cantilever (\$172.4 million) and the Shore Road Bridge over the Hutchinson River (\$489.6 million).
- Street reconstruction (\$2.6 billion), including 4th Avenue Safety Improvements, Phase B (\$143.6 million) and Queens Boulevard, Phase 1 (\$112.4 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 (\$1.2 billion).
- Installation and reconstruction of pedestrian ramps to comply with accessibility requirements (\$767.0 million) and replacement of sidewalks (\$144.6 million).
- Installation of traffic signals (\$152.8 million), including accessible pedestrian signals (\$72.0 million, in addition to \$43.1 million in 2024).
- Ferry terminal and facility improvements (\$165.1 million).
- Reconstruction and upgrade of parking meters, garages, and lots (\$26.9 million).

HOUSING PRESERVATION AND DEVELOPMENT

Established in 1978, the New York City Department of Housing Preservation and Development (HPD) promotes quality and affordability in the city's housing, and diversity and strength in its many neighborhoods. HPD does this by maintaining building and resident safety and health, creating opportunities for New Yorkers through housing affordability, and engaging New Yorkers to build and sustain neighborhood strength and diversity.

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. HPD's work is guided by the goals of Housing Our Neighbors: A Blueprint for Housing and Homelessness. The plan outlines key initiatives to achieve the city's goal of providing access to affordable, safe, healthy, and high-quality housing for all New Yorkers.

Financial Review

HPD's 2025 Executive Budget provides for operating expenses of \$1.8 billion, of which approximately \$979 million is city funds. The budgeted headcount of 2,687 full-time positions is funded at \$231 million while other than personal services are projected at \$1.6 billion. Nearly \$834 million, or 45 percent of the agency's expense budget, is supported by federal and state funding programs. HPD's operating budget described above includes \$275 million in funding for the New York City Housing Authority (NYCHA), of which \$232 million is city funds. In addition, HPD has planned capital commitments of \$2.2 billion in 2025.

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 \$39.4 million in 2025.

Expense Budget Highlights

Providing Core Services

In 2025, 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 2024, the agency supported over 45,000 households. Another \$597 million in subsidy payments are planned for 2025, in line with 2024 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 approximately 6,500 rental and co-op buildings containing over 185,000 units in its asset management portfolio, as well as 45,000 units of Mitchell-Lama housing across 93 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 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$191,668	\$228,502	\$223,760	\$231,464	\$2,962	\$7,704
Fringe Benefits	84	28	28	28	—	—
OTPS	1,132,328	1,726,376	1,562,789	1,610,150	(116,226)	47,361
Total	\$1,324,080	\$1,954,906	\$1,786,577	\$1,841,642	(\$113,264)	\$55,065
Funding						
City	\$391,340	\$862,133	\$939,445	\$979,346	\$117,213	\$39,901
Other Categorical Grants	9,585	10,632	642	867	(9,765)	225
IFA	20,551	25,166	25,378	25,703	537	325
State	1,124	1,075	1,075	1,075	—	—
Federal CD	243,814	287,141	168,491	181,040	(106,101)	12,549
Federal Other	654,597	766,465	649,440	651,476	(114,989)	2,036
Intra-City Other	3,069	2,294	2,106	2,135	(159)	29
Total	\$1,324,080	\$1,954,906	\$1,786,577	\$1,841,642	(\$113,264)	\$55,065
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$85,195	\$96,032	\$96,258	\$100,402	\$4,370	\$4,144
Pensions	28,929	29,456	34,359	34,359	4,903	—
Other Than Personal Service (OTPS)						
Debt Service	721,175	939,157	815,183	1,063,831	124,674	248,648
Total Additional Costs	\$835,299	\$1,064,645	\$945,800	\$1,198,592	\$133,947	\$252,792
Funding						
City	774,600	988,848	883,113	1,114,487	125,639	231,374
Non-City	60,699	75,797	62,687	84,105	8,308	21,418
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$191,668	\$228,502	\$223,760	\$231,464	\$2,962	\$7,704
Fringe Benefits	85,279	96,060	96,286	100,430	4,370	4,144
Pensions	28,929	29,456	34,359	34,359	4,903	—
Total PS	\$305,876	\$354,018	\$354,405	\$366,253	\$12,235	\$11,848
OTPS	\$1,132,328	\$1,726,376	\$1,562,789	\$1,610,150	(\$116,226)	\$47,361
Debt Service	721,175	939,157	815,183	1,063,831	124,674	248,648
Total OTPS	\$1,853,503	\$2,665,533	\$2,377,972	\$2,673,981	\$8,448	\$296,009
Total Agency Costs	\$2,159,379	\$3,019,551	\$2,732,377	\$3,040,234	\$20,683	\$307,857
Less Intra-City	\$3,069	\$2,294	\$2,106	\$2,135	(\$159)	\$29
Net Agency Cost	\$2,156,310	\$3,017,257	\$2,730,271	\$3,038,099	\$20,842	\$307,828
Funding						
City	1,165,940	1,850,981	1,822,558	2,093,833	242,852	271,275
Non-City	990,370	1,166,276	907,713	944,266	(222,010)	36,553
Personnel (includes FTEs at fiscal year-end)						
City	794	800	787	906	106	119
Non-City	1,616	1,924	1,902	1,809	(115)	(93)
Total	2,410	2,724	2,689	2,715	(9)	26

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 Commissioner, First Deputy Commissioner, External Affairs, Finance & Administration, 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 and Owner 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 2025-2028 Four-Year Plan totals \$7.8 billion, including \$7.6 billion in city funds and \$160 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 table below reflects actual capital commitments for 2023 and planned capital commitments by program area over the 2024-2028 period.

Capital Commitments (\$ in 000’s)

	FY23 Actuals		FY24 Plan		FY25 Plan		FY26 Plan		FY27 Plan		FY28 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	\$858,834	\$858,834	\$861,119	\$861,119	\$378,250	\$378,250	\$666,645	\$666,645	\$614,465	\$614,465	\$716,901	\$716,901
Other Housing Support	27,129	27,129	66,941	66,941	90,934	90,934	29,991	29,991	68,064	68,064	42,158	42,158
Disposition	37,000	37,000	89,423	89,423	123,090	123,090	81,649	81,649	66,309	66,309	68,561	68,561
Preservation	188,132	188,132	703,609	703,609	767,566	767,566	506,941	506,941	492,483	492,483	506,664	506,664
Special Needs	139,522	199,807	487,216	641,216	322,621	362,621	362,044	402,044	383,207	423,207	352,456	392,456
NYCHA Preservation Programs ..	100,000	100,000	440,370	440,370	429,445	429,445	544,841	\$544,841	—	\$—	—	—
Total	\$1,350,617	\$1,410,902	\$2,648,678	\$2,802,678	\$2,111,906	\$2,151,906	\$2,192,111	\$2,232,111	\$1,624,528	\$1,664,528	\$1,686,740	\$1,726,740

Highlights of the Four-Year Plan

Under 2025-2028 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 \$2.3 billion will support activities to preserve existing affordable housing stock while creating long-term affordability by providing moderate to substantial rehabilitation.
- Funding of \$2.4 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 \$1.6 billion (inclusive of \$160 million of federal HOME funds) will support senior and supportive housing initiatives funded through various Special Needs Housing loan programs.

- Funding of \$340 million will rehabilitate city-owned housing units and return them to responsible private ownership.
- Funding of \$231 million will be used in support of other ancillary housing investments. This primarily encompasses costs associated with development in urban renewal areas, technology projects that will enhance agency operations, and other infrastructure projects that support the development of housing.

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 Permanent Affordability Commitment Together (PACT) Program, which is NYCHA’s implementation of the Department of Housing and Urban Development (HUD)’s Rental Assistance Demonstration program.

- Funding of \$440 million in 2024 and an additional \$974 million in the 2025-2028 Four-Year Plan 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.

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 54 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 2025 Executive Budget for the Department of Citywide Administrative Services provides \$2.1 billion, an increase of \$175.8 million above the amount forecasted for 2024. This increase is predominantly attributable to funds added to support costs associated with managing the migrant crisis. The \$4.5 billion DCAS Four-Year Capital Plan includes \$948.5 million for the renovation, reconstruction, and outfitting of public buildings, \$2.3 billion for energy efficiency initiatives, \$3.6 million for real property, and \$1.2 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. It also holds auctions for vehicles from the City's Fleet as well as other City property and collects civil service exam fees. In 2025, DCAS anticipates collecting \$64.3 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The 2025 Executive Budget provides total funds of \$2.1 billion for the Department, of which \$1.0 billion is for goods and services that agencies purchase from DCAS through intra-city agreements, including the following: utilities (\$838.9 million), leases (\$117.5 million), storehouse supplies (\$15.9 million), maintenance and repair of facilities and vehicles (\$19.6 million), personnel training (\$0.8 million), and other services (\$8.9 million).
- The 2025 Executive Budget provides a total of \$319.3 million for DCAS Facilities Management, including \$71.9 million in State funding for lease and maintenance services of court facilities. Of the total

\$319.3 million budgeted for Facilities Management, the City has budgeted \$153.1 million for leases and \$117.8 million for building maintenance. Facilities Management provides maintenance and construction services for 54 public buildings, including 29 court facilities.

- The 2025 Executive Budget provides a total of \$16.1 million for Real Estate Services. Real Estate Services purchases, sells, and leases real property; and locates space for City agencies.
- The 2025 Executive Budget provides a total of \$39.7 million for DCAS Police and contractual security coverage at DCAS-managed buildings.

Restructuring and Streamlining

- Since 2014, DCAS has invested more than \$900 million in over 5,000 energy efficiency projects and 14,000 energy conservation measures across 2,900 unique city government facilities. DEM's portfolio of city government operations comprise more than 70 percent of City government building square footage, approximately 68 percent of GHG emissions, and 77 percent of energy usage from city government stationary assets in FY2022. To date, DCAS has also installed over 24 megawatts of solar photovoltaic (PV) systems on City assets and is planning to install another approximately 75 megawatts of capacity by 2030. The investments have decreased energy use by about 4.3 million MMBtus, or about as much energy as used by 300,000 city residences, avoided almost \$128 million in annual energy costs, and reduced emissions by over 372,000 metric tons of carbon dioxide equivalent, the equivalent of removing over 80,000 cars from the road. In total, city government has reduced greenhouse gas emissions by 25 percent, compared to 17 percent for all sectors combined within the city, and is on pace to achieve both the 2030 mandate 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 by 2025 and to comply with Local Law 140 of 2023 to transition the City fleet to electric by 2035 for light and medium duty vehicles and 2038 for heavy duty vehicles. DCAS manages the largest electric fleet in New York State, with over 5,000 electric vehicles, and has ordered over 600 new electric replacement vehicles for delivery in CY24. To support the growing EV fleet, the DCAS also manages the state's largest charging infrastructure network with over 2,000 electric vehicle charging ports so far, including 110 solar-powered electric vehicle carports, with another 50 units being brought online and 291 fast charging stations with another 100 being installed in the next year. 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 fast and solar chargers open to the public to increase access to charging infrastructure. Currently 22 chargers are open to the public.
- DCAS also plays a key role in creating opportunities for all New Yorkers. During Fiscal Year 2024, DCAS hosted or participated in nearly 200 events to spread awareness about working for the City of New York, reaching over 12,000 participants. DCAS also administered 153 civil service exams to over 79,000 job seekers. Through these exams, DCAS opened pathways to great careers and helped City agencies identify qualified candidates for hiring needs. This year, DCAS created and administered the first NYC Bridge Exam. This is a civil service exam that covers 10 different civil service titles. By only paying one fee and taking one exam, New Yorkers will be eligible for jobs under 10 different civil service titles. In FY22, DCAS launched the first ever NYC Bridge Exam. The NYC Bridge Exam is a crucial enhancement to DCAS' traditional offering of one exam for one title, ensuring greater accessibility to civil service titles than ever before. The individual lists that were part of the FY22 NYC Bridge exam were established as of July 2023. In June 2023, DCAS opened the second NYC Bridge Exam application period, which was administered in the fall of 2023 to 6,888 candidates, more than triple the number of candidates in the inaugural FY22 NYC Bridge Exam. The eligible lists resulting from the FY23 NYC Bridge Exam are expected to be established in the summer of 2024. The NYC Bridge exam will be offered annually going forward.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$204,005	\$221,476	\$221,377	\$229,372	\$7,896	\$7,995
Fringe Benefits	4,093	4,109	2,255	2,255	(1,854)	—
OTPS	1,415,553	1,684,661	1,773,893	1,854,493	169,832	80,600
Total	\$1,623,651	\$1,910,246	\$1,997,525	\$2,086,120	\$175,874	\$88,595
Funding						
City	\$457,735	\$557,677	\$800,853	\$657,293	\$99,616	(\$143,560)
Other Categorical Grants	127,113	102,038	112,204	109,804	7,766	(2,400)
IFA	1,948	1,565	1,544	1,608	43	64
State	70,035	326,217	72,737	315,559	(10,658)	242,822
Federal CD	—	—	—	—	—	—
Federal Other	4,248	759	2,147	220	(539)	(1,927)
Intra-City Other	962,572	921,990	1,008,040	1,001,636	79,646	(6,404)
Total	\$1,623,651	\$1,910,246	\$1,997,525	\$2,086,120	\$175,874	\$88,595
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$79,995	\$84,906	\$88,448	\$89,200	\$4,294	\$752
Pensions	31,396	33,731	37,288	37,288	3,557	—
Other Than Personal Service (OTPS)						
Debt Service	757,344	630,770	706,565	721,956	91,186	15,391
Total Additional Costs	\$868,735	\$749,407	\$832,301	\$848,444	\$99,037	\$16,143
Funding						
City	840,931	718,821	812,670	828,635	109,814	15,965
Non-City	27,804	30,586	19,631	19,809	(10,777)	178
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$204,005	\$221,476	\$221,377	\$229,372	\$7,896	\$7,995
Fringe Benefits	84,088	89,015	90,703	91,455	2,440	752
Pensions	31,396	33,731	37,288	37,288	3,557	—
Total PS	\$319,489	\$344,222	\$349,368	\$358,115	\$13,893	\$8,747
OTPS	\$1,415,553	\$1,684,661	\$1,773,893	\$1,854,493	\$169,832	\$80,600
Debt Service	757,344	630,770	706,565	721,956	91,186	15,391
Total OTPS	\$2,172,897	\$2,315,431	\$2,480,458	\$2,576,449	\$261,018	\$95,991
Total Agency Costs	\$2,492,386	\$2,659,653	\$2,829,826	\$2,934,564	\$274,911	\$104,738
Less Intra-City	\$962,572	\$921,990	\$1,008,040	\$1,001,636	\$79,646	(\$6,404)
Net Agency Cost	\$1,529,814	\$1,737,663	\$1,821,786	\$1,932,928	\$195,265	\$111,142
Funding						
City	1,298,666	1,276,498	1,613,523	1,485,928	209,430	(127,595)
Non-City	231,148	461,165	208,263	447,000	(14,165)	238,737
Personnel (includes FTEs at fiscal year-end)						
City	1,485	1,866	1,852	1,873	7	21
Non-City	583	682	703	683	1	(20)
Total	2,068	2,548	2,555	2,556	8	1

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 54 City-owned court and office buildings totaling 15 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

DCAS Real Estate Services (RES) is the real estate arm of the City of New York, with responsibility for the acquisition (lease or purchase) and disposition of the City's owned real estate. RES assists agencies with finding suitable and cost-effective space for their operations, in both City-owned and leased space. RES negotiates and administers leases of private space occupied by City agencies, undertakes acquisitions of property needed for City use, and performs and coordinates architectural and other services associated with renovations and agency relocations. In addition, RES administers 400 short- and long-term agreements that permit the private use of City-owned property.

Energy Management

DCAS Energy Management (DEM) provides centralized energy management for the City'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 large-scale renewable energy, among other measures. 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 enhancing 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) is responsible for purchasing, inspecting, and distributing supplies and equipment at the lowest cost possible. They also assist in disposing of surplus heavy equipment and goods. On average, DCAS purchases about \$1.5 billion worth of goods and services for the City through approximately 900 citywide requirement contracts and one-time purchases. DCAS uses the City's purchasing power to get the best prices for goods and services by combining demand and consolidating contracts. They aim to increase the participation of minority and women-owned businesses by breaking down large contracts when suitable and using the best value procurement method when possible.

Fleet Management

The DCAS Division of Fleet Management is responsible for managing the City of New York's over 28,500 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 over 2,000 EV charging ports. Fleet Management oversees the vehicle maintenance contracts while managing the City's fuel, vehicle collisions, defensive driver training, real-time vehicle tracking, and alternative energy programs. DCAS directs efforts to improve fleet management citywide in areas of safety, sustainability, transparency, emergency preparedness, resource management, and shared services.

