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Report to the Committee on Finance on the

Preliminary Financial Plan for Fiscal Year 2021-2025

March 2, 2021

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Latonia R. McKinney, Director

Finance Division

Legal Unit

Rebecca Chasan, Senior Counsel
Noah Brick
Stephanie Ruiz

Budget Unit

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Nathan Toth, Deputy Director
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Chima Obichere, Unit Head
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Paul Sturm, Supervising Economist
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Nashia Roman
Andrew Wilber

Discretionary Funding and Data Support Unit

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James Reyes
Savanna Chou

Administrative Support Unit

Nicole Anderson
Maria Pagan
Courtneigh Summerrise

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Introduction

On March 2, 2021, the Committee on Finance, the Subcommittee on Capital Budget, and the Committee on Contracts will hold the first Council hearing on the Fiscal 2022 Preliminary Budget. The Committees will examine the Administration's programmatic priorities and fiscal estimates presented in the Fiscal 2021–2025 Preliminary Financial Plan (Preliminary Plan or Plan). The proposed spending levels, savings, and revenue estimates will be analyzed. The Committees expect to hear testimony from the Office of Management and Budget (OMB) and members of the public.

Since the adoption of the Fiscal 2021 budget in June 2020, the Fiscal 2021 budget has increased by \$6.9 billion, from \$88.2 billion to \$95.1 billion, while the projected Fiscal 2022 budget has decreased by \$5.5 billion, from \$97.8 billion to \$92.3 billion.

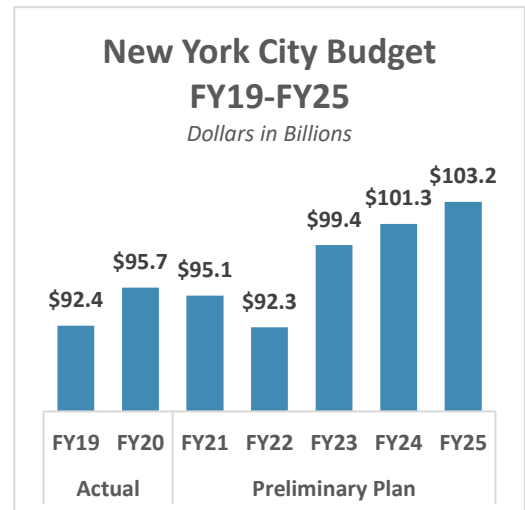
The Preliminary Plan introduces modest changes which reflect the Administration's uncertainty about the length and depth of the economic slow-down. Proposed funding cuts by New York State loom over New York City as well, adding to the Administration's caution. Accordingly, the Administration has released a more conservative Preliminary Budget relative to prior fiscal years. Planned spending is expanding at a modest rate of 8.6 percent across the Financial Plan and there are relatively few major new initiatives. Most of the projected growth in the budget is associated with higher labor costs.

Although the Fiscal 2022 Preliminary Budget is balanced, there are significant risks and omissions that concern the Council and that will need to be addressed in the Executive Budget. These risks include uncertainty about the size and scope of possible federal assistance, potential State aid reductions, and underestimated or inaccurate City spending estimates. Additionally, many of the Council's priorities funded in the Fiscal 2021 Budget are not included in the Fiscal 2022 Preliminary Budget.

This report provides a historical overview of City spending, reviews the Fiscal 2022 Preliminary Budget, and describes how the City proposes to balance the budget. The report then reviews major components of the City's budget and describes how the City's budget is structured. Lastly, the report summarizes significant changes since the adoption of the Fiscal 2021 budget, including new spending, headcount changes, and the Citywide Savings Program.

Financial Plan Overview

The Fiscal 2022 Preliminary Budget totals \$92.3 billion. This includes \$67.2 billion in City funds, down \$1.4 billion, or 2.3 percent, from the Fiscal 2022 projected budget in the November 2020 Financial Plan. While the Preliminary Plan shows both revenues and expenses increasing steadily over the five-year plan period, total revenue grows at an average annual rate of one percent, while total expenditures increase by an average rate of 2.1 percent, resulting in outyear gaps.



Although total revenues are projected to grow by only one percent, the portion of the revenues that come from City funds are projected to grow 2.6 percent in the five-year plan period. Overall, the budget for Fiscal 2022 is balanced, as is the revised Fiscal 2021 budget. The table below shows anticipated revenues and expenditures from Fiscal 2021 to Fiscal 2025, as well as the average annual percentage change in each category.

Fiscal 2022 Preliminary Financial Plan Summary
Dollars in Millions

	FY21	FY22	FY23	FY24	FY25	Average Annual Change
REVENUES						
Taxes	\$61,059	\$62,192	\$64,804	\$66,744	\$68,578	2.9%
Miscellaneous Revenues	\$7,265	\$6,790	\$6,777	\$6,777	\$6,775	(1.7%)
Unrestricted Intergovernmental Aid	-	-	-	-	-	
Less: Intra-City and Disallowances	(\$2,076)	(\$1,826)	(\$1,822)	(\$1,821)	(\$1,821)	(3.1%)
Subtotal, City Funds	\$66,248	\$67,156	\$69,759	\$71,700	\$73,532	2.6%
State Aid	\$15,111	\$16,327	\$16,765	\$16,814	\$16,814	2.8%
Federal Aid	11,866	7,076	6,946	6,929	6,924	(10.6%)
Other Categorical Grants	1,133	1,020	988	986	985	(3.4%)
Capital Funds (IFA)	\$695	\$706	\$656	\$656	\$656	(1.4%)
TOTAL REVENUES	\$95,053	\$92,285	\$95,114	\$97,085	\$98,911	1.0%
EXPENDITURES						
Personal Services	\$48,212	\$51,526	\$52,727	\$53,993	\$55,167	3.4%
Other Than Personal Services (OTPS)	42,856	38,470	38,772	39,019	39,199	(2.1%)
Debt Service	6,457	7,358	8,483	8,822	9,379	9.9%
General Reserve	50	100	1,000	1,000	1,000	250.0%
Capital Stabilization Reserve	-	-	250	250	250	
Less: Intra-City	(2,061)	(1,811)	1,807)	(1,806)	(1,806)	(3.1%)
Spending Before Adjustments	\$95,514	\$95,643	\$99,425	\$101,278	\$103,189	2.0%
Surplus Roll Adjustment (Net)	(\$461)	(\$3,358)				
TOTAL EXPENDITURES	\$95,053	\$92,285	\$99,425	\$101,278	\$103,189	\$2.1%
Gap to be Closed	-	-	\$4,311	\$4,193	\$4,278	

Source: OMB, "January 2021 Financial Plan, Fiscal Years 2021-2025".