Office of Citywide Equity and Inclusion

DCAS' Citywide Equity and Inclusion (CEI) fosters the City of New York's global leadership in equitable, diverse, and inclusive employment practices and sets the standards for City agencies to implement the City's EEO policy, procedures, laws,

and City mandates designed to prevent workplace discrimination and harassment under the City’s (25) legally protected categories, and to promote inclusivity, engagement, and retention. CEI designs initiatives to operationalize legislation; ensures the City is compliant with reporting mandates; develops and updates the City’s EEO and DEI training portfolio, including sexual harassment prevention, to promote awareness of rights, responsibilities, and resources for the City workforce and professional development for EEO

professionals; and conducts confidential third party EEO investigations. CEI also promotes the City as an employer of choice by conducting extensive outreach to build recruitment pipelines while educating the public, including diverse and underserved populations, and employees about the civil service exam process and career opportunities, by advising agencies on strategies for recruitment and augmenting capacity, and by assisting with the implementation of citywide recruitment initiatives.

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 2025-28 Four-Year Capital Strategy totals \$4.5 billion. The table below reflects capital commitments by program area over the FY 2023-2028 period.

**Capital Commitments
(\$ in 000’s)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$66,474	\$66,474	\$35,954	\$35,954	\$93,272	\$93,272	\$140,186	\$140,186	\$159,472	\$159,472	\$14,152	\$14,152
Renovation of Other City-Owned Facilities.....	22,699	22,699	4,442	4,442	74,068	74,068	37	37	10,552	10,552	6,746	6,746
Rehabilitation of Court Buildings.....	289	289	—	—	—	—	—	—	685	685	500	500
Legal Mandates and Correction of Unsafe Conditions.....	35,562	35,562	41,549	41,549	52,197	52,197	19,001	19,001	38,550	38,550	28,752	28,752
Renovation of Leased Space.....	6,558	6,558	29,515	29,515	3,543	3,543	705	705	14,951	14,951	12,484	12,484
Equipment and Interagency Services.....	9,694	9,694	15,750	12,242	29,500	29,500	22,044	22,044	7,712	7,712	5,822	5,822
Communications Equipment	—	—	—	—	—	—	—	—	—	—	—	—
Board of Elections	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous Construction.....	13,552	13,552	40,751	40,751	22,274	22,274	87,003	87,003	30,090	30,090	54,129	54,129
Acquisition of Real Property.....	3,035	4,195	12,742	13,996	7,583	8,819	10,640	10,640	—	—	600	600
Energy Efficiency and Sustainability	366,345	366,345	404,126	407,127	631,362	631,362	689,919	689,919	670,522	670,522	335,259	335,259
Resiliency and Protective Measures.....	351,409	544,697	389,774	498,247	492,911	600,505	470,156	479,183	123,168	123,675	29,472	29,472
Rehabilitation of Waterfront & Non-Waterfront Properties ..	9,725	9,725	4,058	4,058	107	107	—	—	1,460	1,460	1,985	1,985
Total	\$885,342	\$1,079,790	\$978,661	\$1,087,881	\$1,406,817	\$1,515,647	\$1,439,691	\$1,448,718	\$1,057,162	\$1,057,669	\$489,901	\$489,901

Highlights of the 2025-2028 Four-Year Capital Plan

- Reconstruction and rehabilitation of public buildings and City-owned facilities (\$407.1 million), including projects at the Manhattan Municipal Building (\$76.5 million), 280 Broadway in Manhattan (\$57.3 million), 100 Gold Street (\$37.0 million), 253 Broadway in Manhattan (\$29.0 million), 1932 Arthur Avenue (\$5.8 million) and 10 Richmond Terrace in Staten Island (\$6.7 million), and Queens Borough Hall (\$17.7 million).
- Legal mandates (\$138.5 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$73.7 million), fuel tank replacement and remediation (\$38.4 million), façade upgrades to ensure Local Law 11 compliance (\$3.9 million), and upgrades to bathrooms and other facilities to ensure ADA compliance (\$9.5 million).
- Miscellaneous construction in other facilities (\$193.5 million), including the installation of charging infrastructure for electric vehicles (\$78.8 million).
- Renovation of other City-owned facilities (\$91.4 million), including the reconstruction of 70 Mulberry Street (\$84.1 million).
- Renovation of leased space (\$31.7 million), including office and warehouse space for the Brooklyn District Attorney (\$7.9 million).
- Energy efficiency measures and building retrofits (\$2.3 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$189.2 million), solar panels at Citywide facilities (\$13.8 million), and other building retrofits (\$2.1 billion).
- Equipment and interagency services (\$65.1 million), including the development of a real estate management system (\$5.2 million).
- Acquisition of real property (\$20.1 million).
- Rehabilitation of waterfront and non-waterfront properties (\$3.6 million).
- Citywide agency resiliency and waterfront rehabilitation (\$1.2 billion) including East Side Coastal Resiliency (\$602.5 million), and Brooklyn Bridge to Montgomery Coastal Resiliency (\$22.4 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 Officer (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.

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 2025 Executive Budget provides for an operating budget of \$803.7 million, a decrease of \$184.3 million over the amount forecasted for 2024. This change is largely attributable to funding added for one year in the 2024 forecast, intra-city agreements for telecommunications that have not yet been renewed, and other categorical funding that has not yet been rolled.

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 \$142.8 million in revenue for 2025.

Expense Budget Highlights

Budgetary Priorities: Providing Core IT Services

- The Office's 2025 Executive Budget includes \$132.0 million for services that OTI purchases on behalf of client agencies, including telecommunications, data, and consultant services.
- The Office's 2025 Executive Budget provides \$89.2 million for Infrastructure Management 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 2025 Executive Budget provides \$105.9 million for the New York City Cyber Command, overseeing the protection of all city systems against cyber threats, including systems that deliver vital services to New Yorkers.
- The Office's 2025 Executive Budget provides \$127.0 million for the Public Safety and Emergency Management Division, which manages critical life-safety technology such as the 9-1-1 Emergency System and associated Public Safety Answering Centers.
- The Office's 2025 Executive Budget provides \$65.6 million for the 311 Citizen Service Center, providing the public with continuous access to non-emergency city services through one phone number.
- The Office's 2025 Executive Budget provides \$23.3 million for the administration of the Mayor's Office of Media and Entertainment's four divisions: NYC Media, the Film Office, the Press Credentials Office, and Creative Sector Programs.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$161,927	\$170,071	\$161,531	\$171,237	\$1,166	\$9,706
Fringe Benefits	—	—	—	—	—	—
OTPS	735,517	817,895	613,659	632,463	(185,432)	18,804
Total	\$897,444	\$987,966	\$775,190	\$803,700	(\$184,266)	\$28,510
Funding						
City	\$665,951	\$758,853	\$637,055	\$663,890	(\$94,963)	\$26,835
Other Categorical Grants	6,783	16,423	2,650	2,650	(13,773)	—
IFA	1,573	2,247	—	2,290	43	2,290
State	3,203	9,759	543	543	(9,216)	—
Federal CD	1,422	3,671	4,031	2,284	(1,387)	(1,747)
Federal Other	18,824	4,623	—	66	(4,557)	66
Intra-City Other	199,688	192,390	130,911	131,977	(60,413)	1,066
Total	\$897,444	\$987,966	\$775,190	\$803,700	(\$184,266)	\$28,510
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$55,836	\$57,463	\$59,353	\$60,585	\$3,122	\$1,232
Pensions	24,430	26,752	29,015	29,015	2,263	—
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$80,266	\$84,215	\$88,368	\$89,600	\$5,385	\$1,232
Funding						
City	78,552	80,823	84,798	86,720	5,897	1,922
Non-City	1,714	3,392	3,570	2,880	(512)	(690)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$161,927	\$170,071	\$161,531	\$171,237	\$1,166	\$9,706
Fringe Benefits	55,836	57,463	59,353	60,585	3,122	1,232
Pensions	24,430	26,752	29,015	29,015	2,263	—
Total PS	\$242,193	\$254,286	\$249,899	\$260,837	\$6,551	\$10,938
OTPS	\$735,517	\$817,895	\$613,659	\$632,463	(\$185,432)	\$18,804
Debt Service	—	—	—	—	—	—
Total OTPS	\$735,517	\$817,895	\$613,659	\$632,463	(\$185,432)	\$18,804
Total Agency Costs	\$977,710	\$1,072,181	\$863,558	\$893,300	(\$178,881)	\$29,742
Less Intra-City	\$199,688	\$192,390	\$130,911	\$131,977	(\$60,413)	\$1,066
Net Agency Cost	\$778,022	\$879,791	\$732,647	\$761,323	(\$118,468)	\$28,676
Funding						
City	744,503	839,676	721,853	750,610	(89,066)	28,757
Non-City	33,519	40,115	10,794	10,713	(29,402)	(81)
Personnel (includes FTEs at fiscal year-end)						
City	1,462	1,532	1,478	1,519	(13)	41
Non-City	46	55	38	21	(34)	(17)
Total	1,508	1,587	1,516	1,540	(47)	24

Programmatic Review and Service Impact

OTI is committed to spearheading 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, improving 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 are aligned with the Administration's strategic objective of reforming city procurement by expanding the number of opportunities for M/WBE contracting, as well as dramatically increasing the proportion of city spending for M/WBE vendors. Starting in January 2024, OTI established four new citywide IT Goods Purchasing Contracts with New York City-certified M/WBE vendors.

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 have replaced the aging network of 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; and the citywide Geographic Information Systems Unit. Finally, OTI provides administrative and IT support to various other tech initiatives to help streamline agency operations and deliver services that make life better for New Yorkers.

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.

Sustainable Broadband Adoption

In support of the city's goal to provide free and low-cost quality broadband, OTI launched Big Apple Connect in September 2022. Big Apple Connect's first phase provided residents of 135 NYCHA sites with access to free broadband and basic cable TV. Subsequent expansions have made the program available to 330,000 New Yorkers across more than 220 sites, as of April 2024. In addition, OTI's franchisee has resumed installation of the LinkNYC kiosks, growing the network to over 2,100, as of April 2024 with a commitment to complete no less than 4,000 kiosks and giving priority to 13 equity community districts across the boroughs. Link5G, the newest phase of LinkNYC, arrived in July 2022 with priority given to underserved areas across the five boroughs. OTI also administers the funding for NYC Connected Communities, which provides \$3.8 million per year to a range of city partners to increase public broadband access, computer literacy, and job readiness training in communities of need.

MyCity

In March 2023, OTI launched the MyCity portal, a one-stop shop for city services and benefits, to make it easier for New Yorkers to interact with and access the support of numerous city agencies. MyCity's first phase featured a simplified child care application, which allowed working families to check eligibility, apply for, and track services and benefits, as well as securely save their information and documentation for future applications as they apply for child care. In MyCity's first year, the portal provided access to more than 10,000 families to apply for child care assistance.

MyCity subsequently expanded in October 2023 to include a redesigned Business site that featured the first citywide AI chatbot. Still in its beta phase, the MyCity Chatbot has connected thousands of business owners and aspiring entrepreneurs to timely content to help them start, operate, and grow businesses in New York City. MyCity also contains the redesigned Jobs NYC online talent portal, which connects job seekers to career opportunities, free employment services, and occupational-skills trainings for opportunities in both the public and private sectors.

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.

Cyber Command

In accordance with Mayor Adams' Executive Order 10, Cyber Command is charged with setting the city's information security and policy standards, leading citywide cyber defense, investigation and incident response, and proactively disseminating threat intelligence. Cyber Command continues to use the latest technologies and leveraging public-private partnerships to protect, detect, respond, and recover from cyber threats.

Cyber Command is also taking 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. In April 2023, OTI graduated the city's inaugural Cyber Academy class – a specialized training program designed to bolster the city's cybersecurity workforce and enhance agency cyber capabilities to defend against threats to essential services and critical infrastructure.

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 NYC Office of Information Privacy, led by the NYC Chief Privacy Officer, works to protect the privacy of New Yorkers' identifying information, while maximizing opportunities for data sharing across city agencies, as permitted by law. The Chief 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 Chief 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 is 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 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. 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 Office of Data Analytics 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 Geographic Information Systems (GIS) Unit plays a vital role in providing comprehensive geospatial solutions for various agencies. By developing and hosting interactive maps, geo-referenced data, and associated tools and services, OTI supports enterprise-wide geospatial applications. One of its flagship offerings is NYCityMap, which includes a detailed physical base map and planimetrics of New York City sourced from aerial photography. Through the utilization of NYCityMap and similar cutting-edge technologies, OTI collaborates with city agencies to launch numerous interactive websites and applications catering to diverse audiences and addressing a wide range of needs.

311 Customer Service Center

311 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 311 via online, mobile app, text, phone, or on social media. 311 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, 311 has received more than 570 million contacts 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.

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. NYC Media, the official broadcast network and media production group of the City of New York, operates the city's five cable television channels, three broadcast television channels, and one FM radio station. MOME's Film Office supports New York City's film and television production industry and issues permits for the use of city property alongside their Press Credentials Office, which issues press credentials. The Creative Sector Programs Division oversees the agency's workforce and industry development programs.

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 2025-2028 includes \$315.6 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.

The Department of Small Business Services (SBS)

SBS helps unlock economic potential and create economic security for all New Yorkers by connecting people to jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs. SBS operates the City's NYC Business Solutions Centers, Industrial Business Solutions Providers and Workforce1 Career Centers; provides grants and services to support the growth of local community and economic development organizations throughout the City; oversees the largest network of Business Improvements Districts (BIDs) in the country; and administers the Minority and Women-owned Business Enterprise (M/WBE) Program. In addition, SBS's budget supports the Office of Nightlife (ONL), the Mayor's Office of Talent and Workforce Development (MOTWD), and the Mayor's Office of Minority and Women-owned Business Enterprises (MOMWBE).

SBS also contracts with NYCEDC, NYC Tourism + Conventions, 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; 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 550 businesses employ over 11,000 people at the Navy Yard's 300-acre campus, generating \$2.5 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 New York Climate Exchange.

Financial Review

The 2025 Executive Budget provides \$209.4 million for operating expenses at SBS, comprised of \$165.9 million of City funding and \$43.5 million of non-City sources. The SBS operating budget includes allocations for NYCEDC, the Mayor's Office of Environmental Remediation (MOER), NYC Tourism + Conventions, TGI, the Mayor's Office of Talent and Workforce Development (MOTWD), the Mayor's Office of Minority and Women-owned Business Enterprises (MOMWBE), and the Office of Nightlife (ONL).

Capital commitments of \$2.1 billion are forecast in the 2025-2028 Capital Plan. Of this amount, \$2.0 billion reflects City capital commitments. The remaining \$0.1 million reflects Federal and State commitments.

Expense Budget Highlights

SBS

Workforce Development Division (WDD)

- In partnership with the Mayor's Office of Talent & Workforce Development (MOTWD), the Workforce Development Division helps New Yorkers build careers by training local residents to acquire skills in growing fields, connecting jobseekers to employers with open positions, and developing job search skills through resume and interviewing workshops. The 2025 Executive Budget provides \$56.4 million in City and Federal funds to this division in 2025.

Division of Business Services (DBS)

- The Business Services Division helps businesses to start, operate, and grow by connecting entrepreneurs to resources. SBS' services include business courses, legal services, assistance interpreting government rules and regulations, and helping entrepreneurs apply for funding to launch or grow a business. The 2025 Executive Budget provides \$22.2 million in City and Federal funds to this division in 2025.

Neighborhood Development Division (NDD)

- The Neighborhood Development Division supports community-based organizations throughout New York City to strengthen commercial corridors and build vibrant neighborhoods. SBS does this by overseeing 77 Business Improvement Districts (BIDs); offering training, tools, and one-on-one assistance to local community-based organizations; administering grant programs to strengthen and revitalize commercial districts; and working with community partners to identify local commercial district needs and plan targeted solutions. The 2025 Executive Budget provides \$14 million in City and Federal funds to this division in 2025.

Division of Economic and Financial Opportunity (DEFO)

- In partnership with the Mayor's Office of Minority and Women-owned Business Enterprises (MOMWBE), the Division of Economic and Financial Opportunity (DEFO) certifies minority- and women-owned

businesses (M/WBEs) and helps them compete for government contracts by providing technical assistance. The office serves as a One-Stop resource for M/WBEs interested in doing business with the City and its agencies. The 2025 Executive Budget provides \$12.4 million in City and Federal funds to this division in 2025.

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 \$45.4 million in City, Federal, and State funds in 2025. Proceeds will continue to support EDC's efforts to activate economic potential, support burgeoning industries and effectively manage City assets.

NYC Tourism + Conventions (NYCT+C)

- Through a contract with SBS, NYC Tourism + Conventions (formerly NYC & Company) will receive \$18.1 million in City funding in 2025 for its work to promote the City as the country's premier tourist destination. The agency rebranded as New York City Tourism + Conventions to create a more visitor-focused brand strategy and approach to promoting the City. NYCT+C serves as the City's official marketing organization, and provides partnership services to events and local businesses across the five boroughs.

Trust for Governors Island (TGI)

- Through a contract with SBS, the 2025 Executive budget will provide TGI \$18.3 million in City funding towards the management and operation of the Island in 2025, 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 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. BNYDC retains and attracts manufacturing business in NYC by providing space and an stable environment for the Yard's tenants to grow.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$25,478	\$35,444	\$34,350	\$36,190	\$746	\$1,840
Fringe Benefits	—	—	—	—	—	—
OTPS	338,658	293,908	139,575	173,286	(120,622)	33,711
Total	\$364,136	\$329,352	\$173,925	\$209,476	(\$119,876)	\$35,551
Funding						
City	\$255,345	\$224,461	\$128,978	\$164,334	(\$60,127)	\$35,356
Other Categorical Grants	10,399	—	—	—	—	—
IFA	—	—	—	—	—	—
State	1,466	—	—	—	—	—
Federal CD	7,684	3,458	2,536	2,621	(837)	85
Federal Other	75,313	91,976	40,839	40,949	(51,027)	110
Intra-City Other	13,929	9,457	1,572	1,572	(7,885)	—
Total	\$364,136	\$329,352	\$173,925	\$209,476	(\$119,876)	\$35,551
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$9,656	\$11,638	\$11,494	\$12,261	\$623	\$767
Pensions	3,844	4,029	4,565	4,565	536	—
Other Than Personal Service (OTPS)						
Debt Service	76,863	146,274	99,529	160,443	14,169	60,914
Total Additional Costs	\$90,363	\$161,941	\$115,588	\$177,269	\$15,328	\$61,681
Funding						
City	85,579	154,775	109,348	169,698	14,923	60,350
Non-City	4,784	7,166	6,240	7,571	405	1,331
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$25,478	\$35,444	\$34,350	\$36,190	\$746	\$1,840
Fringe Benefits	9,656	11,638	11,494	12,261	623	767
Pensions	3,844	4,029	4,565	4,565	536	—
Total PS	\$38,978	\$51,111	\$50,409	\$53,016	\$1,905	\$2,607
OTPS	\$338,658	\$293,908	\$139,575	\$173,286	(\$120,622)	\$33,711
Debt Service	76,863	146,274	99,529	160,443	14,169	60,914
Total OTPS	\$415,521	\$440,182	\$239,104	\$333,729	(\$106,453)	\$94,625
Total Agency Costs	\$454,499	\$491,293	\$289,513	\$386,745	(\$104,548)	\$97,232
Less Intra-City	\$13,929	\$9,457	\$1,572	\$1,572	(\$7,885)	\$—
Net Agency Cost	\$440,570	\$481,836	\$287,941	\$385,173	(\$96,663)	\$97,232
Funding						
City	340,924	379,236	238,326	334,032	(45,204)	95,706
Non-City	99,646	102,600	49,615	51,141	(51,459)	1,526
Personnel (includes FTEs at fiscal year-end)						
City	189	270	261	276	6	15
Non-City	99	113	120	114	1	(6)
Total	288	383	381	390	7	9

Capital Review

The primary goal of the Capital Plan is to encourage development that creates and retains jobs in New York City, bolster the City's tax base, and maintain City-owned facilities in a state of good repair. The Four-Year Plan totals \$2.1 billion, including \$2.0 billion in City capital commitments, as well as \$66.7 million in Federal and \$3.3 million in State funds. The table below shows capital plan commitments by program area over the FY 2025 - 2028 period.

Capital Commitments (\$ in 000's)

	2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Neighborhood Revitalization.....	\$150,751	\$181,973	\$179,566	\$184,149	\$102,989	\$109,989	\$140,465	\$146,822	\$129,334	\$134,334
Waterfront Development.....	\$170,203	\$236,061	\$141,349	\$153,906	\$109,883	\$111,735	\$87,521	\$87,521	\$103,828	\$103,828
Industrial Development.....	\$130,147	\$250,098	\$132,908	\$143,829	\$79,976	\$79,976	\$39,627	\$39,627	\$55,706	\$55,706
Commercial Development.....	\$22,200	\$25,954	\$70,993	\$70,993	\$36,119	\$36,119	\$36,931	\$36,931	\$27,187	\$27,187
Miscellaneous.....	\$57,765	\$74,094	\$142,777	\$162,926	\$46,907	\$46,907	\$55,697	\$55,697	\$18,649	\$18,649
Community Development.....	\$7,705	\$7,705	\$25,734	\$25,734	\$—	\$—	\$54,487	\$54,487	\$16,138	\$16,138
Market Development.....	\$18,339	\$19,853	\$34,327	\$35,991	\$19,122	\$19,122	\$34,272	\$34,272	\$20,337	\$20,337
Cultural Development.....	\$4,777	\$4,777	\$12,282	\$12,282	\$10,500	\$10,500	\$16,575	\$16,575	\$5,125	\$5,125
Port Development.....	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Total.....	\$561,887	\$800,515	\$739,936	\$789,810	\$405,496	\$414,348	\$465,575	\$471,932	\$376,304	\$381,304

Highlights of the 2025-2028 Four Year Plan

The 2025-2028 Plan includes a total of \$272.8 million for Phase II of Willets Point including infrastructure upgrades to sewers, watermains, and new streets.

A total of \$152.7 million for development of and improvements to the Hunts Point area, including rehabilitation of various Hunts Point Terminal Market buildings like The Hunts Point Produce Market (\$37.0 million), Meat Market (\$30.9 million), and Fish Market (\$10.8 million), as well as energy resiliency projects in the surrounding neighborhood (\$25.4 million).

A total of \$80.5 million for the activation of the historic Kingsbridge Armory, a 570,000 square foot site, into a mixed-use development, including at least 25,000 square feet for community-based organizations.

A total of \$70.5 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 \$69.0 million for infrastructure work related to the NYC Ferry Service, including construction of the second Ferry homeport (\$39.3 million).

A total of \$64.0 million for development of the offshore wind industry to turn NYC into a global hub for the industry, including transformation of the South Brooklyn Marine Terminal (SBMT) into one of the country's largest offshore wind port facilities (\$56.3 million).

A total of \$45.7 million for life science initiatives to fund lab space and equipment to promote critical research of global impact, including the Center for Planetary Health (\$8 million), and the Pandemic Response Institute (\$8.8 million).

A total of 159.1 million for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support future redevelopment at Brooklyn Navy Yard.

A total of \$240.0 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 60 branches, a Central Library and the Center for Brooklyn History. The New York Public Library (NYPL) is made up of 88 neighborhood branches throughout the Bronx (35 branches), Manhattan (40 branches), and Staten Island (13 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 62 branches including a Central Library, seven adult learning centers, a technology lab, a community learning center at the Ravenswood public housing complex, a universal pre-kindergarten, a teen library and four teen centers.

Financial Review

The Libraries' 2025 Executive Budget provides for operating expenses of \$425.0 million, a decrease of \$31.5 million below the amount forecasted in 2024. Capital commitments of \$176.3 million are also provided, an increase of \$2.4 million above the 2024 Plan amount.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2025, the operating subsidy for the Brooklyn Public Library will be \$117.8 million.
- In 2025, the operating subsidy for the New York Public Library will be \$155.2 million.
- In 2025, the operating subsidy for the New York Public Library's research libraries will be \$30.4 million.
- In 2025, the operating subsidy for the Queens Public Library will be \$121.6 million.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)					
	2023 Actual	2024 Forecast	2025		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2024 Forecast	2025 Preliminary Budget
Expenditures						
Salary and Wages	\$—	\$—	\$—	\$—	\$—	\$—
Fringe Benefits	—	—	—	—	—	—
OTPS	473,121	456,512	420,995	425,010	(31,502)	4,015
Total	\$473,121	\$456,512	\$420,995	\$425,010	(\$31,502)	\$4,015
Funding						
City	\$465,746	\$453,554	\$420,969	\$424,984	(\$28,570)	\$4,015
Other Categorical Grants ..	444	—	—	—	—	—
IFA	—	—	—	—	—	—
State	—	—	—	—	—	—
Federal CD	—	—	—	—	—	—
Federal Other	—	—	—	—	—	—
Intra-City Other	6,931	2,958	26	26	(2,932)	—
Total	\$473,121	\$456,512	\$420,995	\$425,010	(\$31,502)	\$4,015
Additional Costs Centrally Funded						
Other Than Personal Service (OTPS)						
Fringe Benefits	\$2,599	\$2,751	\$2,956	\$2,935	\$184	(\$21)
Pensions	32,956	32,902	34,022	34,022	1,120	—
Debt Service	98,110	75,131	84,866	82,755	7,624	(2,111)
Total Additional Costs ...	\$133,665	\$110,784	\$121,844	\$119,712	\$8,928	(\$2,132)
Funding						
City	131,409	109,430	120,335	118,252	8,822	(2,083)
Non-City	2,256	1,354	1,509	1,460	106	(49)
Full Agency Costs (including Central Accounts)						
Fringe Benefits	\$2,599	\$2,751	\$2,956	\$2,935	\$184	(\$21)
OTPS	473,121	456,512	420,995	425,010	(31,502)	4,015
Pensions	32,956	32,902	34,022	34,022	1,120	—
Debt Service	98,110	75,131	84,866	82,755	7,624	(2,111)
Total OTPS	\$606,786	\$567,296	\$542,839	\$544,722	(\$22,574)	\$1,883
Total Agency Costs	\$606,786	\$567,296	\$542,839	\$544,722	(\$22,574)	\$1,883
Less Intra-City	\$6,931	\$2,958	\$26	\$26	(\$2,932)	—
Net Agency Cost	\$599,855	\$564,338	\$542,813	\$544,696	(\$19,642)	\$1,883
Funding						
City	597,155	562,984	541,304	543,236	(19,748)	1,932
Non-City	2,700	1,354	1,509	1,460	106	(49)
Personnel (includes FTEs at fiscal year-end)						
City	—	—	—	—	—	—
Non-City	—	—	—	—	—	—
Total	—	—	—	—	—	—

* The 2025 Executive Budget provides an estimated 4,185 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:

- NYPL will open a fully rebuilt 20,000 square-foot library in Inwood in Spring 2024.
- NYPL plans to complete comprehensive renovations of five, 100-plus-year-old historic Carnegie branches in high-needs areas by the end of 2024 - Melrose and Hunts Point in the Bronx, Fort Washington and 125th Street in Manhattan, and Port Richmond in Staten Island.
- QPL reopened the Steinway Community Library after completing its comprehensive renovation in December 2023.
- In March 2024, QPL opened a new community learning center in Ravenswood.
- BPL plans to complete HVAC replacements at the Bedford, Leonard, and Clarendon Branches by Fall 2024
- Fit-out of Brooklyn Public Library's newest branch, the L10 Arts and Culture Library is expected to open in September 2024. Along with BAM, MoCADA, and 651 Arts, BPL will open a library dedicated to the arts and in coordination with events at other cultural institutions.

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 2023. BPL had over 3 million visitors and hosted 56,000 programs with an attendance of 604,400 individuals. Circulation remains robust with over 9,900,000 materials and e-books circulating last year. Finally, BPL issued a record 238,024 new library cards. BPL reopened the newly renovated East Flatbush branch and continues to press forward with its strategy to address significant deferred maintenance needs by partnering with the City to undertake self-managed Capital grant projects with the redesign of the Canarsie, New Lots, and Walt Whitman branches continuing throughout 2023.

- 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 and opportunities for all New Yorkers, regardless of their background or means. Key performance indicators from the Mayor's Management Report such as circulation, program attendance, and library card registration have steadily risen since FY21. Circulation is up over 50 percent during this timeframe, while program attendance and library card registration has more than doubled. Through programs like Storytime, family literacy workshops, and Pre-K for all partnerships, New York City's libraries have established themselves as the leading providers of early literacy programs and services in the city. The NYPL After School program offers drop-in homework help, tutoring, career exploration services, and enrichment activities to students Monday through Thursday. In the 2022-2023 school year, NYPL After School was located at 31 locations with attendance over 35,000. The program will expand to 50 locations by the end of FY24, and locations are prioritized in historically underserved neighborhoods. The Library's Teens 360° initiative aims to give teens places to socialize, receive support from adults, and gain exposure to new experiences they need to find their voice. An important aspect of this initiative is Teen Centers, which provide safe and stable access to free technology, spaces to gather and socialize, as well as both academic and socio-economic support. Thanks to support received from the city as well as private funders, NYPL has opened 20 Teen Centers in underserved neighborhoods. Teen Center program attendance totaled over 114,000 in FY23. Early literacy, NYPL After School, and Teen 360° are all part of the Library's Tisch Youth Education Programs. ESOL and Citizenship classes have seen a dramatic increase in usage since the City first began receiving an influx of asylum seekers. NYPL has also maintained regularly scheduled outreach at three Humanitarian Emergency Response and Relief Centers (HERRCs), where a team of bilingual staff visits each location on a regular schedule to provide outreach services. The Library has connected with over 5,000 asylum seekers and recently arrived immigrants, and issued over 2,300 library cards between May and December 2023. A ranger of other NYPL services continue to be key to New Yorkers' quest for knowledge and opportunity. These include: TechConnect classes

that provide experiential learning opportunities focused on workforce readiness, digital citizenship, and advanced technological concepts, one-on-one career counseling and job support, telehealth and tax prep- among many other offerings, and free English classes, English Conversation Groups, Citizenship Study Groups, and citizenship application assistance.

- Queens Public Library (QPL) saw its demand for its services increase for the third consecutive year since the start of the pandemic, both in person and online. Last year, QPL had more than 5.6 million visits at its physical locations, circulated 7.7 million books and other materials in digital and print formats, and offered 53,100 programs that attracted 856,200 attendees. It hosted 583,800 Wi-Fi sessions and registered 92,850 library cards, exceeding pre-pandemic levels, and public computer usage jumped 48 percent. With substantial funding from the Mayor, renovations of teen centers at Central, Cambria Heights, and Flushing, and a new center at our Long Island City Library began, to provide spaces for students to complete homework, participate in teen-centric programs, and leadership initiatives, explore their creativity, and connect with one another and trusted adults. Since it began in 2022, the Library's continued partnership with the Food Bank for NYC has benefitted 25,800 individuals living in 5,400 households through 40 mobile food distribution events at the Ozone Park, Peninsula, and Rochdale Village branches. QPL launched several new initiatives, including a 50th anniversary celebration of hip hop in conjunction with BPL, NYPL, and other organizations nationwide that culminated in a hip hop summit; a partnership with the city to distribute masks during poor air quality events; a special-edition card honoring the Mets, an upgrade of the QPL mobile app to translate content into 95 languages, and a disparity study analyzing the Library's utilization of M/WBEs and service-disabled veteran-owned businesses. Support for asylum-seekers continued through IDNYC assistance, expanded programs and collections, language, and other classes to help them adjust to their new circumstances and outreach to family shelters in Queens. QPL also reopened Fresh Meadows Library following the replacement of the building's HVAC system and roof.

Capital Review

The 2025-2028 Four-Year Capital Strategy totals \$746.3 million. The table below reflects actual capital commitments for FY 2023 and planned capital commitments over the 2024-2028 period by program area.

**Capital Commitments
(\$ in 000's)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$21,874	\$21,874	\$46,223	\$46,483	\$74,466	\$74,971	\$26,665	\$26,665	\$56,694	\$56,694	\$42,702	\$42,702
New York Public Library.....	\$30,860	\$30,860	\$90,298	\$90,298	\$50,166	\$50,166	\$15,843	\$15,843	\$35,477	\$35,477	\$60,039	\$60,039
NYPL Research Libraries.....	\$2,099	\$2,099	\$5,975	\$5,975	\$8,282	\$8,282	\$150	\$150	\$0	\$0	\$300	\$300
Queens Borough Public Library	\$18,364	\$18,364	\$31,195	\$31,195	\$42,887	\$42,887	\$41,320	\$45,173	\$98,081	\$98,081	\$188,855	\$188,855
Total.....	\$73,197	\$73,197	\$173,691	\$173,951	\$175,801	\$176,306	\$83,978	\$87,831	\$190,252	\$190,252	\$291,896	\$291,896

Highlights of the Four-Year Plan include:

Brooklyn Public Library (BPL):

The 2025-2028 Four-Year Capital Strategy allocates \$201.0 million for various renovations and improvements at BPL branches, including:

- Complete overhaul of the New Utrecht Branch (\$21.5 million, in addition to \$2.5 million in 2024).
- Renovation and reconstruction of Washington Irving Library (\$12.0 million).
- Infrastructure, HVAC & fire safety upgrades at Kings Bay Library (\$6.3 million, in addition to \$1.2 million in 2024).
- Critical heating & cooling improvements at Bay Ridge Library (\$5.3 million).
- Envelope rehabilitation at Mapleton Branch Library (\$2.5 million).