The November 2020 Financial Plan estimated a \$3.8 billion budget gap for Fiscal 2022. That gap is closed in the Preliminary Plan largely by using approximately \$2.7 billion in newly identified resources from Fiscal 2021 to prepay Fiscal 2022 debt. The new resources come from increased revenues, reductions in spending, spending re-estimates, and the transfer of current year reserves. The following table displays revenue and spending changes for Fiscal 2021 and Fiscal 2022 in the Preliminary Plan.

Closing the Gap*Dollars in Millions*

	FY21	FY22
Gap as November 2020 Financial Plan	\$0	(\$3,752)
Revenue Budget Changes (+ reduces gap, - increases gap)		
Tax Revenues, net of audits	\$1,419	(\$1,784)
Audits	250	200
Citywide Savings Program	15	30
Health + Hospitals Reimbursement	212	-
Other Revenues	(10)	(28)
SUBTOTAL	\$1,886	(\$1,582)
Expense Budget Changes (- reduces gap, + increases gap)		
Agency Expense Changes	\$704	\$181
Citywide Savings Program	(270)	(718)
Hiring and Attrition Management	(57)	(292)
Debt Service	(215)	(326)
Medical Reimbursement	(100)	-
Pensions	(430)	(304)
General Reserve	(50)	(900)
Capital Stabilization Reserve	-	(250)
Re-estimate of Prior Years' Expenses & Receivables	(421)	0
SUBTOTAL	(\$839)	(\$2,609)
TOTAL: Gap Before Prepayments	\$2,725	(\$2,725)
FY 2021 Prepayment of FY2022 Expenses	(\$2,725)	\$2,725
NEW GAP in January 2021 Financial Plan	\$0	\$0

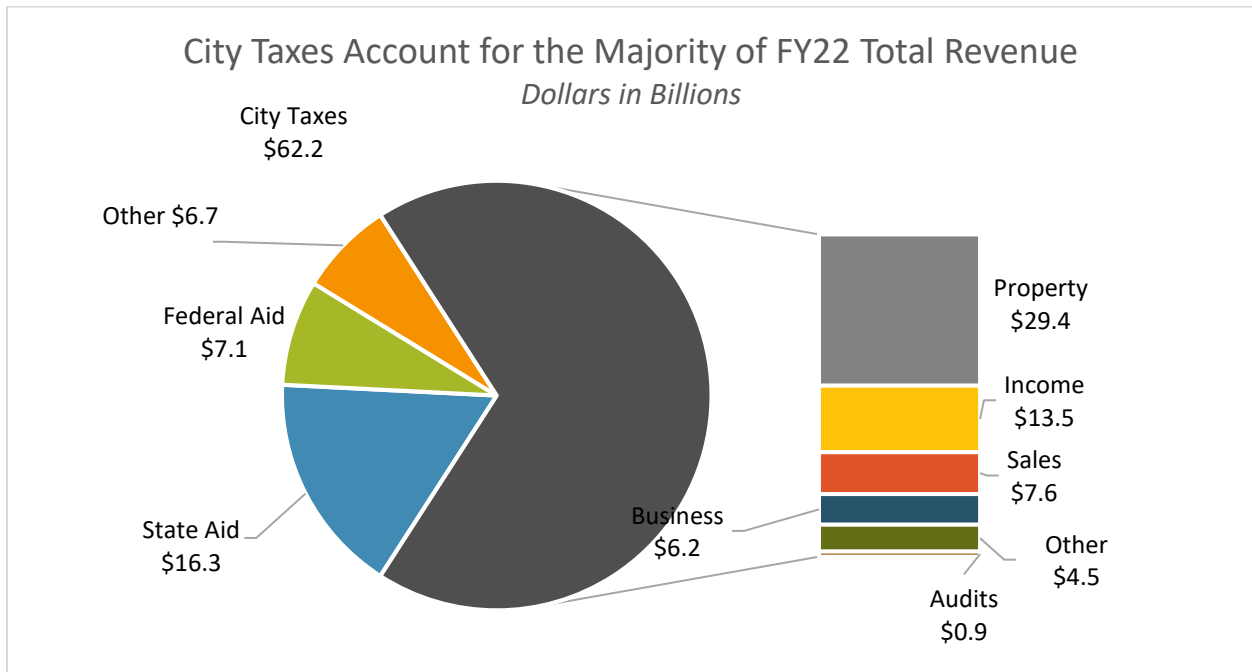
Does not include intra-fund capital spending or intra-city revenue.

The largest source of newly identified resources in Fiscal 2021 is tax revenue, which grows by \$1.42 billion, but then drops by \$1.78 billion in Fiscal 2022. Overall, current year revenues grow by \$1.89 billion and Fiscal 2022 revenues drop by \$1.58 billion, leaving a net two-year reduction of \$365 million.

Overall spending is down \$839 million in Fiscal 2021, despite new spending of \$704 million. Spending reductions and re-estimates are more significant in Fiscal 2022, totaling \$2.43 billion. Across Fiscal 2021 and Fiscal 2022, the savings program reduces spending by almost \$1 billion. The Plan also lowers reserves by \$1.215 billion next year. Spending changes coupled with the revenue increases in Fiscal 2021 create a current year surplus of \$2.73 billion that is used to prepay Fiscal 2022 debt service and close the Fiscal 2022 gap.

Revenue Budget

In the Preliminary Plan, revenues for Fiscal 2022 total \$92.3 billion, 1.5 percent less than projected in the November 2020 Financial Plan. Revenues come from several sources, including local taxes, miscellaneous revenues, and State and federal categorical grants, as shown in the chart below.