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

The 2025-2028 Four-Year Capital Strategy allocates \$170.3 million for various renovations and improvements at NYPL branches and research libraries, including:

- Infrastructure and ADA upgrades of the Wakefield Library in the Bronx (\$3.1 million).

- Comprehensive renovation of the West New Brighton Library in Staten Island (\$14.9 million, in addition to \$2.0 million in 2024).
- New construction of the Grand Concourse Library in the Bronx (\$10.6 million, in addition to \$3.2 million in 2024).
- Interior rehabilitation of the Aguilar branch in Manhattan (\$4.4 million).
- Partial interior and exterior renovation of George Bruce Branch Library in Manhattan (\$7.8 million, in addition to \$0.2 million in 2024).

Queens Public Library (QPL):

The 2025-2028 Four-Year Capital Strategy allocates \$375.0 million for various renovations and improvements for QPL branches, including:

- Emergency generator and life safety system upgrades at Flushing Library (\$1.6 million).
- Reconstruction of the Rego Park Branch Library (\$41.6 million).
- Renovation and expansion of the Corona Branch Library (\$31.2 million).
- Resiliency upgrades at the Cambria Heights Library (\$2.8 million).
- Comprehensive renovation of the Jackson Heights Branch Library (\$30.7 million, in addition to \$0.6 million in 2024).

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 2024, DCLA also provided program grants and support services for more than 1,000 cultural organizations citywide, including groups such as Summertime Gallery, Music on the Inside, Millenium Film Workshop, Bronx Art Space, Flux Factory, BronxArtSpace, Magnum Cultural Foundation, Metropolitan Opera Foundation, St Staten Island Ballet Theater, Theater Mitu, Voices in Contemporary Arts, Yara Arts Group, Words without Borders, and Voices in the Heights.

Financial Review

The Department of Cultural Affairs' 2025 Executive Budget provides for operating expenses of \$152.0 million, a decrease of \$70.8 million below the amount forecasted in 2024. Capital commitments of \$247.5 million are also provided, a decrease of \$52.5 million below the 2024 Plan amount.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The City's 34 CIG institutions will receive operating support of \$113.3 million, including \$45.1 million in energy subsidies.
- In the 2025 Executive Budget, various cultural organizations citywide will receive program grants totaling \$28.8 million.
- The 2025 Executive Budget contains \$9.9 million in operating funds for the Department of Cultural Affairs' staff, rent, supplies, and equipment.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$5,748	\$6,302	\$6,163	\$6,472	\$170	\$309
Fringe Benefits	—	—	—	—	—	—
OTPS	239,261	216,505	138,668	145,550	(70,955)	6,882
Total	\$245,009	\$222,807	\$144,831	\$152,022	(\$70,785)	\$7,191
Funding						
City	\$243,330	\$221,575	\$143,861	\$151,021	(\$70,554)	\$7,160
Other Categorical Grants	582	215	—	—	(215)	—
IFA	279	324	298	329	5	31
State	—	—	—	—	—	—
Federal CD	—	—	—	—	—	—
Federal Other	633	503	627	627	124	—
Intra-City Other	185	190	45	45	(145)	—
Total	\$245,009	\$222,807	\$144,831	\$152,022	(\$70,785)	\$7,191
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$2,083	\$2,298	\$2,262	\$2,427	\$129	\$165
Pensions	11,282	11,707	12,296	12,296	589	—
Other Than Personal Service (OTPS)						
Debt Service	257,223	252,145	330,572	277,731	25,586	(52,841)
Total Additional Costs	\$270,588	\$266,150	\$345,130	\$292,454	\$26,304	(\$52,676)
Funding						
City	264,668	261,547	339,193	287,493	25,946	(51,700)
Non-City	5,920	4,603	5,937	4,961	358	(976)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$5,748	\$6,302	\$6,163	\$6,472	\$170	\$309
Fringe Benefits	2,083	2,298	2,262	2,427	129	165
Pensions	11,282	11,707	12,296	12,296	589	—
Total PS	\$19,113	\$20,307	\$20,721	\$21,195	\$888	\$474
OTPS	\$239,261	\$216,505	\$138,668	\$145,550	(\$70,955)	\$6,882
Debt Service	257,223	252,145	330,572	277,731	25,586	(52,841)
Total OTPS	\$496,484	\$468,650	\$469,240	\$423,281	(\$45,369)	(\$45,959)
Total Agency Costs	\$515,597	\$488,957	\$489,961	\$444,476	(\$44,481)	(\$45,485)
Less Intra-City	\$185	\$190	\$45	\$45	(\$145)	\$—
Net Agency Cost	\$515,412	\$488,767	\$489,916	\$444,431	(\$44,336)	(\$45,485)
Funding						
City	507,998	483,122	483,054	438,514	(44,608)	(44,540)
Non-City	7,414	5,645	6,862	5,917	272	(945)
Personnel (includes FTEs at fiscal year-end)						
City	60	75	72	72	(3)	—
Non-City	4	5	5	5	—	—
Total	64	80	77	77	(3)	—

* The 2025 Executive Budget provides an estimated 1,360 full-time and full-time equivalent positions, which are funded with City subsidies.

Programmatic Review and Service Impact

- As New York's cultural sector continues to strengthen the city's communities and drive its economy forward, DCLA continues to provide substantial levels of support for arts and cultural groups across the city.
1. In 2024, Department of Cultural Affairs (DCLA) awarded \$52.2 million to 1,031 cultural organizations across New York City, distributed through its annual Cultural Development Fund (CDF) grant making program. Amid fiscal challenges facing the city, this round of CDF grants represents continued significant investment in NYC's cultural community, and a recognition of the incredible value that arts and cultural activity brings to New York's diverse neighborhoods. Building on an ongoing effort to foster greater equity and fairness in the CDF process, this marked the first year that more than half of recipients – 646 organizations – received a renewal grant as part of a multi-year commitment. Previously, only larger organizations were eligible for multi-year grants, which guarantees a base level of support for groups in a renewal cycle and offers them greater stability. In all, the vast majority (76 percent) of eligible applicant groups received a CDF award, maintaining DCLA's commitment to supporting as many organizations across the five boroughs as possible.
 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. The CIGs continue to advance mission related work and fulfill their mandate to public service. They also continue to work toward achieving goals outlined in the diversity, equity, inclusion, and access plans required by DCLA, which underpin their work to foster a more open, inclusive cultural sector. As tourism and visitor ship continues its climb to pre-pandemic levels, the CIGs are helping to drive the City's recovery, providing the performances, exhibitions, and cultural programming that make New York such a vibrant and inviting place to live, work, and play.
 3. DCLA continues to support individual artists through the re-grant program with five local arts councils. In 2024, this includes nearly \$3 million, distributed to artists, collectives, and other small organizations across the five boroughs.
- In 2024, DCLA celebrated the 40th Anniversary of its Percent for Art program, which commissions permanent public art in city facilities like schools, libraries, recreation centers, and parks. Fourteen new commissions are slated for completion, including Amy Prior at the Melrose Branch Library in the Bronx and Pranav Sood at the PS/IS 502 in Manhattan. Percent for Art will also select artists for at least twelve new projects including the Medgar Evers High School in Brooklyn and the Walter Gladwin Recreation Center in the Bronx.
 - In 2024, DCLA revived the She Built NYC initiative to build monuments honoring women in all the City's boroughs, with the project honoring Shirley Chisholm in Brooklyn's Prospect Park already underway. The women being honored in this round include Katherine Walker (Staten Island), Billie Holiday (Queens), Elizabeth Jennings Graham (Manhattan), Dr. Helen Rodriguez (the Bronx).
 - In 2024, DCLA is commissioning ten artists to create pre-approved artwork for the City Canvas Program, which permits the display of artwork on temporary protective structures. These artworks will beautify some of the 300 miles of construction fences and sidewalk sheds that dot New York City neighborhoods.
 - Materials for the Arts (MFTA) collects millions of pounds of reusable materials from donors in and around NYC, diverting it from the landfill and providing them, free of charge, to thousands of arts organizations, nonprofits, social justice and social service organizations, NYC public schools, and City agencies. Since reopening to members in November 2021, after operating through curbside pickup during the pandemic, MFTA's membership base has steadily increased, along with growth in the quantity and level of donations and in MFTA's partnerships with individual artists, arts organizations and NYC's film and television industry. Thus far in 2024, MFTA has processed more than 2,983 donations valued at \$28 million.

Capital Review

The 2025-2028 Four-Year Capital Strategy for the Department of Cultural Affairs totals \$956.6 million, for over 200 cultural organizations across the five boroughs. The table below reflects actual capital commitments for FY 2023 and planned commitments over the FY 2024-2028 period by program area.

**Capital Commitments
(\$ in 000's)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$53,209	\$54,113	\$299,632	\$299,924	\$195,810	\$247,452	\$168,551	\$168,551	\$161,792	\$165,031	\$375,611	\$375,611
Total.....	\$53,209	\$54,113	\$299,632	\$299,924	\$195,810	\$247,452	\$168,551	\$168,551	\$161,792	\$165,031	\$375,611	\$375,611

Highlights of the Four-Year Plan Include:

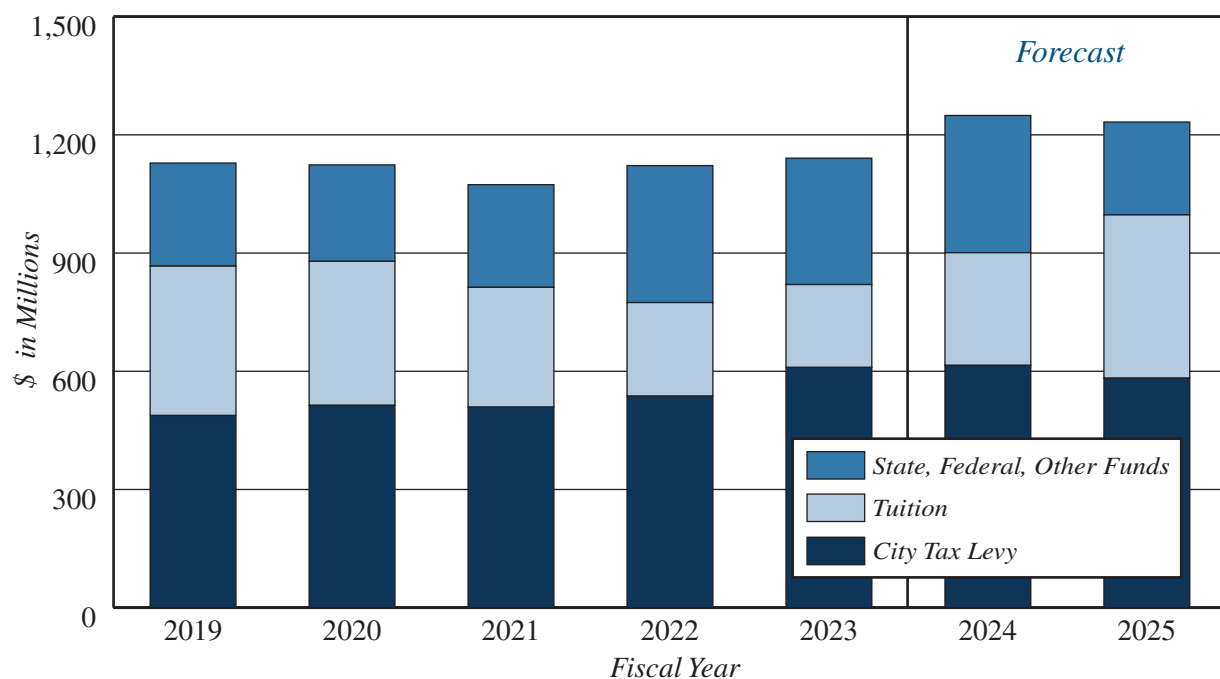
- Phase two of a comprehensive renovation of the Queens Museum of Art (\$36.1 million).
- Reconstruction of the Children’s Adventure Garden at the New York Botanical Garden (\$4.0 million).
- Construction of a visitor/education Center at the Queens County Farm Museum (\$21.6 million).
- Construction of a new building for Pregones Theater (\$10.4 million).
- Life safety upgrades of the Friedman Theatre at the Manhattan Theatre Club (\$3.8 million).
- Restoration of Clove Road for the Staten Island Zoo (\$15.4 million, in addition to \$1.1 million in 2024).
- Infrastructure upgrades and resiliency improvements of the Gilder Center at the American Museum of Natural History (\$14.2 million).
- Exterior and façade renovation of Building D, which houses the esteemed Noble Maritime Collection, at Snug Harbor Cultural Center (\$3.4 million, in addition to \$0.3 million in 2024).
- Accessibility improvements and renovation of the Sustainable Garden Center at the Brooklyn Botanic Garden (\$7.3 million).
- Renovation of the DeGraw Street Firehouse into a permanent home for the Noel Pointer Foundation (\$12.0 million, in addition to \$1.6 million in 2024).

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. 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 2024, CUNY serves more than 233,000 degree-seeking students with approximately 158,000 in the senior colleges and 75,000 in the community colleges as well as 220,000 continuing education students.

COMMUNITY COLLEGE EXPENDITURES BY SOURCE 2019 - 2025



* 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 2025 Executive Budget totals \$1,290.7 million, a net decrease of \$113.8 million from the 2024 forecast of \$1,404.5 million. The senior college lump sum appropriation of \$35 million remains unchanged from 2024. Additionally, \$113.3 million in pension and other fringe costs attributable to higher education are budgeted in separate agencies, bringing CUNY's total 2025 budget to \$1,404.0 million.

Revenue Forecast

Total non-City revenues for two-year colleges decreased by \$112.4 million from \$399.1 million in 2024 to \$286.7 million in 2025. The decrease is mostly attributable to a \$111.1 million year-over-year decrease in pandemic-related federal stimulus, as those funds are set to expire completely in 2025.

Expense Budget Highlights

The Executive Budget continues support for CUNY's mission to provide a vehicle of upward mobility for all New Yorkers, ensuring a quality, accessible education, regardless of background or means. Assisted by revenues generated through enrollment, State aid for the community colleges, and continuous efforts to promote efficiency, CUNY will continue to engage in programs with a particular focus on workforce preparedness in high-demand career fields and increased support for students.

Aligning with the priority to prepare the next generation of New York City's workforce in high demand sectors, this budget continues support for CUNY Career Launch Program, Career-Aligned

Advisors, and the Industry Campus Backbone and Support Unit. The CUNY Career Launch Program provides 2,000 CUNY students the opportunity to develop workplace skills, make connections within their field of choice, and earn money throughout the summer. While the Career-Aligned Advisors initiative pays for advisors specifically geared to career identification on undergraduate campuses. These advisors guide students in choosing the right majors, minors, and courses based on the career goals and interests of the student. Finally, the Industry Campus Backbone and Support Unit funds dedicated staff to ready the next generation workforce with industry standard abilities, making sure course subject matter is aligned with the skills demanded within the technology, healthcare, and green energy fields. Together, these efforts will create opportunities for students to learn through paid work experiences during summer months, receive advisement from specialized mentors, and explore their interests and career pathways to better prepare them with the tools required to start their desired professions after graduation.

Additionally, student support initiatives like Accelerate Complete Engage (ACE) and the Accelerated Study in Associate Program (ASAP) will continue to provide students with Metrocards, textbooks, tuition support for summer courses, and academic advisement and tutoring. These student-centered practices help to reduce the systemic barriers and personal responsibilities that preclude many senior and community college students from timely degree completion, making college more affordable and accessible for New Yorkers all across the City.