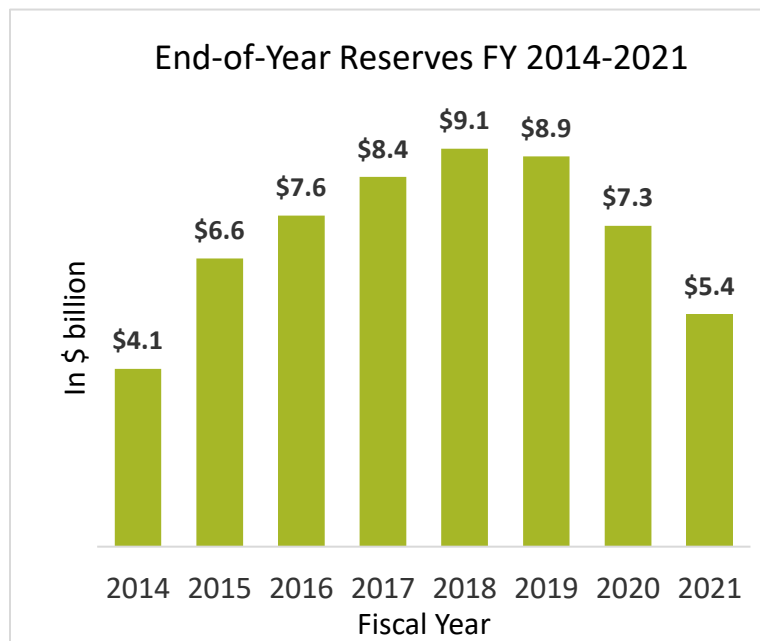


Source: OMB, “January 2021 Financial Plan, Fiscal Years 2021-2025”.

City taxes for Fiscal 2022 are expected to total \$62.2 billion, down 2.4 percent compared to the estimate for Fiscal 2022 in the November 2020 Financial Plan. The real property tax comprised 47.2 percent of all tax revenues, while the personal income tax comprises 21.7 percent. For additional details of the Revenue Budget, see the “Economic and Tax Revenue Forecast for the Fiscal 2022 Preliminary Budget” report from the Council Finance Division, released simultaneously with this report.

Budget Reserves

The City’s revenues vary with the ups and downs of the economy and the economic fallout of the COVID-19 global pandemic has had a massive impact on the City’s financial outlook. Prior to last year, and despite the State Financial Emergency Act’s limitations on multi-year reserve accounts, the City utilized a three-pronged approach for storing resources for times of need, namely 1) current year budget reserves, such as the General Reserve and the Capital Stabilization Reserve; 2) the Budget Stabilization Fund (also referred to as the surplus roll) which is used to prepay future years’ debt service costs; and 3) the Retiree Health Benefits Trust (RHBT). Then, in the spring of 2020, New York State granted the City legal authority



to create a true, multi-year Rainy Day Fund (RDF), thereby allowing for a four-pronged approach to building up reserves.

Because of the economic crisis caused by COVID-19 the City needed to use reserves in order to sustain its current service levels. At the end of Fiscal 2019, before COVID-19 hit, had a total net end-of-year reserve balance of \$8.9 billion. By the end of Fiscal 2020, those reserves were down to \$7.3 billion, consisting of \$3.8 billion in the Budget Stabilization Fund, roughly \$3.1 billion in the RHBT, and \$500 million in the RDF, and the City ended Fiscal 2020 with reserves of around \$7.3 billion.

In the Preliminary Plan, OMB uses another \$1.6 billion in reserves to balance the current fiscal year. This leaves \$1.5 billion in the RHBT, \$50 million in the Fiscal 2021 General Reserve, \$500 million in the RDF, and \$3.4 billion in the Budget Stabilization Fund for a total of approximately \$5.4 billion in year-end reserves for Fiscal 2021. OMB intends to use \$3.4 billion of the remaining reserves to balance the Fiscal 2022 budget.

Tax Expenditures¹

City tax expenditures, commonly referred to as “tax breaks,” consist of abatements, exemptions, and incentives granted to subsidize certain forms of private spending or to provide targeted tax relief. Although different than direct spending, tax expenditures can have a major impact on the budget in that revenue not collected is functionally the same as money spent. The City’s extensive tax expenditure system constitutes a major financial commitment, the most recent estimate being at least \$14 billion² in forgone revenue, though due to lags in data collection and tax filings, this amount represents different tax years depending on the tax. Since tax expenditures represent foregone revenue, they are not accounted for or represented anywhere in the Preliminary Plan. Tax expenditures primarily fall within three categories: economic development, housing development, and sales tax exemptions.

Economic Development

Expenditures in this category total \$3.1 billion in Fiscal 2021 compared to \$2.9 billion in Fiscal 2020.³ Some programs in this category include the Relocation and Employment Assistance Program (REAP) and the Industrial and Commercial Abatement Program (ICAP). Other programs are intended to encourage development in lower Manhattan and the outer boroughs or to create incentives for particular types of businesses, including insurance companies, mutual funds, and securities brokers, to encourage their location in the City. This category also includes tax exemptions granted directly to the City’s economic development agencies.

Housing Development

Property tax expenditures supporting housing development and renovation totaled \$2.4 billion in Fiscal 2021, compared to \$2.5 billion in Fiscal 2020. The single largest program in this area is

¹ In the tax expenditure section, “Fiscal Year” refers to the year of the New York City Department of Finance Tax Expenditure Report. In this report the cost of tax expenditures are calculated with the most recent data available, which varies from tax to tax.

² New York City Department of Finance, Tax Expenditure 2021 Report:

https://www1.nyc.gov/assets/finance/downloads/pdf/reports/reports-tax-expenditure/ter_2021_final.pdf

³ New York City Department of Finance, Tax Expenditure 2020 Report:

https://www1.nyc.gov/assets/finance/downloads/pdf/reports/reports-tax-expenditure/ter_2020_final.pdf

the “Affordable NY Housing Program” (until recently referred to as 421-a), which represents over \$1.5 billion in foregone revenue in Fiscal 2021. Many of these programs support affordable housing, either alongside market-rate construction or as their sole purpose. Others, like the Lower Manhattan Conversion Program (421-g), do not have an affordable housing requirement.

Sales Tax Exemptions

Some sales tax exemptions, such as the exemption for airline fuel, are categorized with economic development. Most other exemptions are designed to offset the regressivity of the sales tax, such as exemptions for unprepared food, internet and cable access, and clothing items under \$100. At a total value of \$4.7 billion, these exemptions constitute a large expense, but, in contrast to most tax expenditures, they function more as a generalized progressive tax break than targeted subsidies or assistance.