Summary of Agency Financial Data

The following table compares 2025 Executive Budget with the 2025 Preliminary Budget, the 2024 forecast and actual expenditures for 2023, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2023 Actual	2024 Forecast	2025		2024	2025
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$659,817	\$672,784	\$673,784	\$674,045	\$1,261	\$261
Fringe Benefits	183,582	212,478	225,738	225,757	13,279	19
OTPS	426,349	519,283	370,298	390,902	(128,381)	20,604
Total	\$1,269,748	\$1,404,545	\$1,269,820	\$1,290,704	(\$113,841)	\$20,884
Funding						
City	\$787,439	\$849,167	\$936,153	\$937,145	\$87,978	\$992
Other Categorical Grants	16,564	14,077	14,077	14,077	—	—
IFA	—	—	—	—	—	—
State	245,100	272,605	272,605	272,605	—	—
Federal CD	—	—	—	—	—	—
Federal Other	78,371	112,446	—	—	(112,446)	—
Intra-City Other	142,274	156,250	46,985	66,877	(89,373)	19,892
Total	\$1,269,748	\$1,404,545	\$1,269,820	\$1,290,704	(\$113,841)	\$20,884
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$4,006	\$4,244	\$4,530	\$4,516	\$272	(\$14)
Pensions	84,944	101,103	108,737	108,737	7,634	—
Other Than Personal Service (OTPS)						
Debt Service	64,811	73,640	76,667	78,369	4,729	1,702
Total Additional Costs	\$153,761	\$178,987	\$189,934	\$191,622	\$12,635	\$1,688
Funding						
City	152,531	177,916	188,801	190,467	12,551	1,666
Non-City	1,230	1,071	1,133	1,155	84	22
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$659,817	\$672,784	\$673,784	\$674,045	\$1,261	\$261
Fringe Benefits	187,588	216,722	230,268	230,273	13,551	5
Pensions	84,944	101,103	108,737	108,737	7,634	—
Total PS	\$932,349	\$990,609	\$1,012,789	\$1,013,055	\$22,446	\$266
OTPS	\$426,349	\$519,283	\$370,298	\$390,902	(\$128,381)	\$20,604
Debt Service	64,811	73,640	76,667	78,369	4,729	1,702
Total OTPS	\$491,160	\$592,923	\$446,965	\$469,271	(\$123,652)	\$22,306
Total Agency Costs	\$1,423,509	\$1,583,532	\$1,459,754	\$1,482,326	(\$101,206)	\$22,572
Less Intra-City	\$142,274	\$156,250	\$46,985	\$66,877	(\$89,373)	\$19,892
Net Agency Cost	\$1,281,235	\$1,427,282	\$1,412,769	\$1,415,449	(\$11,833)	\$2,680
Funding						
City	939,970	1,027,083	1,124,954	1,127,612	100,529	2,658
Non-City	341,265	400,199	287,815	287,837	(112,362)	22
Personnel (includes FTEs at fiscal year-end)						
City	7,249	9,375	9,375	9,375	—	—
Non-City	—	—	—	—	—	—
Total	7,249	9,375	9,375	9,375	—	—

Capital Review

The City University of New York’s 2025-2028 Four-Year Capital plan totals \$742 million. Approximately 24 percent of CUNY’s 2025-2028 capital funds reside in 2025, totaling \$174.4 million. The table below reflects actual capital commitments for 2023 and planned capital commitments over the 2024-2028 period by program area.

**Capital Commitments
(\$ in 000’s)**

	2023 Actuals		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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.....	\$—	\$—	\$11,200	\$11,200	\$34,700	\$34,700	\$48,468	\$48,468	\$77,858	\$77,858	\$92,856	\$92,856
Renovation/Rehabilitation of Roofs, Classrooms, etc	95,409	95,409	50,663	54,802	120,362	120,362	104,529	104,529	78,268	78,268	124,194	124,194
Purchase & Installation of EDP and Other Equipment .	4,539	4,539	15,245	15,245	19,318	19,318	11,838	11,838	11,886	11,886	17,754	17,754
Energy Conservation Conservation	—	—	—	—	—	—	—	—	—	—	—	—
Other Projects	251	251	—	—	—	—	—	—	—	—	—	—
Total	\$100,199	\$100,199	\$77,108	\$81,247	\$174,380	\$174,380	\$164,835	\$164,835	\$168,012	\$168,012	\$234,804	\$234,804

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.

The City University of New York’s 2025-2028 Four-Year Capital plan allocates \$427.4 million for reconstruction projects. Projects include:

- Bronx Community College - \$38 million. Funds support improvements to the school’s mechanical HVAC systems and controls to significantly enhance the air quality and energy efficiency at several buildings on campus.
- LaGuardia Community College - \$33.4 million. Funds support the infrastructure upgrades needed at the Center 3 building to accommodate the buildout of three vacant floors for additional classrooms, labs, and offices.
- Hunter College’s North Hall Auditorium - \$22.4 million. The North Hall Auditorium project is set to improve Hunter’s 2,200-seat auditorium, transitioning from a space challenged by a shallow

stage, suboptimal sound and acoustics, noisy ventilation, damaged seating, and worn finishes, to a state-of-the-art, multi-use auditorium/assembly hall. This project is designed to significantly enhance the venue's functionality and aesthetic, elevating its status as a premier lecture hall and versatile space for the college community.

- Kingsborough Community College Pool Facility Renovation - \$9.5 million. The project encompasses a comprehensive overhaul of a pool facility, including demolishing and replacing the tile deck, walls, floor, and structural components and installing a new waterproof membrane. It also involves replacing and upgrading the pool's filtration, pumping, heating, and chemical feed systems.
- York College Science Building Lecture Hall Renovations and Equipment - \$9.4 million. The York College Science Building renovation project will transform two lecture halls into state-of-the-art educational spaces equipped with advanced audio-video capabilities, ergonomic seating, and modern technological features to support streaming media, distance learning, and interactive presentations. These updates will also ensure full compliance with ADA accessibility standards, enhancing the learning environment for all users.

- Hostos Community College 500 Grand Concourse Improvements - \$8 million. The renovation of the 500 Grand Concourse Building will transform and reconfigure its second and basement floors to optimize space usage, catering to crucial functions like classrooms, Admissions, Human Resources, and essential services. This comprehensive upgrade will ensure a safe and efficient working environment, enhancing both academic and operational efficiency.
 - Medgar Evers Founder's Auditorium Renovation and Upgrades - \$6.8 million. The project will transform a 500-seat auditorium into a modern, attractive venue, enhancing its role as a key resource for both the campus and the surrounding community. It encompasses a full interior revamp, including new finishes, acoustic panels, lighting, and fixed seating for the orchestra and stage areas.
 - College of Staten Island Athletic Lighting and Locker Room Improvements - \$5 million. This project will provide consistent and adjustable illumination for athletes and users during evening or low-light conditions, enhancing safety and visibility for training and recreational activities.
 - Queens College Food Science Labs - \$4.1 million. Upgrades will include enhancements to windows, masonry, circulation areas, bathrooms, mechanical systems, and the roof, along with the addition of classrooms, office spaces, and lecture halls to support the upgraded department.
- CUNY's Four-Year Capital plan allocates \$253.9 million for new school construction, Projects include:
- Hunter College Brookdale campus - \$234.7M. Funds two million square feet of modern academic, healthcare, and life sciences space. The project will support the continued growth of the life sciences and healthcare industries in New York City by constructing new facilities and cultivating the city's talent pipeline in these industries.
- CUNY's Four-Year Capital plan allocates \$60.8 million for data processing and equipment, Projects include:
- City College - \$5.4 million. The project will involve a full IT infrastructure upgrade for Marshak Plaza, allowing for future outdoor instruction and various events. The currently underutilized plaza will be enhanced with Wi-Fi and audio-visual technology, complimenting other Marshak Plaza renovation projects.
 - College of Staten Island - \$3 million. This project will upgrade the existing fiber distribution plant across multiple locations, install new ducts and cabling, and replace switches, servers, and storage arrays on campus.

PENSIONS AND OTHER FRINGE BENEFITS

Pension Overview

The Executive Budget for 2025 includes \$10,379 million in expenditures for City pension contributions, an increase of \$1,024 million from the amount carried in 2024. The City’s pension contributions for 2025 and beyond are based on the actuarial assumptions and methods set forth by the Chief Actuary in 2021, and reflect wage increases consistent with the City’s most recent collective bargaining pattern, as well as adjustments in planned staffing levels, and the estimated impact of investment gains that occurred in 2023.

These projections also reflect a resetting of the actuarial value of assets equal to the market value of assets in 2019, referred to as the Market Restart. Investment gains or losses that have occurred since 2019 are phased-in over subsequent five-year period periods at 20 percent per year. These projections also incorporate updated post-retirement mortality tables per the Society of Actuaries (MP-2020).

In addition, the 2025 budget includes a reserve for costs that could arise from recommendations pursuant to an independent actuarial audit that is underway.

In the table below: (1) \$10,271 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 cover employees of City libraries, contributions to the Cultural Institutions Retirement System that cover non-City employees of day care centers and certain cultural institutions, and contributions to the Teachers’ Insurance and Annuity Association (TIAA) that cover certain CUNY employees and contributions to 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 Actual	2024 Forecast	2025		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2024 Forecast	Preliminary Budget
<i>Expenditures</i>						
<i>Personal Service</i>						
City Actuarial Systems	\$9,007,277	\$9,246,863	\$10,270,602	\$10,270,602	\$1,023,739	\$—
Non-City Systems.....	92,956	108,120	108,230	108,230	\$110	—
Non-Actuarial	85	350	350	350	—	—
Total*	\$9,100,317	\$9,355,334	\$10,379,182	\$10,379,182	\$1,023,849	\$—
<i>Funding</i>						
City	\$8,956,038	\$9,211,055	\$10,234,903	\$10,234,903	\$1,023,849	\$—
State	32,025	32,025	32,025	32,025	—	—
Federal	—	—	—	—	—	—
Intra-City Other	112,254	112,254	112,254	112,254	—	—
Total*	\$9,100,317	\$9,355,334	\$10,379,182	\$10,379,182	\$1,023,849	\$—

*Numbers may not add due to rounding.

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 724,000 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 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 2023, the Trust paid out approximately \$3.2 billion in benefit payments, and had a year-end balance of \$5.3 billion, or \$4.8 billion net of a \$500 million prepayment towards fiscal 2024. 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 2023, the City's reported net OPEB obligation was \$95.0 billion. The City is not required to fund OPEB obligations on an actuarial basis, other than to meet its current year PAYGO payment.

Fringe Benefits

(\$ in 000's)

	2024 Forecast	2025 Executive	Increase/ (Decrease)
Workers' Compensation	\$530,096	\$519,696	\$(10,400)
Health Insurance Plans	5,029,663	5,924,236	894,573
Uniform Allowances	15,701	15,176	(525)
Social Security Contributions	1,453,100	1,593,478	140,378
Unemployment Insurance Benefits.....	25,854	26,854	1,000
Supplementary Employee Welfare Benefits	760,832	767,677	6,844
Workers' Compensation - Other.....	49,600	51,500	1,900
Total.....	\$7,864,847	\$8,898,617	\$1,033,769
Funding			
City	\$7,040,718	\$8,052,174	\$1,011,456
Other Categorical.....	198,196	198,196	0
State.....	217,312	216,921	(391)
Interfund Agreements	79,922	80,204	282
Intra-City.....	83,566	85,495	1,928
Federal.....	245,133	265,627	20,494
• CD	30,652	52,739	22,088
• Other	214,482	212,888	(1,594)
Total.....	\$7,864,847	\$8,898,617	\$1,033,769

JUDGMENTS AND CLAIMS

The Executive Budget for 2025 includes an appropriation of \$877 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 (OASIS) 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 municipal health system in the country, includes 11 acute care hospital sites, one long-term acute care hospital, five skilled nursing facilities, and over 30 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 1.2 million New Yorkers.

Financial Review

Health + Hospitals closed the first half of 2024 with a positive net budget variance of \$64 million due to strong patient care revenue and risk pool performance. Through December, the system's direct patient care receipts were \$117 million better than the same period in 2023. This continues to build on the system's positive momentum, where revenues have increased year-over-year for the past several years.

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 \$573 million in revenue and has a projected line of sight of \$1.08 billion for the full year, on target with our projections.

Recent System-wide Achievements

The system had several other key accomplishments over the past year, which include:

- Connected 300 patients to permanent housing through "Housing for Health" last year.
- Converted medical units utilized during COVID back to psychiatric units – and we are on track to have nearly 1,000 psychiatric beds online.
- Expanded our services for survivors of domestic violence by bringing behavioral health services to the city's domestic violence shelter system, providing on-site services to adults and children.
- Earned Medicare shared savings for reducing cost and providing high quality care for patients through its Accountable Care Organization (ACO).
- Continued to grow Virtual ExpressCare, which launched telehealth abortion access – becoming the first public health system in the nation to do so.
- Made critical system investments, including opening the Ruth Bader Ginsburg Hospital on the campus of NYC Health + Hospitals/South Brooklyn Health, and the first ever reentry service center on Rikers Island, a resource hub for the hundreds of people who are released from Rikers each year as well as members of the public and staff.
- Correctional Health Services (CHS) opened the first reentry and transition center on Rikers Island, to provide assistance and support for individuals upon their release from jail. In partnership with Premier Wireless & T-Mobile, CHS has distributed hundreds of free smartphones to clinically vulnerable New Yorkers to help them remain engaged in health care and stay connected to their social support networks upon their return to their communities.
- Broke ground on a new housing development on the NYC Health + Hospitals/Woodhull campus that will have 93 apartments, including 56 units of supportive housing for our patients.
- Our MetroPlus Health plan membership grew to over 750,000 members.
- NYC Care enrollment reached over 125,000 members – up 382% from the program's first year and surpassing the original enrollment goal of 100,000 members.
- NYC Health + Hospitals/ Seaview was ranked the #1 Nursing Home in New York State by Newsweek.
- Nine NYC Health + Hospitals sites were recognized by Planetree International for excellence in person-centered care for the first time.

- Distributed \$1 million in debt relief to 27 behavioral health providers in exchange for a three-year commitment to serving our health system.
- Played a critical role in the asylum seeker response through our operation of the 24/7 arrival center at Roosevelt Hotel, which has completed over 117K intakes through December 2023, including clinical exams for every person entering the system.
- 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, Health + Hospitals eliminated the inclusion of race in a common clinical equation used to calculate kidney function.

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 2023, over 125,000 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:

- Continued operations at the system's three COVID-19 Centers of Excellence.
- Grew to over 427,000 unique primary care patients and improved specialty care access with 426,000 e-consults

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 2022, the system continued to build on its work for embedding equity into the System's strategic priorities serving as a core foundational element to the Health + Hospitals' vision, mission, and values. The work of the Equity and Access Council is focused on the following priority areas:

- 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 2023, NYC Health + Hospitals/Correctional Health Services (CHS) continued to provide high-quality health care services to approximately 20,000 people in the City's custody while advancing innovative health initiatives. These include its pioneering Outposted Therapeutic Housing Unit (OTxHU) initiative, which will bridge the gap between the care provided in the jails and inpatient hospitalization. These secure, clinical units will house patients who have serious health conditions and would benefit from close, regular access to the specialty and subspecialty care available in hospitals.

Construction is already underway at NYC Health + Hospitals/Bellevue, the first of the three units, with anticipated completion by spring 2025. Phase I of construction to make room for the units at NYC Health + Hospitals/Woodhull has been completed and includes a newly renovated pediatric inpatient unit, outpatient substance use program, and administrative and support spaces. Phase II is underway to fortify the roof at Woodhull for the recreation component of the Outposted Program. The units at Woodhull and North Central Bronx are projected to be completed in summer 2027, assuming timely completion of design and barring significant unforeseen field conditions. A total of \$718 million in capital funding is allocated for this work.

In addition to leveraging Health + Hospitals' resources to meet the medical and mental health needs of people in custody, CHS draws on the Health + Hospitals system to help discharged patients

successfully return to their communities. One example is Just Home, a housing initiative that will provide permanent, supportive housing for medically complex people experiencing homelessness after they leave jail by revitalizing an unused building on the NYC Health + Hospitals/Jacobi hospital campus.

People experiencing homelessness and who have complex medical needs face significant challenges navigating homeless shelters and securing appropriate housing, and individuals with justice involvement face particular barriers when trying to reestablish themselves in the community. The Just Home project will help address these challenges while advancing Health + Hospitals' mission to care for the most vulnerable New Yorkers. In January 2024, the NYC Health + Hospitals Board of Directors approved the ground lease and service contract to the non-profit The Fortune Society to serve as the developer and service provider of Just Home – utilizing the \$1 million in annual Justice-Involved Supportive Housing (JISH) funding secured by CHS. Just Home is expected to welcome its first tenants in 2025.

MetroPlus

MetroPlus Health was ranked among New York City's highest-rated health plans 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 continued to grow its membership, which exceeded 750,000 members through October 2023. MetroPlus continues to work with H+H and its patients with the Medicaid recertification process to ensure continuity of care.

Capital Review

Highlights include:

- NYC Health + Hospitals/Correctional Health Services continues to advance its Outposted Therapeutic Housing Unit (OTxHU) initiative, with construction already underway at NYC Health + Hospitals/Bellevue, the first of the three units, with anticipated completion by spring 2025. Construction of the units at NYC Health + Hospitals/Woodhull and North Central Bronx will be completed in summer 2027, assuming timely completion of design and barring significant unforeseen field conditions.