Fiscal 2022 Budget Risks

The Preliminary Plan does not reflect the proposed funding changes included in the State Executive Budget and leaves out several significant spending increases that are likely to occur in Fiscal 2022, leaving the City with a budget shortfall.

State Executive Budget Risks

The Preliminary Plan projects total State revenue in the City’s budget of \$15.1 billion this fiscal year and \$16.3 billion in Fiscal 2022. According to the OMB, and as mentioned by Speaker Johnson’s testimony before the Joint Hearing of the State’s Senate Finance and Assembly Ways and Means Committees, the City could face a budget shortfall of \$2.4 billion across Fiscal 2021 and Fiscal 2022 if the Governor’s current proposals were adopted. Most of the cuts, specifically \$1.9 billion over those two years, would hit the Department of Education (DOE). Support for public health programs and for social services would drop by another \$577.4 million. If the State budget were enacted as proposed, the City would be required to backfill the State cuts or impose drastic programmatic reductions. The immediate State cuts would impose considerable financial pressure on the City’s Financial Plan, and the State’s continued reliance on cutting school funding and social service aids to close State budget gaps is concerning. Further, the proposed consolidation of several State school aids and the supplanting of State education funds with federal aid may have longer term fiscal impacts on the City.

However, the federal aid package currently under consideration in Congress could deliver as much as \$12.6 billion to New York State and \$5.3 billion to New York City. Additionally, federal aid for City schools could be approximately \$5.2 billion if allocated at the same ratios as it was in the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), which was passed in December 2020. Most of the proposed State cuts could be avoided if the federal aid package is approved. But, while it is expected that Congress will approve additional aid, there remains a concern that the outyear estimates of State aid in the Preliminary Plan may be too optimistic once federal aid is exhausted.

Inaccurate Spending Projections

In addition to the potential State Budget risks, there are several assumptions in the Plan that require spending projections to be revised prior to adoption of the Fiscal 2022 Budget to better reflect the reality of spending needs. As is customary, the Preliminary Plan does not include City Council discretionary funding for Fiscal 2022 and does not carry forward one-time Program to

Eliminate the Gap (PEG) restorations and programmatic additions included in Fiscal 2021. Together these additions total \$730.5 million this year. Some of the other spending projections that are too low are the pandemic-related costs, the New York Police Department's (NYPD) overtime, and DOE special education and pupil transportation spending, as described below.

COVID-19 Related Spending

The current Fiscal 2021 budget recognizes COVID-19 related spending of \$3.6 billion and federal reimbursement of approximately \$3.4 billion. However, the Preliminary Plan includes only \$13.7 million in COVID-19 spending in Fiscal 2022. While the intensity of the pandemic may subside markedly by Fiscal 2022, it is highly unlikely that City services related to COVID-19, such as New York City's Health + Hospitals' (H+H) Test and Trace program, the Department of Health and Mental Hygiene (DOHMH) and H+H's vaccination program, the Department of Homeless Services' (DHS) hotel rooms for single adults from congregate shelters, the Get Food program, and the need for personal protective equipment, will abate that significantly next year. The Financial Plan should show a more accurate estimate of COVID-related spending in Fiscal 2022.

Police Overtime Spending

The package to reduce the NYPD's budget in the Fiscal 2021 Adopted Budget included a large \$334 million cut to overtime. However, NYPD is unlikely to stay within the Fiscal 2021 overtime budget, which is currently \$254 million. Through the first six months of the fiscal year, NYPD has spent \$192 million, or 75 percent, of its total \$254 million overtime budget. The uniform overtime expenditures totaled \$174 million, or 76 percent, of the \$228 million budget, and the civilian overtime expenditures totaled \$18 million, or 68 percent, of the \$27 million budget. At this rate, it is expected that the NYPD may exceed its overtime budget.

For Fiscal 2022, the Preliminary Plan took a baseline cut of \$121 million, a significantly smaller cut than the \$334 million reduction to overtime in Fiscal 2021. To meet the reductions made in the Adopted deal, an additional \$207 million would have to be cut in the baseline budget. Below is a summary of cuts to NYPD overtime in both the Adopted and Preliminary Financial Plans.

Overtime Cuts to NYPD Budget					
<i>Dollars in Millions</i>					
Savings Plan	Title	FY20	FY21	FY22	FY23
Adopted Plan	Civilian Overtime Reduction	\$0	\$33.1	\$0	\$0
	School Safety OT Reduction	8.1	6.0	0.0	0.0
	Uniformed Overtime Reduction	10.0	295.0	0.0	0.0
	TOTAL	\$18.1	\$334.1	\$0	\$0
Preliminary Plan	Uniform Overtime Savings	0.0	0.0	120.9	120.9
	School Safety OT Savings	0.0	15.0	0.0	0.0
	TOTAL	\$0	\$15.0	\$120.9	\$120.9
GRAND TOTAL		\$18.1	\$349.1	\$120.9	\$120.9

DOE Spending

Carter Cases. While DOE's budget for Carter Cases increases to \$625.6 million in Fiscal 2021 in the Plan, it is still well below the \$710 million that DOE spent in Fiscal 2020. Meanwhile, the Fiscal 2022 budget for Carter Cases is only \$445.7 million. Spending in this area of DOE's budget increased by approximately 151 percent from Fiscal 2013 to Fiscal 2019, and DOE has not had any success in reducing spending. Further spending increases for Carter Cases in Fiscal 2021 and Fiscal 2022 to at least the Fiscal 2020 spending level is highly likely and the Council recommends a baseline budget increase until DOE establishes a sufficient number of public school programs

to provide appropriate special education supports to avoid Carter Case claims by children enrolled in private schools.

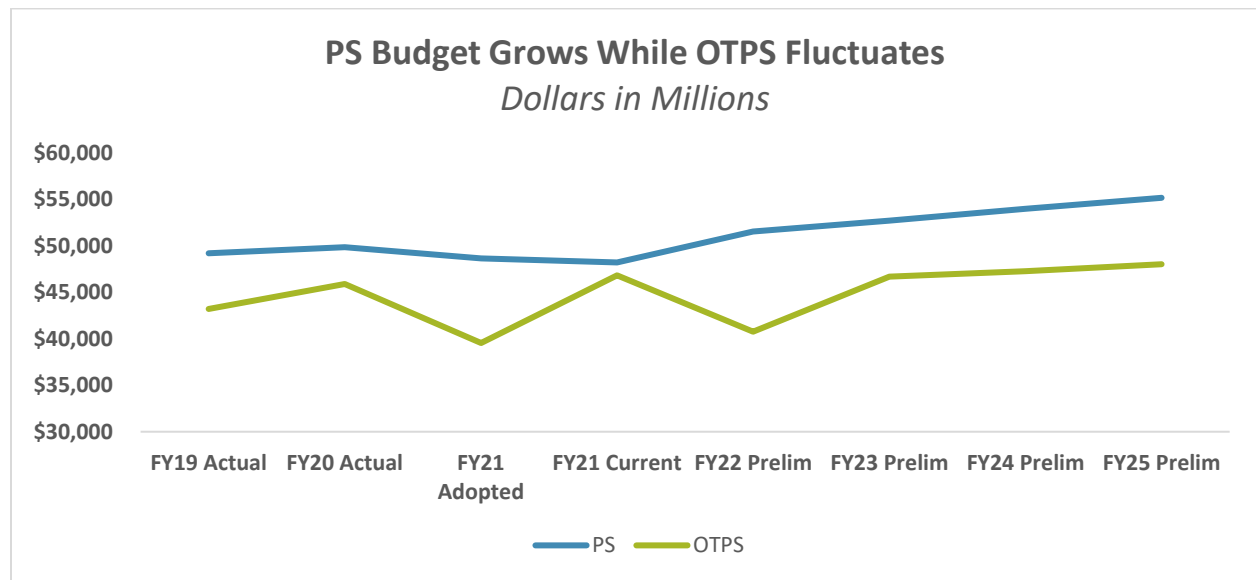
Bus Contracts. The Preliminary Plan includes \$1.3 billion in Fiscal 2021 for general and special education bus contracts. However, in Fiscal 2022 only \$1.2 billion is included for these same contracts. DOE should increase the baseline budget for bus contracts by at least \$152 million to account for the difference. Further, DOE’s estimate of State pupil transportation aid in Fiscal 2021 is too high. The State has not agreed to cover the cost of buses that were not used during the school shut down in Fiscal 2020. According to OMB this will cost the City \$92 million this year.

Expense Budget

This section includes an analysis of the components of the expense budget. It includes an analysis of the overall expense budget, including the Personal Services (PS) budget and the Other Than Personal Services (OTPS) budget.

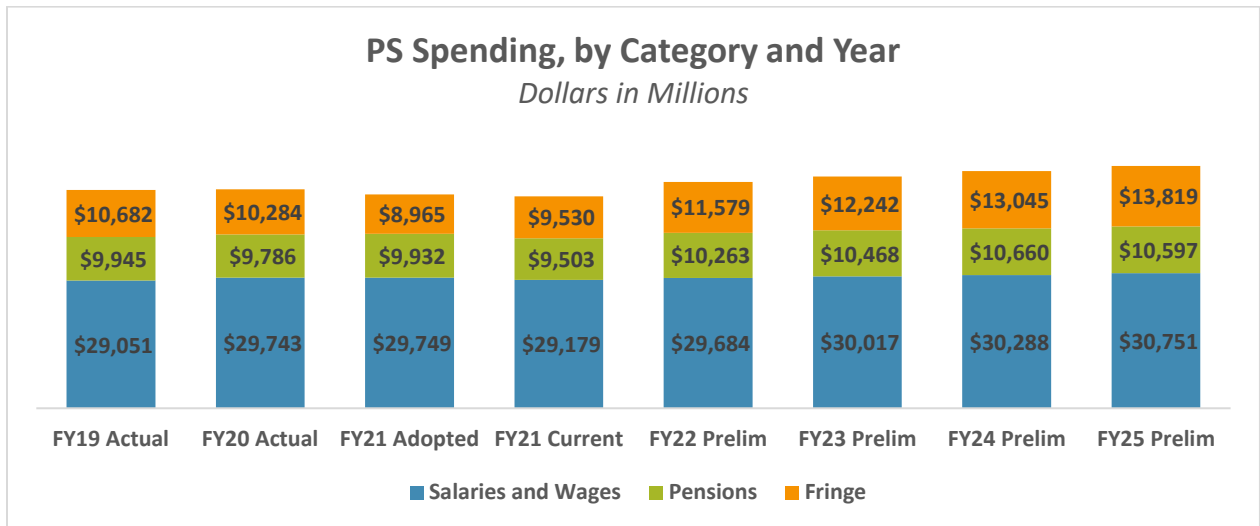
The Fiscal 2022 Preliminary Budget totals \$92.3 billion, of which \$51.5 billion is PS costs and \$40.7 billion is OTPS costs. The OTPS costs includes \$7.3 billion for debt service and \$100 million in reserves. The projected growth over the Preliminary Plan period is 8.6 percent, which is equal to an average annual growth rate of 2.1 percent from Fiscal 2021 through Fiscal 2025.

The overall growth in spending projected in the Preliminary Plan is entirely driven by PS spending. Since adoption of the Fiscal 2021 budget, PS spending has grown by \$2.9 billion, or 5.9 percent, from \$48.6 billion to \$51.5 billion in Fiscal 2022, while the OTPS budget has grown by \$1.2 billion, or 3.1 percent, from \$39.5 billion to \$40.7 billion, during the same time period. The growth in the PS budget is largely driven by higher labor costs.



PS Spending

In aggregate, PS expenditures – which include salaries and wages, the collective bargaining reserve, fringe benefits, and pension contributions – are projected to grow throughout the Plan. The average annual percentage increases during the Preliminary Plan’s five-year period are expected to be approximately 1.1 percent for salaries and wages, 7.9 percent for fringe benefits, and 2.2 percent for pension contributions.