- Health + Hospitals is leading the way in its decarbonization efforts, focusing on energy efficiency, renewable energy, and electrification projects that aim to reduce greenhouse gas emissions and enhance climate resilience. These efforts are part of a broader commitment under Local Law 97, NYC's 80x50 initiative, the NYC Carbon Challenge, and the Department of Health and Human Services pledge to achieve Net Zero emissions by 2050. Currently, various decarbonization projects are nearing completion at Bellevue, Harlem, Lincoln, and Queens Hospitals. Plans for similar projects are underway at Coler, Jacobi, Kings County, McKinney, Woodhull, Metropolitan, and Elmhurst Hospitals. These projects include the installation of energy-saving LED lighting fixtures with smart controls, updating outdated building automation systems with advanced heating and cooling control systems, refurbishing air handling units, transitioning from steam to more efficient hot water heating systems, integrating heat pump chillers, and, where feasible, adding solar photovoltaic systems. The successful rollout of these projects is expected to significantly reduce operational emissions across Health + Hospitals facilities, directly aligning with the emission reduction targets set by Local Law 97. This strategic approach not only demonstrates Health + Hospitals' leadership in decarbonization and sustainability but also its proactive role in contributing to a more sustainable and resilient New York City.

- NYC Health + Hospitals/Gotham continues to advance its mission to address the community's primary care needs by constructing a new primary care clinic in Far Rockaway. In our 2022 Community Health Needs Assessment (CHNA), Queens residents identified their top poor health outcomes as diabetes, high blood pressure, mental health issues, and obesity. In addition, our CHNA measured 57 percent of Queens residents have one or more chronic conditions, with cancer and heart disease among the leading causes of premature deaths. This clinic will provide Queens residents with a modern community-based health center that offers primary care, women's health, dental, vision, and mental health services. The construction of this clinic will result in increased healthcare access and better health results for the Queens community. The project is expected to be completed in 2026 and will be delivered through Design-Build. Design-Build is a new procurement method proven to streamline

project delivery through a single contract between the owner and the Design-Build team. Design-Build is expected to allow for faster project delivery, better collaboration and cost savings, all leading to accurate construction and a better-quality product.

- As a part of its commitment to providing high quality, safe and respectful care to women throughout the childbearing cycle, Health + Hospitals will renovate and expand the Labor and Birthing Units at Woodhull, Kings County, South Brooklyn Health (SBH), Elmhurst hospitals. The renovation and expansion will provide mothers and infants with comfortable, state-of-the-art birthing suites where their healthcare needs before, during and after childbirth will be met. This will ensure a positive birthing experience and better patient outcomes. The projects at Woodhull, Kings County and SBH will be delivered utilizing the Design-Build delivery method.

NEW YORK CITY TRANSIT

New York City Transit (NYCT) operates the most extensive public transportation system in the nation, which served approximately 1.5 billion subway and bus passengers in calendar year 2023, 1.2 billion 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 (LIRR) and the Metro-North Commuter Railroad (MNR).

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 4,491 buses on 192 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 2.4 million passengers in 2023.

MTABC operates an extensive public bus transportation system throughout New York City, primarily in the Bronx, Brooklyn, and Queens. MTABC served approximately 87.4 million passengers in 2023. MTABC is primarily funded through farebox revenues and City subsidies.

MTABC currently operates 1,354 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 the MTA's standards.

Financial Review

The City's financial plan includes \$561.0 million for NYCT in fiscal year 2025. 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 MTA's plan for CY 2024 includes the following key elements:

- CY 2024 fare revenue is projected to be \$3.7 billion, 10 percent higher than the CY 2023 total of \$3.3 billion.
- Tax revenues dedicated for NYCT's use are projected to total \$5.5 billion; \$2.0 billion from the regional Metropolitan Mass Transportation Operating Assistance Account (MMTOA), \$523.0 million from the Petroleum Business Tax, and \$546.2 million from the Urban Tax. Other State taxes and fees provide \$2.4 billion including \$1.7 billion from the Payroll Mobility Tax, \$198.1 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 \$317.0 million from the taxi and for-hire vehicle congestion surcharge.

- The City's expected contribution to NYCT's operating budget for CY 2024 totals \$650.2 million, including \$158.7 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, \$429.0 million for the Paratransit program, \$13.8 million for elderly and disabled fare discounts, and \$3.7 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 2024:

City Subsidies to NYCT, CY 2024**(\$ in Millions)**

• Elderly and Disabled Subsidy.....	\$13.8
• School Fare Subsidy.....	\$45.0
• Operating Assistance.....	\$158.7
• Police Reimbursement.....	\$3.7
• Paratransit.....	\$429.0
TOTAL.....	<u>650.2</u>

Based on the MTA's February 2024 Financial Plan, NYCT projects that it will close CY 2024 with a cash surplus of \$223.4 million. NYCT has similar cash surpluses in CY 2025 and CY 2026, followed by a deficit of \$331.5 million in CY 2027. This deficit is expected to be offset by gap-closing actions potentially including tax, fee, and further fare increases.

New York City Transit Financial Plan
(\$ in Millions)

	Calendar Years [1]				
	2023	2024	2025	2026	2027
REVENUES					
Fare Revenue [2].....	\$3,348.4	\$3,688.1	\$3,798.9	\$3,912.7	\$4,055.6
Other Operating Revenue	\$199.8	\$213.9	\$211.6	\$215.1	\$207.3
Transit Tax and Other Subsidies	\$5,747.2	\$5,518.7	\$5,628.9	\$5,932.1	\$5,840.2
City Subsidies	\$573.0	\$649.6	\$665.4	\$681.7	\$696.7
State Subsidies	\$285.4	\$285.4	\$183.4	\$183.4	\$183.4
TBTA Surplus Transfer	\$576.2	\$603.9	\$542.0	\$517.3	\$484.4
Capital and Other Reimbursements ...	\$1,225.4	\$1,329.1	\$1,328.8	\$1,345.8	\$1,307.7
TOTAL REVENUES	\$11,955.4	\$12,288.6	\$12,358.9	\$12,788.1	\$12,775.2
EXPENSES					
Salaries and Wages.....	\$4,518.1	\$4,492.8	\$4,578.9	\$4,703.1	\$4,800.1
Fringe	\$3,207.2	\$3,396.6	\$3,660.0	\$3,907.8	\$4,178.2
Reimbursable Overhead.....	(\$236.5)	(\$258.7)	(\$255.5)	(\$258.3)	(\$244.5)
OTPS	\$1,796.2	\$1,787.2	\$1,813.7	\$1,822.2	\$1,861.2
Paratransit Service Contracts	\$522.7	\$528.9	\$553.3	\$584.4	\$613.0
Capital Reimbursable Expenses.....	\$1,225.4	\$1,329.1	\$1,328.8	\$1,345.8	\$1,307.7
Transit Police	\$3.6	\$3.7	\$3.7	\$3.8	\$3.8
Debt Service.....	\$1,182.7	\$1,292.3	\$1,290.7	\$1,309.8	\$1,536.2
Depreciation [3]	\$2,199.0	\$2,243.0	\$2,288.0	\$2,334.0	\$2,381.0
GASB Adjustments [4]	\$550.7	\$559.7	\$567.7	\$577.7	\$586.7
TOTAL EXPENSES	\$14,969.2	\$15,374.6	\$15,829.3	\$16,330.2	\$17,023.5
OTHER ACTIONS					
Balance before Adjustments	(\$3,013.8)	(\$3,085.9)	(\$3,470.4)	(\$3,542.2)	(\$4,248.2)
Gap-Closing Actions [5]	\$0.0	\$102.0	\$416.5	\$402.6	\$459.9
Cash Flow Adjustments [6]	\$3,236.9	\$2,984.2	\$3,054.1	\$3,139.8	\$3,233.1
Net Cash from Prior Year.....	\$0.0	\$223.1	\$223.4	\$223.6	\$223.8
SURPLUS/(DEFICIT)	\$223.1	\$223.4	\$223.6	\$223.8	(\$331.5)

[1] NYCT provided all financial plan figures in February 2024. These figures are 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] Includes fare media liability.

[3] Since February 2004, NYCT has included depreciation in its financial plan.

[4] Includes GASB 68 (Pension Expense), GASB 75 (OPEB Expense), and GASB 87 (Lease Expense) adjustments.

[5] Includes below-the-line items provided by NYCT such as presumed fare and toll increases, operating efficiencies, and federal reimbursements.

[6] Includes operating, depreciation, environmental remediation, and OPEB cash flow adjustments.

In addition to its contribution to NYCT, the City expects in CY 2024 to contribute \$117.8 million directly to the MTA to maintain LIRR and MNR 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 \$56.3 million for liabilities related to SIRTOA and \$387.7 million for liabilities related to the MTABC. The City will also contribute \$13.8 million for E-ZPass courtesy tags used by City agencies.

Overall, the City annually provides the MTA with more than \$1.2 billion in direct subsidies and \$1.4 billion of in-kind contributions (NYPD Transit Bureau, debt service for MTA capital projects, Fair Fares, and homeless outreach).

Capital Review

The City’s 2025-2028 Four-Year Capital Plan totals \$414.4 million 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 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, \$254.4 million for 2025-2028.
- Funds for NYCT track work, \$140.0 million for 2025-2028.

The table below outlines the City’s capital commitments to NYCT, SIRTOA and MTABC for the 2023-2028 period:

Capital Commitments (\$ in 000’s)

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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	\$1,140,000	\$1,140,000	\$1,417,758	\$1,417,758	\$254,433	\$254,433	\$—	\$—	\$—	\$—	\$—	\$—
Trackwork	34,336	34,336	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Revolving Fund.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
MTABC.....	9,638	19,276	—	—	35,465	79,839	—	—	—	—	—	—
Total	\$1,188,974	\$1,198,612	\$1,457,758	\$1,457,758	\$329,898	\$374,272	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000

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 251 developments (156,865 apartments in 1,958 residential buildings), NYCHA houses over 310,000 tenants throughout the City in their conventional Federal Section 9 Public Housing Program. 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 regulatory formula that broadly scales with the number of units in the PHA's portfolio. This Federal funding stream from HUD supports the PHA's direct operations, repairs, and management of their properties.

The Authority also operates a Federal Leased Housing (Section 8) Program, with approximately 102,022 rented apartments housing 214,117 residents. In the Section 8 program, which funds rental assistance vouchers, PHAs provide Federal rental subsidy to individuals and families who live in apartments in the private rental market. There are 26,310 landlords that participate in the Section 8 Program. Additionally, NYCHA also serves another 84 developments (20,697 apartments housing 39,689 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 program 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 U.S. 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 2028, and the City later committed another \$1 billion in funds through 2033. 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 U.S. Environmental Protection Agency, determines 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 2025, funding support to NYCHA flowing through the City's budget will total \$275 million, \$232 million of which is made up of City tax levy funding and another \$43 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 2025, the City allocated \$210 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 the 2010-2017, 2017-2021 and 2021-2025 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 \$14 million in 2025 for this program. An additional \$28 million in capital funding are available to support this initiative in 2025. NYCHA sets aside a number of units each year to house families referred by DHS who are experiencing homelessness to help reduce the shelter census population.

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.

- 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
- In 2025, the City allocated \$43 million of its Federal Community Development Block Grant (CDBG) and CDBG Disaster Recovery allocation to NYCHA to address rehabilitation projects and other needs at various developments.

Capital Review

Capital in NYCHA’s Budget

The City’s 2025-2028 Four-Year Plan of direct capital subsidy for NYCHA totals \$2.2 billion. 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 as State appropriations for heating and elevator work to address the \$78.3 billion need of their entire capital stock. The City’s 2025-2028 Four-Year Capital Commitment Plan for NYCHA includes the following key elements:

- Funding of \$1.2 billion 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.
- Funding of \$313 million in the 2025-2028 Four-Year Plan to continue to replace or repair roofs on NYCHA buildings.
- Funding of \$665 million in the 2025-2028 Four-Year Plan for all other general construction projects at NYCHA, which include infrastructure improvements, system enhancements, repairs to residential units and common areas, and other construction projects.

The table below outlines the City’s capital commitments to NYCHA for the 2024-2028 period and actual commitments in 2023:

**Capital Commitments
(\$ in 000’s)**

	2023 Actual		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2028 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.....	\$149,837	\$149,837	\$547,258	\$547,258	\$476,651	\$476,651	\$356,190	\$356,190	\$197,342	\$197,342	\$201,162	\$201,162
Roofs.....	\$88,075	\$88,075	\$270,983	\$270,983	\$228,117	\$228,117	\$84,399	\$84,399	\$—	\$—	\$—	\$—
General Construction.....	\$178,697	\$178,697	\$146,575	\$146,575	\$359,076	\$359,076	\$194,749	\$194,749	\$101,233	\$101,233	\$9,498	\$9,498
Total.....	\$416,609	\$416,609	\$964,816	\$964,816	\$1,063,844	\$1,063,844	\$635,338	\$635,338	\$298,575	\$298,575	\$210,660	\$210,660

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 developments through the PACT program, which utilizes 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 the buildings themselves. Through these transactions, NYCHA 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 \$440 million in 2024 and an additional \$974 million in the 2025-2028 Four-Year Plan is included in HPD's capital budget 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 20,697 units across 84 developments have converted through PACT, with an additional 41,303 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)				
	2024	2025	2026	2027	2028
Salaries and Wages	\$31,945	\$31,316	\$32,240	\$32,886	\$33,171
Pensions	9,355	10,379	10,801	10,926	11,867
Other Fringe Benefits*	13,310	14,139	14,876	15,452	16,060
Retiree Health Prepayment	(500)	—	—	—	—
Reserve for Collective Bargaining	744	1,405	1,492	1,863	2,538
Total	<u>\$54,854</u>	<u>\$57,239</u>	<u>\$59,409</u>	<u>\$61,127</u>	<u>\$63,636</u>

* 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

The pension expenses in the City's financial plan reflect actuarial estimates of the City's five major retirement systems. These estimates were prepared by the Office of the Actuary using funding assumptions and methods that were developed in 2021. Notably, the use of an actuarial interest rate assumption of seven percent per annum and updated (MP-2020) mortality tables.

The financial plan reflects the impact of all investment gains and losses through 2023.

The Actuary's valuation projections also reflect the cost impact of the City's latest wage increase proposals consistent with collective bargaining. Adjustments are also made in the City's financial plan to account for planned headcount changes, as well as the cost of certain bills passed by the state legislature, including BERS auto enrollment. Other adjustments are made in the financial plan for the projected yearly change in administrative expenses of the retirement systems.

The financial plan also includes an annual reserve of \$279 million, commencing in fiscal year 2025, to fund potential changes that could arise from audit recommendations.

Total pension expenses for the financial plan are shown below:

The financial plan also includes an annual reserve of \$279 million to fund potential changes that could arise from audit recommendations.

Total Pension Expenses					
(\$ in Millions)					
	2024	2025	2026	2027	2028
City Actuarial Systems	\$9,247	\$10,271	\$10,689	\$10,809	\$11,745
Non-City Systems	108	108	112	116	121
Non-Actuarial*	—	—	—	—	—
Total**	\$9,355	\$10,379	\$10,801	\$10,926	\$11,867

* 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 2024, the combined tax rate is 7.65%. The OASDI tax portion of 6.20% is applied to covered earnings capped at \$168,600, 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.

Reserve for Collective Bargaining

Approximately 96% of the City's unionized workforce has settled for the 2021-2026 round. The labor reserve contains funding for the cost of undistributed collective bargaining increases based on the applicable civilian and uniform pattern. District Council 37 of AFSCME (DC 37) established a five-year civilian pattern framework with wage increases of 3%, 3%, 3%, 3%, and 3.25% and a \$3,000 ratification bonus. The Police Benevolent Association (PBA) established a five-year uniform pattern framework with wage increases of 3.25%, 3.25%, 3.5%, 3.5%, and 4% and an additional 0.21% in funding available to increase entry and early tenure pay. The pattern framework for the 2021-2026 round of collective bargaining over 60 months is 16.21% for civilian employees and 18.98% for uniformed employees.

The reserve reflects funding for prevailing wage risks for relevant skill trades titles and also contains annual 1.25% wage increases for the entire workforce beyond the current round of bargaining.

Other Than Personal Services

The following items are included in this category:

	(\$ in Millions)				
	2024	2025	2026	2027	2028
Administrative OTPS	\$36,748	\$33,948	\$34,582	\$34,218	\$31,918
Public Assistance	2,467	1,650	1,650	2,000	2,463
Medical Assistance	6,176	6,743	6,583	6,733	6,883
Health + Hospitals	3,169	3,046	1,461	1,522	1,567
Covered Agency Support & Other Subsidies	6,943	5,197	5,069	5,205	5,358
City Debt Service*	7,469	8,239	8,938	9,617	10,441
Prepayment Adjustments	(1,041)	(3,938)	—	—	—
Capital Stabilization Reserve	—	250	250	250	250
General Reserve	50	1,200	1,200	1,200	1,200
Total	\$61,981	\$56,335	\$59,733	\$60,745	\$60,080

* Numbers adjusted for prepayments.