PS spending in the Fiscal 2022 Preliminary Budget accounts for approximately 55.8 percent of the City’s total operating budget. It includes \$29.7 billion (about 57.6 percent of PS spending) for salaries and wages, \$10.2 billion (about 19.9 percent of PS spending) for pensions, and \$11.6 billion (about 22.5 percent of PS spending) for fringe benefits. Fringe benefits account for more than one-half of the increase in PS spending over the five-year plan period. The PS budget is projected to grow to \$55.2 billion by Fiscal 2025. Although the annual increases are somewhat large in absolute terms, the shares of the overall PS budget for each component are anticipated to remain relatively stable.

Salaries and Wages

Spending on salaries and wages is expected to total \$29.7 billion in Fiscal 2022, representing approximately 32.1 percent of the City’s expenditures, and approximately 57 percent of the PS budget. Full-time pedagogical salaries amount to \$11.4 billion, or 38.4 percent, of the total salaries and wages budget for Fiscal 2022 and is concentrated in DOE’s budget. Salaries for full-time uniformed personnel amount to approximately \$5.3 billion, or 17.8 percent, of the salaries budget in Fiscal 2022, which encompasses police officers, firefighters, sanitation workers, and correction officers.

Reserve for Collective Bargaining

The City’s expense budget includes a Reserve for Collective Bargaining (also known as the Labor Reserve) within the Miscellaneous Budget to fund costs associated with collective bargaining agreements and related adjustments. As of the Preliminary Plan, the Labor Reserve contains funding for remaining restructured payments for unions covered by the United Federation of Teachers’ (UFT) nine-year pattern, as well as above-pattern prevailing wages for relevant skilled trades titles and annual one percent wage increases beginning in the third year beyond the 2017-2021 round of bargaining. The Plan allocates \$815 million to the Labor Reserve in Fiscal 2021, \$1.31 billion in Fiscal 2022, \$955.3 million in Fiscal 2023, \$1.14 billion in Fiscal 2024, and \$1.52 billion in Fiscal 2025. The Plan also reduces the Reserve by \$78.4 million in Fiscal 2021, primarily driven by the following actions:

- A shift of \$59.9 million in New York State Nurses Association (NYSNA) related labor expenses, normally reimbursed by the Labor Reserve, to H+H in an effort to provide relief to the City's expense budget; and
- A deferral of \$18.5 million in retroactive, lump sum payments for the Correction Officers' Benevolent Association (\$15.5 million), the Sanitation Officers Association (\$1.9 million), the Detective Investigators' Association (\$632,000), and the Uniformed Sanitation Chiefs Association (\$437,000) from Fiscal 2021 to Fiscal 2022. The Administration counts the \$18.5 million in deferrals toward the \$1 billion labor savings included in the Fiscal 2021 Adopted Budget.

As of January 2021, the City has reached settlements with approximately 84 percent of the represented workforce for the 2017-2021 round of collective bargaining.

Fringe Benefits

Total budgeted fringe costs amount to nearly \$11.6 billion in Fiscal 2022 and are projected to be \$2.05 billion higher than in Fiscal 2021. The difference is primarily the result of a \$1.6 billion drawdown from the RHBT in Fiscal 2021. The table below displays projected spending on fringe benefits by category at Fiscal 2021 adoption, and for Fiscal 2021 and Fiscal 2022 as of the Preliminary Plan.

Citywide Fringe Spending FY21-22				
<i>Dollars in Millions</i>				
Fringe Category	Adopted 2021	Current 2021	Prelim 2022	Difference, Current 2021 vs. Adopted 2021
Health Insurance Plan City Employees	\$4,747	\$5,460	\$7,017	\$714
Social Security Contributions	2,194	2,215	2,322	21
Supplemental Employee Welfare Benefits	1,301	1,131	1,479	(171)
Workmen's Comp-Awards/Expenses	423	423	453	0.25
Annuity Contributions	125	111	134	(14)
Allowance for Uniforms	73	77	73	4
Workmen's Comp-Other	44	44	46	-
Unemployment Insurance	37	45	37	8
Faculty Welfare Benefits	12	12	12	0.45
Fringe Benefits-Other	8	11	5	3
Disability Benefits Insurance	0.6	0.6	0.6	-
TOTAL	\$8,965	\$9,530	\$11,580	\$565

The budget for fringe benefits changes only slightly in the Preliminary Plan. Significant changes include:

- Savings of \$23.9 million in Fiscal 2021 related to the City's hiring and attrition management program;
- \$24.6 million in welfare deferrals from Fiscal 2021 to Fiscal 2022;
- An addition of \$20.4 million in Fiscal 2022 associated with inter-fund agreement (IFA) positions; and

- \$52 million in labor savings reconciliation—a credit against the \$1 billion labor savings target introduced in the Fiscal 2021 Adopted Budget.

Pensions

The bulk of the City’s pension contributions fund five actuarial pensions – the New York City Employees’ Retirement System, the Teachers’ Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund, and the New York City Fire Pension Fund. The City also contributes to a handful of non-city retirement systems, including the Cultural Institutions Retirement System and the Teachers’ Insurance and Annuity Association.

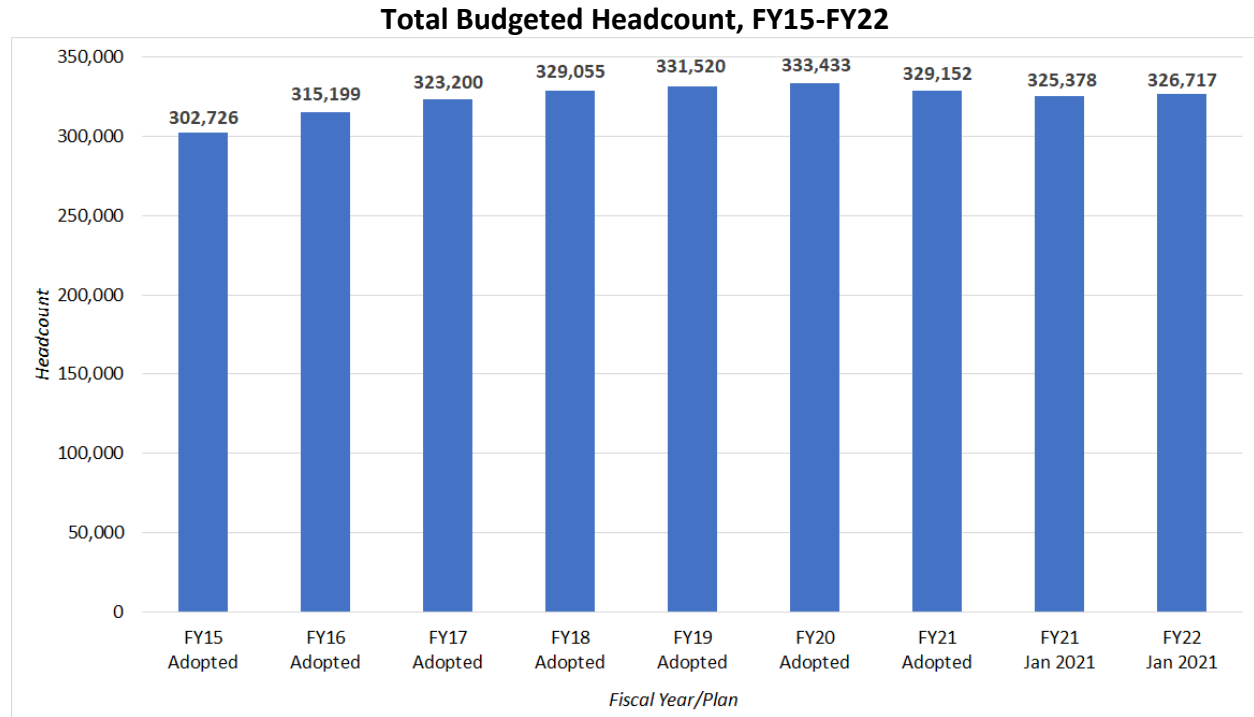
Total pension spending will reach \$10.3 billion in Fiscal 2022, accounting for 11.2 percent of the City’s budget and 20 percent of the PS budget. The Fiscal 2022 Preliminary Budget introduces significant pension savings beginning in the current fiscal year through Fiscal 2023. Changes to the actuarial assumptions and methods proposed by the Chief Actuary in January 2020 allow pension contribution reductions of \$429.9 million in Fiscal 2021, \$303.5 million in Fiscal 2022, and \$69.3 million in Fiscal 2023. The proposal reduces the Consumer Price Index (CPI) assumption, a measure for inflation, by 0.05 percent per year over the next four years, bringing it to 2.3 percent by the end of the Plan period. This action affects three other assumptions – the Actuarial Interest Rate (AIR), the General Wage Increase, and the Cost of Living Assumption – all of which receive the same 0.05 percent reduction each year over the next four years. The change in the AIR from seven percent to 6.8 percent brings City pension assumptions in line with those of New York State’s pension system. The Chief Actuary’s proposal also includes a Market Restart to bring the actuarial value of pension assets equal to market value, rather than phasing-in gains or losses slowly as is the normal practice. Since this phase-in is occurring in a market that has been rising for several years, it will reduce the City’s required pension contributions immediately.

It should be noted that while some of these changes to the actuarial assumptions and methods generate significant savings in the short run, the cost to fund pension contributions grows by a combined \$785.8 million in Fiscal 2024 and Fiscal 2025, nearly offsetting all the savings in the first three years of the Preliminary Plan. The AIR phase-in is the principal source of the cost increase.

For more discussion on pension management, see the Bureau of Asset Management section of the Report of the Finance Division on the Fiscal 2022 Preliminary Budget for the Office of the Comptroller.

Headcount

The Fiscal 2022 Preliminary Budget reflects 299,781 full-time (FT) personnel and 26,936 full-time equivalent (FTE) positions. Nearly 82 percent of FT personnel and over 91 percent of FTEs are City-funded in Fiscal 2022. Total budgeted headcount in Fiscal 2022 is 1,339 greater than in Fiscal 2021, and it remains largely stable across the Plan. Prior to the pandemic, total budgeted headcount grew from 302,726 in Fiscal 2015 to a peak of 333,433 in Fiscal 2020, as displayed below.