Administrative OTPS

The estimates in this category include expenditures in the baseline. For 2026 through 2028, most expenditures have been increased to reflect the effect of inflation. Baseline costs for energy and lease requirements are shown in the appropriate operating agency.

Energy

The financial plan includes a Citywide appropriation to provide for the changing cost of energy for 2024 through 2028. Energy costs in each agency, with the exception of HPD, are held constant for 2025 through 2028. Price and usage changes for HPD's In-Rem/DAMP Programs are budgeted in HPD's four-year plan.

Total energy costs are expected to increase by \$315 million from 2024 to 2028 primarily due to fluctuating commodity prices and increased delivery rates. Gasoline and fuel oil costs are expected to increase by \$32 million from 2024 to 2028. Heat, light and power costs are expected to increase by \$283 million between 2024 and 2028.

	Energy Costs (\$ in Millions)				
	2024	2025	2026	2027	2028
Gasoline	\$116	\$125	\$123	\$127	\$132
Fuel Oil	73	85	83	86	89
HPD-In Rem / DAMP	12	11	11	11	12
HPD-Emergency Repairs	3	3	3	3	3
Heat, Light and Power	853	976	1,063	1,093	1,136
Total	\$1,057	\$1,200	\$1,283	\$1,320	\$1,372

Leases

In each agency, the cost of leases is budgeted at a constant level from 2025 through 2028. A citywide adjustment for 2026 through 2028 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 \$1.741 billion for leases in 2025, \$1.793 billion in 2026, \$1.847 billion in 2027 and \$1.903 billion in 2028. Of these amounts, the citywide adjustment is \$52 million, \$106 million, and \$162 million respectively in 2026 through 2028.

Public Assistance

The financial plan supports the current Public Assistance caseload, which was 522,876 as of February 2024.

Medical Assistance

The financial plan for Medical Assistance assumes baselined funds consistent with the New York State enacted budget effective April 1, 2023, in which the State continues to take over Medicaid growth from localities. 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 2024 through 2028 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 2024 and \$1.2 billion for 2025 through 2028 to provide for uncontrollable increases in expenditures as well as shortfalls in revenue. The General Reserve for 2025 through 2028 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 2025 through 2028, 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 2024 through 2028 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 \$3.938 billion in 2024 has been provided for this purpose.

Below are the detailed estimates for debt service for 2024 through 2028 after prepayments:

(\$ in Millions)

	Long Term	Short Term	Lease Purchase	Budget Stabilization*	Total City and Lease	TFA	Prepayment Adjustment	Total City, Lease and TFA
2024	\$1,433	\$—	\$99	\$3,938	\$5,470	\$958	\$1,041	\$7,469
2025	2,963	—	120	—	\$3,083	1,218	3,938	\$8,239
2026	4,628	—	119	—	\$4,747	4,191	—	\$8,938
2027	4,804	—	118	—	\$4,922	4,695	—	\$9,617
2028	5,180	—	112	—	\$5,292	5,149	—	\$10,441

* Amounts in the Budget Stabilization Account are used to prepay the succeeding year's debt service.

EXHIBIT 2

**FISCAL YEAR 2025 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2026 THROUGH FISCAL YEAR 2028**

(\$ in thousands)

Dept. No.	Agency	FY 2023 Actual Expenditures	Fiscal Year 2024		FY 2025 Executive Budget	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	
			Executive Budget	8 Month Actuals July - Feb. Forecast					
002	Mayoralty.....	\$182,930	\$179,690	\$116,295	\$189,761	\$171,824	\$173,043	\$170,239	\$170,239
003	Board of Elections.....	258,014	137,888	150,891	273,248	145,635	146,737	146,737	146,737
004	Campaign Finance Board.....	59,944	73,129	34,176	62,421	103,421	13,400	13,458	13,458
008	Office of the Actuary.....	6,692	6,996	5,245	8,042	7,486	7,627	7,630	7,630
010	President,Borough of Manhattan..	5,613	5,876	3,823	6,188	5,881	5,575	5,578	5,578
011	President,Borough of the Bronx.....	6,304	6,569	4,216	6,856	6,893	6,476	6,476	6,476
012	President,Borough of Brooklyn.....	7,774	7,463	4,240	7,437	7,655	6,861	6,864	6,864
013	President,Borough of Queens.....	6,712	6,149	3,850	7,135	6,520	5,831	5,835	5,835
014	President,Borough of S.I.....	5,382	4,966	2,103	5,127	5,120	4,907	4,907	4,907
015	Office of the Comptroller.....	104,087	116,743	70,085	120,396	123,019	125,230	125,480	125,480
017	Dept. of Emergency Management. .	186,238	216,857	148,367	226,092	198,639	40,993	34,894	34,444
021	Office of Admin. Tax Appeals.....	5,953	6,180	3,818	5,880	5,944	6,090	6,101	6,101
025	Law Department.....	271,276	239,441	187,643	322,211	254,588	250,076	251,482	251,482
030	Department of City Planning.....	39,706	48,676	32,203	52,244	49,457	43,996	44,610	44,662
032	Department of Investigation.....	47,675	44,631	43,411	60,363	50,152	48,671	48,703	48,703
035	NY Public Library - Research.....	32,989	30,701	30,828	32,170	30,425	31,027	31,103	31,121
037	New York Public Library.....	174,642	157,670	163,139	166,328	155,234	158,082	158,407	158,484
038	Brooklyn Public Library.....	130,941	119,361	83,939	127,536	117,794	120,571	120,911	121,175
039	Queens Borough Public Library.....	134,550	123,278	83,532	130,478	121,557	123,877	124,063	124,135
040	Department of Education.....	31,505,484	30,562,559	20,794,582	33,027,993	32,219,523	33,072,082	34,113,637	34,849,535
042	City University.....	1,269,748	1,294,612	450,454	1,404,545	1,290,704	1,245,275	1,262,233	1,279,245
054	Civilian Complaint Review Bd.....	23,700	23,345	16,513	25,984	25,691	25,764	25,783	25,783
056	Police Department.....	6,310,784	5,310,810	4,386,257	6,536,304	5,826,667	6,119,106	6,223,115	6,221,319
057	Fire Department.....	2,552,199	2,297,048	2,035,618	2,761,178	2,570,928	2,594,018	2,581,519	2,576,967
063	Dept. of Veterans' Services.....	5,531	5,035	2,978	6,152	5,753	5,872	5,877	5,877
068	Admin. for Children Services.....	2,988,304	2,723,479	2,361,204	3,313,105	2,728,474	2,718,126	2,724,408	2,722,475
069	Department of Social Services.....	11,126,993	10,997,623	7,991,058	12,451,807	11,687,116	11,396,994	11,895,913	12,507,371
071	Dept. of Homeless Services.....	3,540,378	4,093,711	3,200,616	3,892,454	3,939,946	6,224,560	5,263,667	2,272,335
072	Department of Correction.....	1,357,412	1,165,696	810,995	1,248,532	1,049,330	1,063,105	1,069,438	1,209,522
073	Board of Correction.....	3,016	3,439	1,908	3,355	3,380	3,532	3,532	3,532
095	Citywide Pension Contributions,...	9,100,317	9,634,446	6,213,685	9,355,334	10,379,182	10,801,399	10,925,888	11,866,953
098	Miscellaneous.....	15,336,938	16,039,978	6,532,257	13,987,003	14,514,023	14,960,770	15,929,294	17,291,340
099	Debt Service.....	7,117,958	4,780,401	1,071,090	6,428,716	4,300,960	8,938,464	9,616,608	10,441,384
101	Public Advocate.....	5,083	4,939	3,353	5,292	5,286	5,366	5,366	5,366
102	City Council.....	84,764	100,000	62,375	105,102	105,589	91,866	91,866	91,866
103	City Clerk.....	5,940	5,339	3,616	5,962	5,574	5,731	5,748	5,748
125	Department for the Aging.....	494,741	469,026	396,037	508,536	493,977	421,115	415,235	415,092
126	Department of Cultural Affairs.....	245,009	157,647	148,594	222,807	152,022	153,261	153,348	153,367
127	Financial Info. Serv. Agency.....	118,966	116,290	95,952	124,174	115,915	116,579	116,599	116,524
128	Office of Criminal Justice.....	—	—	3,048	17,742	726,080	703,823	713,723	713,723
131	Office of Payroll Admin.....	16,093	15,385	10,937	16,979	15,438	15,972	16,076	16,151
132	Independent Budget Office.....	5,203	6,765	3,955	7,780	7,795	7,867	7,512	7,512
133	Equal Employment Practices Com..	1,267	1,272	685	1,259	1,285	1,321	1,323	1,323
134	Civil Service Commission.....	987	1,077	677	1,153	1,134	1,163	1,163	1,163
136	Landmarks Preservation Comm.....	7,204	7,576	5,202	8,666	7,934	8,046	8,050	8,050
138	Districting Commission.....	1,026	—	17	—	—	—	—	—
156	Taxi & Limousine Commission.....	160,577	55,972	38,328	61,212	60,305	58,022	57,810	57,810

EXHIBIT 2

**FISCAL YEAR 2025 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2026 THROUGH FISCAL YEAR 2028**

(\$ in thousands)

Dept. No.	Agency	Fiscal Year 2024				FY 2025 Executive Budget	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate
		FY 2023 Actual Expenditures	Executive Budget	8 Month Actuals July - Feb.	Forecast				
213	Office of Racial Equity.....	\$—	\$3,063	\$522	\$2,804	\$5,603	\$5,627	\$5,627	\$5,627
215	Commission on Racial Equity.....	—	1,300	75	873	1,639	1,646	1,646	1,646
226	Commission on Human Rights.....	11,130	14,057	7,810	12,852	14,114	14,399	13,711	13,711
260	Youth & Community Development.	1,126,488	1,151,393	1,067,576	1,337,567	1,179,924	1,188,680	1,220,012	1,231,643
312	Conflicts of Interest Board.....	2,609	2,496	1,737	2,809	2,678	2,757	2,758	2,758
313	Office of Collective Barg.....	2,385	2,426	1,637	2,703	2,753	2,825	2,825	2,825
499	Community Boards (All).....	18,003	20,529	12,078	22,051	21,675	21,630	21,630	21,630
781	Department of Probation.....	115,333	117,384	79,442	119,273	110,595	107,051	107,427	107,848
801	Dept. Small Business Services.....	364,136	197,449	175,947	329,352	209,476	152,146	148,625	149,768
806	Housing Preservation & Dev.....	1,324,080	1,355,352	1,259,251	1,954,906	1,841,642	1,296,615	1,306,892	1,309,961
810	Department of Buildings.....	192,134	217,091	124,335	193,774	210,771	190,777	187,738	187,738
816	Dept Health & Mental Hygiene.....	2,335,488	2,111,584	1,881,143	2,700,248	2,153,017	2,085,834	2,089,984	2,081,246
819	Health and Hospitals Corp.....	1,921,782	1,814,572	1,347,198	3,169,297	3,045,574	1,461,179	1,521,825	1,567,285
820	Office Admin Trials & Hearings....	55,775	65,274	42,975	67,102	69,185	71,404	71,651	71,685
826	Dept of Environmental Prot.....	1,535,921	1,638,766	1,144,876	1,680,444	1,673,835	1,637,028	1,630,623	1,631,091
827	Department of Sanitation.....	1,919,279	1,856,641	1,410,809	1,985,190	1,887,218	1,912,819	1,961,720	1,970,976
829	Business Integrity Commission.....	8,977	8,378	6,433	9,232	8,522	8,710	8,712	8,713
836	Department of Finance.....	332,077	340,740	251,253	357,796	347,095	352,063	352,800	352,800
841	Department of Transportation.....	1,385,386	1,406,728	1,138,106	1,449,298	1,446,660	1,438,111	1,423,456	1,410,627
846	Dept of Parks and Recreation.....	614,286	610,360	414,844	608,276	582,882	591,672	592,521	592,545
850	Dept. of Design & Construction.....	228,406	155,466	121,888	186,353	179,012	159,191	159,345	159,345
856	Dept of Citywide Admin Srvces....	1,623,651	1,624,527	1,749,695	1,910,246	2,086,120	1,600,060	1,589,140	1,587,285
858	D.O.I.T.T.....	897,444	747,967	645,220	987,966	803,700	667,326	662,444	662,384
860	Dept of Records & Info Serv.....	14,234	15,977	11,303	15,247	14,730	14,857	14,870	14,870
866	Dept. Cnsmr. & Wkr. Prot.....	67,906	66,682	49,853	67,843	63,213	68,247	66,842	66,842
901	District Attorney - N.Y.....	157,107	154,732	116,039	199,781	172,261	176,646	177,533	177,717
902	District Attorney - Bronx.....	106,629	102,549	72,916	123,832	120,924	123,984	124,224	124,283
903	District Attorney - Kings.....	135,527	133,877	110,537	168,196	148,021	151,380	151,700	151,865
904	District Attorney - Queens.....	89,354	88,395	65,528	114,041	103,576	106,147	106,406	106,521
905	District Attorney - Richmond.....	23,194	21,893	17,328	32,504	25,297	25,900	25,949	25,974
906	Off. of Prosec. & Spec. Narc.....	26,549	26,687	16,272	30,699	31,054	31,695	31,715	31,723
941	Public Administrator - N.Y.....	1,184	1,256	638	1,208	1,302	1,320	1,328	1,328
942	Public Administrator - Bronx.....	628	769	460	736	770	781	788	788
943	Public Administrator - Brooklyn....	1,005	968	532	947	1,006	1,022	1,029	1,029
944	Public Administrator - Queens.....	589	700	392	654	686	695	702	702
945	Public Administrator - Richmond... Prior Payable Adjustment.....	600 (794,083)	588 —	383 —	639 (400,000)	641 —	649 —	656 —	656 —
	General Reserve.....	—	1,200,000	—	50,000	1,200,000	1,200,000	1,200,000	1,200,000
	Energy Adjustment.....	—	—	—	—	—	82,873	120,277	171,643
	Lease Adjustment.....	—	—	—	—	—	52,242	106,051	161,475
	OTPS Inflation Adjustment.....	—	—	—	—	—	55,519	111,038	166,557
LESS: INTRA-CITY EXPENDITURES..		2,348,434	1,995,776	657,686	2,293,381	1,952,144	1,934,076	1,930,971	1,930,733
NET TOTAL EXPENDITURES.....		\$108,549,803	\$106,688,574	\$70,503,140	\$114,542,397	\$111,622,282	\$117,207,700	\$119,941,458	\$121,785,221

EXHIBIT 3
ACTUAL REVENUE
(\$ in Millions)

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Taxes:				
Real Property	\$29,816	\$31,464	\$29,582	\$31,645
Personal Income.....	13,551	15,101	16,698	17,183
General Corporation	4,547	5,129	5,681	6,010
Banking Corporation.....	(38)	(110)	1	(36)
Unincorporated Business	1,939	2,077	2,547	2,545
Sales and Use.....	7,372	6,553	8,544	9,540
Commercial Rent	864	869	876	910
Real Property Transfer.....	1,135	1,045	1,903	1,277
Mortgage Recording	975	897	1,336	898
Utility.....	356	356	396	420
Cigarette.....	25	22	19	16
Cannabis Tax.....	—	—	—	1
Hotel.....	468	85	345	645
All Other	1,054	907	820	1,046
Tax Audit Revenue.....	1,026	1,139	849	1,337
Total Taxes.....	63,090	65,534	69,597	73,437
Miscellaneous Revenues:				
Licenses, Franchises, Etc.....	699	625	651	763
Interest Income	137	15	16	508
Charges for Services	951	863	850	848
Water and Sewer Charges	1,615	1,687	1,575	1,710
Rental Income.....	258	233	249	266
Fines and Forfeitures	1,079	1,036	1,231	1,455
Miscellaneous	530	709	441	433
Intra-City Revenue.....	2,129	2,006	2,220	2,348
Total Miscellaneous.....	7,398	7,174	7,233	8,331
Unrestricted Intergovernmental Aid:				
Other Federal and State Aid	11	1	498	186
Total Unrestricted Intergovernmental Aid.....	11	1	498	186
Provision for Disallowance of Categorical Grants.....	(5)	(24)	(35)	(13)
Less Intra-City Revenue	(2,129)	(2,006)	(2,220)	(2,348)
Sub Total City Funds.....	68,365	70,679	75,073	79,593
Other Categorical Grants	1,105	1,177	885	1,054
Transfers from Capital Fund:				
Inter Fund Agreements	650	634	655	699
Total City Funds & Inter Fund & Other Categorical Revenues	70,120	72,490	76,613	81,346
Federal Grants and Contracts Categorical:				
Community Development.....	558	693	281	349
Social Services.....	2,918	3,232	2,426	3,080
Education	1,672	2,498	4,899	3,970
Other	4,433	6,197	7,595	2,740
Total Federal Grants and Contracts Categorical.....	9,581	12,620	15,201	10,139
State Grants and Contracts Categorical:				
Social Services.....	1,750	1,834	1,729	2,218
Education	11,493	10,633	11,943	12,353
Higher Education	246	231	238	245
Department of Health and Mental Hygiene.....	428	423	421	511
Other	1,417	1,476	1,516	1,743
Total State Grants and Contracts Categorical.....	15,334	14,597	15,847	17,070
Total Revenues.....	\$95,035	\$99,707	\$107,661	\$108,555

EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)

	Fiscal Year 2024 8 Months Actuals	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Taxes:						
Real Property	\$30,505	\$32,786	\$33,700	\$34,306	\$35,334	\$36,016
Personal Income.....	9,526	16,001	17,284	17,474	18,401	19,137
General Corporation.....	2,936	6,439	6,507	6,074	6,136	6,246
Banking Corporation.....	(6)	—	—	—	—	—
Unincorporated Business	1,370	2,630	2,669	2,758	2,828	2,893
Sale and Use.....	6,480	9,967	10,371	10,822	11,238	11,726
Commercial Rent	442	915	939	955	969	980
Real Property Transfer.....	766	1,150	1,279	1,316	1,389	1,459
Mortgage Recording	388	578	687	771	884	927
Utility	229	400	420	462	492	495
Cigarette.....	8	14	13	12	12	12
Cannabis Tax.....	2	5	10	20	28	30
Hotel.....	372	713	743	764	783	836
All Other	410	1,074	1,073	1,098	1,123	1,148
Tax Audit Revenue.....	599	847	773	773	773	773
State Tax Relief Program - STAR	128	128	126	124	122	120
Total Taxes	54,155	73,647	76,594	77,729	80,512	82,798
Miscellaneous Revenue:						
Licenses, Franchises, Etc.	493	703	718	724	704	707
Interest Income.....	430	633	379	265	225	226
Charges for Services	522	951	1,026	1,030	1,031	1,031
Water and Sewer Charges.....	1,843	2,027	2,234	2,232	2,242	2,287
Rental Income	177	283	260	260	260	260
Fines and Forfeitures	912	1,318	1,234	1,228	1,234	1,224
Miscellaneous.....	267	436	323	324	322	318
Intra-City Revenue.....	659	2,293	1,952	1,934	1,931	1,931
Total Miscellaneous	5,303	8,644	8,126	7,997	7,949	7,984
Unrestricted Intergovernmental Aid:						
Other Federal & State Aid	12	17	—	—	—	—
Total Unrestricted Intergovernmental Aid.....	12	17	—	—	—	—
Reserve for Disallowance of Categorical Grants	—	(15)	(15)	(15)	(15)	(15)
Less: Intra-City Revenue	(659)	(2,293)	(1,952)	(1,934)	(1,931)	(1,931)
Sub Total City Funds	58,811	80,000	82,753	83,777	86,515	88,836
Other Categorical Grants	147	1,151	1,106	1,104	1,104	1,104
Inter Fund Agreements.....	251	747	761	770	770	770
Total City Funds & Inter Fund & Other Categorical Revenues	\$59,209	\$81,898	\$84,620	\$85,651	\$88,389	\$90,710

EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)

	Fiscal Year 2024 8 Months Actuals	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Federal Grants and						
Contracts Categorical:						
Community Development.....	\$124	\$383	\$280	\$257	\$242	\$241
Social Services.....	1,630	4,358	3,480	3,474	3,473	3,588
Education.....	510	4,240	1,965	1,965	1,965	1,965
Other.....	860	3,753	2,130	1,516	1,467	1,431
Total Federal Grants and Contracts Categorical.....	3,124	12,734	7,855	7,212	7,147	7,225
State Grants and						
Contracts Categorical:						
Social Services.....	712	3,860	3,217	2,701	2,699	1,985
Education.....	3,310	13,145	13,355	13,355	13,355	13,355
Higher Education.....	130	273	272	273	273	273
Department of Health and Mental Hygiene.....	234	694	675	677	677	677
Other.....	200	1,938	1,628	1,886	1,949	1,815
Total State Grants and Contracts Categorical.....	4,586	19,910	19,147	18,892	18,953	18,105
TOTAL REVENUE.....	\$66,919	\$114,542	\$111,622	\$111,755	\$114,489	\$116,040

EXHIBIT 5
FULL-TIME and PART-TIME POSITIONS (FTEs)

	6/30/2025		6/30/2026		6/30/2027		6/30/2028		
	Total	City	Total	City	Total	City	Total	City	
MAYORAL AGENCIES AND ELECTED OFFICIALS:									
<i>Uniformed Forces:</i>									
Police	-Uniform	35,001	35,001	35,001	35,001	35,001	35,001	35,001	35,001
	-Civilian	15,549	15,541	15,584	15,576	15,585	15,577	15,585	15,577
Fire	-Uniform	10,952	10,942	10,952	10,942	10,952	10,942	10,952	10,942
	-Civilian	6,370	6,258	6,372	6,260	6,372	6,260	6,372	6,260
Correction	-Uniform	7,060	7,060	7,060	7,060	7,060	7,060	7,060	7,060
	-Civilian	1,792	1,787	1,789	1,788	1,790	1,788	1,790	1,790
Sanitation	-Uniform	7,844	7,844	7,846	7,846	7,846	7,846	7,846	7,846
	-Civilian	1,923	1,865	1,927	1,869	1,927	1,869	1,927	1,869
	<i>Subtotal</i>	<u>86,491</u>	<u>86,298</u>	<u>86,531</u>	<u>86,342</u>	<u>86,533</u>	<u>86,343</u>	<u>86,533</u>	<u>86,345</u>
<i>Health and Welfare:</i>									
	Admin. for Children's Services	7,058	6,891	7,057	6,891	7,057	6,891	7,057	6,891
	Social Services	12,025	9,393	11,992	9,383	11,992	9,383	11,992	9,383
	Homeless Services	1,905	1,887	1,887	1,887	1,887	1,887	1,887	1,887
	Health & Mental Hygiene	6,939	5,374	6,829	5,317	6,821	5,313	6,802	5,313
	<i>Subtotal</i>	<u>27,927</u>	<u>23,545</u>	<u>27,765</u>	<u>23,478</u>	<u>27,757</u>	<u>23,474</u>	<u>27,738</u>	<u>23,474</u>
<i>Other Agencies:</i>									
	Housing Preservation and Development	2,715	906	2,715	906	2,715	906	2,715	906
	Environmental Protection	6,503	296	6,511	298	6,511	298	6,511	298
	Finance	2,033	2,021	2,034	2,022	2,034	2,022	2,034	2,022
	Transportation	6,107	2,768	6,100	2,761	6,100	2,771	6,100	2,771
	Parks	6,932	6,301	7,050	6,420	7,049	6,420	7,049	6,420
	Citywide Administrative Services	2,556	1,873	2,557	1,874	2,547	1,864	2,544	1,861
	All Other	21,874	19,167	21,595	19,048	21,585	19,039	21,585	19,041
	<i>Subtotal</i>	<u>48,720</u>	<u>33,332</u>	<u>48,562</u>	<u>33,329</u>	<u>48,541</u>	<u>33,320</u>	<u>48,538</u>	<u>33,319</u>
<i>Education:</i>									
Dept. of Education	-Pedagogical	126,045	91,384	124,226	91,384	124,226	91,384	124,226	91,384
	-Civilian	25,691	21,831	25,144	21,831	25,144	21,831	25,144	21,831
City University	-Pedagogical	6,252	6,252	6,252	6,252	6,252	6,252	6,252	6,252
	-Civilian	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123
	<i>Subtotal</i>	<u>161,111</u>	<u>122,590</u>	<u>158,745</u>	<u>122,590</u>	<u>158,745</u>	<u>122,590</u>	<u>158,745</u>	<u>122,590</u>
Total - Mayoral Agencies and Elected Officials		<u><u>324,249</u></u>	<u><u>265,765</u></u>	<u><u>321,603</u></u>	<u><u>265,739</u></u>	<u><u>321,576</u></u>	<u><u>265,727</u></u>	<u><u>321,554</u></u>	<u><u>265,728</u></u>
COVERED ORGANIZATIONS¹:									
	Health + Hospitals	40,487	40,487	40,487	40,487	40,487	40,487	40,487	40,487
	Housing Authority	11,877	—	11,794	—	11,692	—	11,692	—
	Libraries	4,185	4,185	4,185	4,185	4,185	4,185	4,185	4,185
	Cultural Institutions ²	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
	School Construction Authority	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059
<i>New York City Employees</i>									
	Retirement System	561	561	561	561	561	561	561	561
	Economic Development Corporation	553	553	553	553	553	553	553	553
	Teachers Retirement System	400	400	400	400	400	400	400	400
	Police Pension Fund	152	152	152	152	152	152	152	152
	Fire Pension Fund	54	54	54	54	54	54	54	54
	All Other ³	396	392	398	394	400	396	402	398
	Total - Covered Organizations	<u><u>61,084</u></u>	<u><u>49,203</u></u>	<u><u>61,003</u></u>	<u><u>49,205</u></u>	<u><u>60,903</u></u>	<u><u>49,207</u></u>	<u><u>60,905</u></u>	<u><u>49,209</u></u>
Grand Total		<u><u>385,333</u></u>	<u><u>314,968</u></u>	<u><u>382,606</u></u>	<u><u>314,944</u></u>	<u><u>382,479</u></u>	<u><u>314,934</u></u>	<u><u>382,459</u></u>	<u><u>314,937</u></u>

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 2025 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - 5 YEAR VALUE
(City \$ in 000's)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Uniformed Forces:					
Police	\$116,796	\$314,135	\$155,455	\$154,436	\$151,790
Fire	51,934	74,371	62,258	62,207	62,155
Correction	120,645	117,648	141,818	141,545	3,698
Sanitation	53,893	53,944	52,573	51,649	59,366
Health and Welfare:					
Admin. for Children's Services	200,032	52,723	53,707	54,467	55,227
Social Services	390,533	95,504	99,283	106,673	97,173
Homeless Services	326,284	177,272	40,540	28,836	20,220
Aging	35,289	17,212	17,232	17,232	17,232
Youth and Community Dev.	68,196	44,873	45,313	45,545	45,545
Health and Mental Hygiene	132,051	75,344	76,826	76,863	76,863
Health + Hospitals	662,021	1,120,808	63,157	66,119	68,079
Other Agencies:					
Housing Preservation and Dev.	48,793	135,740	31,778	30,706	30,747
Finance	38,328	61,492	58,846	58,005	58,005
Transportation	86,763	88,883	90,201	90,114	89,626
Parks and Recreation	50,856	46,149	50,539	50,561	50,559
Citywide Administrative Services	36,259	22,131	22,338	26,341	28,133
All Other Agencies	289,262	279,273	218,813	216,645	215,543
Education:					
Education	536,812	703,862	731,268	736,305	736,335
City University	44,501	39,895	39,999	40,098	40,098
Other:					
Miscellaneous	34,831	79,501	89,668	93,821	98,833
Debt Service	255,758	315	68,976	81,421	114,553
Procurement Savings	—	55,519	55,519	55,519	55,519
Pension	12,800	—	—	—	—
Total Program to Eliminate the Gap	<u>\$3,592,637</u>	<u>\$3,656,594</u>	<u>\$2,266,107</u>	<u>\$2,285,108</u>	<u>\$2,175,299</u>

Note: Includes initiatives from the April 24, 2024 Executive Budget, the January 16, 2024 Preliminary Budget and the November 16, 2023 Financial Plan. Amounts include current year restorations.

EXHIBIT 6
FY 2025 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - 5 YEAR VALUE
(City \$ in 000's)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Other Agencies:					
Mayoralty	\$15,672	\$7,403	\$7,381	\$7,285	\$7,285
Campaign Finance Board	12,049	1,236	1,248	1,248	1,248
Emergency Management	19,935	55,227	4,443	4,443	4,443
Administrative Tax Appeals	561	616	624	624	624
Law	34,328	7,782	798	798	798
City Planning	3,726	2,888	2,894	2,774	2,722
Investigation	3,989	3,991	3,999	4,001	4,001
New York Research Libraries	1,684	1,575	1,598	1,598	1,598
New York Public Library	8,650	8,078	8,190	8,190	8,190
Brooklyn Public Library	6,493	6,056	6,144	6,144	6,144
Queens Borough Public Library	6,766	6,305	6,394	6,394	6,394
Civilian Complaint Review Board	1,278	1,190	1,206	1,206	1,206
Veterans' Services	239	236	238	238	238
Board of Correction	673	314	254	254	254
City Clerk	298	368	371	371	371
Cultural Affairs	13,526	7,956	8,043	8,043	8,043
Financial Info. Services Agency	1,040	5,563	5,679	5,705	5,780
Office of Criminal Justice	247	40,804	40,381	40,381	40,381
Payroll Admin.	9,875	1,089	1,039	1,014	939
Equal Employment Practices	64	65	66	66	66
Civil Service	63	106	107	107	107
Landmarks Preservation	376	366	371	371	371
Taxi and Limousine	8,924	3,003	5,354	5,342	5,342
Office of Racial Equity	2,467	246	246	246	246
Commission on Racial Equity	451	85	85	85	85
Human Rights	1,880	1,393	1,408	1,408	1,408
Conflicts of Interest Board	91	134	134	134	134
Collective Bargaining	134	134	134	134	134
Probation	10,867	9,355	9,120	9,123	8,702
Small Business Services	28,730	11,989	10,784	8,826	8,197
Buildings	21,775	18,951	18,741	18,752	18,752
Administrative Trials and Hearings	4,245	7,548	6,889	6,889	6,889
Environmental Protection	9,791	8,310	8,293	8,293	8,293
Business Integrity	2,444	424	429	429	429
Design and Construction	16,245	3,024	3,050	3,050	3,050
DOITT	33,081	46,795	46,240	46,240	46,240
Records and Info. Services	1,559	1,566	1,570	1,571	1,571
Consumer Worker and Protection	2,458	6,934	4,700	4,700	4,700
PA - Manhattan	65	35	35	35	35
PA - Bronx	38	39	39	39	39
PA - Brooklyn	48	30	30	30	30
PA - Queens	55	56	56	56	56
PA - Staten Island	9	8	8	8	8
Subtotal	286,889	279,273	218,813	216,645	215,543
Elected Officials:					
BP - Brooklyn	373	—	—	—	—
Comptroller	2,000	—	—	—	—
Subtotal	2,373	—	—	—	—
Total All Other Agencies	<u>\$289,262</u>	<u>\$279,273</u>	<u>\$218,813</u>	<u>\$216,645</u>	<u>\$215,543</u>

EXHIBIT 6A
FY 2025 EXECUTIVE BUDGET
PROGRAM TO ELIMINATE THE GAP - BY EXPENSE AND REVENUE
(City \$ in 000's)

	Expense	Revenue	Total
Uniformed Forces:			
Police.....	\$313,161	\$974	\$314,135
Fire.....	74,371	—	74,371
Correction.....	117,648	—	117,648
Sanitation.....	54,444	(500)	53,944
Health and Welfare:			
Admin. for Children's Services.....	52,723	—	52,723
Social Services.....	95,504	—	95,504
Homeless Services.....	177,272	—	177,272
Aging.....	17,212	—	17,212
Youth and Community Dev.....	44,873	—	44,873
Health and Mental Hygiene.....	75,344	—	75,344
Health + Hospitals.....	1,120,808	—	1,120,808
Other Agencies:			
Housing Preservation and Dev.....	135,740	—	135,740
Finance.....	(4,171)	65,663	61,492
Transportation.....	36,201	52,682	88,883
Parks and Recreation.....	41,149	5,000	46,149
Citywide Administrative Services.....	19,085	3,046	22,131
All Other Agencies.....	275,414	3,859	279,273
Education:			
Education.....	703,862	—	703,862
City University.....	39,895	—	39,895
Other:			
Miscellaneous.....	79,501	—	79,501
Debt Service.....	315	—	315
Procurement Savings.....	55,519	—	55,519
Pension.....	—	—	—
Total Program to Eliminate the Gap	<u>\$3,525,870</u>	<u>\$130,724</u>	<u>\$3,656,594</u>

Note: Includes initiatives from the April 24, 2024 Executive Budget, the January 16, 2024 Preliminary Budget and the November 16, 2023 Financial Plan. Amounts include current year restorations.