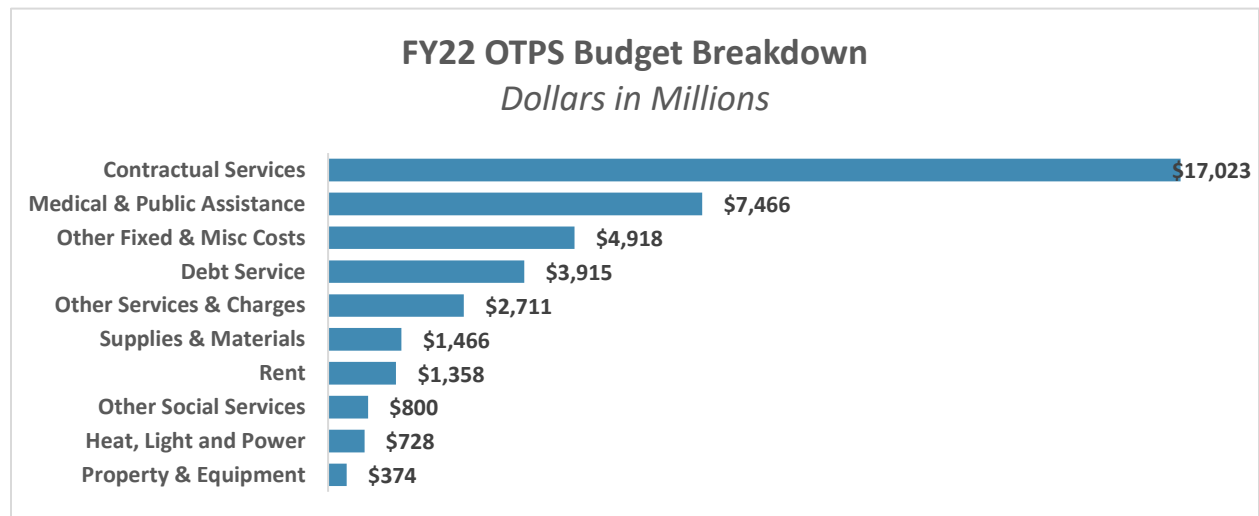
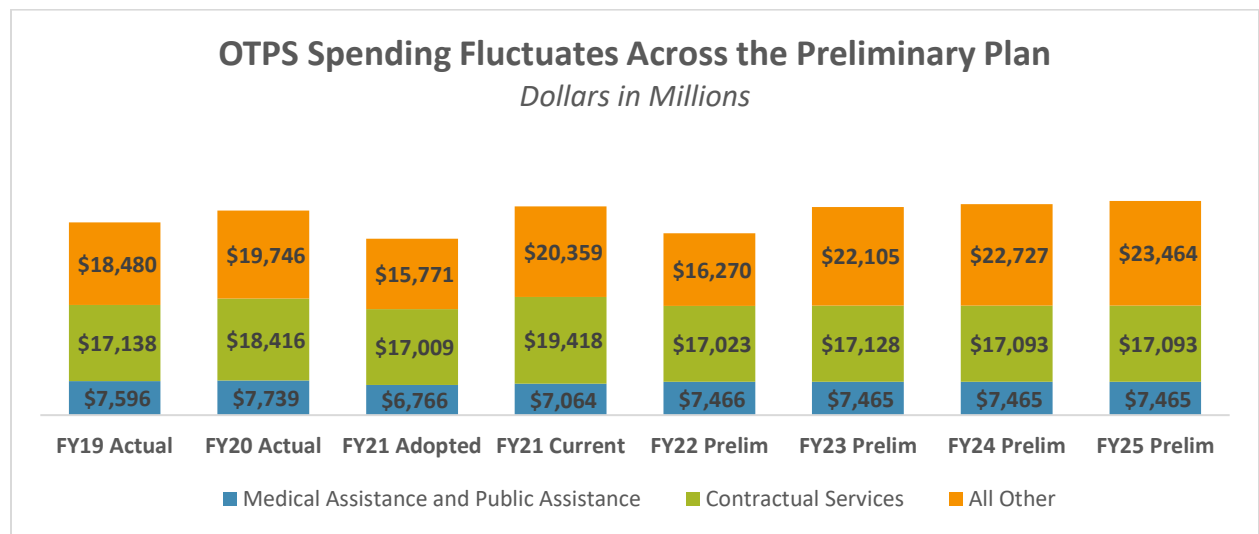
Preliminary Plan Headcount Changes		
	FY21	FY22
Budgeted Headcount as Nov. Plan	302,002	304,759
Total Change	(2,530)	(4,978)
New Needs	7	158
Other Adjustments	82	33
Savings Program	(2,619)	(5,169)
Budgeted Headcount as of Jan. Plan	299,472	299,781

The Preliminary Plan introduces several changes to budgeted headcount that, on net, lower headcount by 2,530 positions this fiscal year and 4,978 positions in Fiscal 2022. New needs include seven positions for the naloxone distribution program at DOHMH, baselined in Fiscal 2021, and 151 social workers at DOE for an academic

resiliency and mental health initiative, baselined in Fiscal 2022. Other adjustments add a total of 82 positions in Fiscal 2021 and 33 positions in Fiscal 2022. The major headcount change in the Plan entails the implementation of a stringent hiring and attrition management program that requires an agency to lose three staff for every new employee hired. This hiring control plan reduces headcount overall by 2,604 positions this fiscal year and 5,112 positions in Fiscal 2022. All agencies are subject to the hiring controls, but certain classes of employees such as DOE teachers and police officers are exempt.

OTPS Spending

OTPS spending in the Fiscal 2022 Preliminary Budget totals \$40.7 billion, representing approximately 44.1 percent of the City’s entire Fiscal 2022 budget. The Fiscal 2022 OTPS budget is marginally smaller than the Fiscal 2021 OTPS current budget, and the OTPS budget increases by only 2.5 percent over the five-year plan. However, it declines as a share of the overall expense budget due to increases in PS spending over the same period.

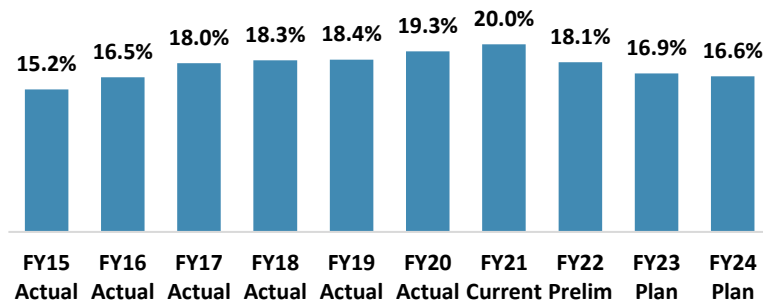


For Fiscal 2022, contractual services spending of \$17 billion accounts for approximately 42 percent of all OTPS spending proposed for Fiscal 2022. Other fixed and miscellaneous costs of \$4.9 billion include various payments and subsidies for City and non-City government institutions and other civic partnerships, including the Metropolitan Transit Authority (MTA), the New York City Housing Authority (NYCHA), H+H, cultural institutions, libraries, and federal Section 8 programs. Additionally, debt service comprises approximately nine percent of Fiscal 2022 OTPS spending. The \$5.8 billion in medical assistance cost is comprised almost entirely of direct payments from the City to the State for Medicaid. Other direct operating costs comprise 18.1 percent of OTPS spending and include heat, light, and power; rent; supplies and materials; property and equipment; and other services and charges. Lastly, the OTPS budget includes \$1.6 billion in public assistance grants.

Contract Budget

The Contract Budget is a subset of the City’s OTPS budget and funds outsourced public services such as education, childcare, and employment training, as well as contractual services used to support the operation of the City government, such as information technology services, cleaning, and legal services. The Fiscal 2022 Preliminary Contract Budget

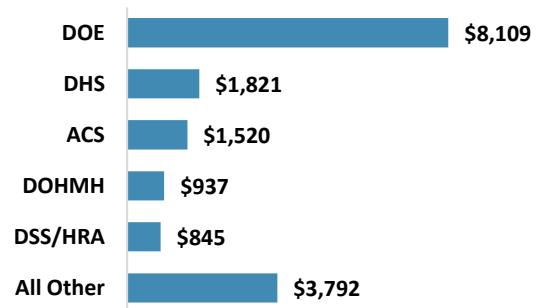
Contract Expenses as a Share of Citywide Total Expenses



totals \$17.02 billion, representing 18.1 percent of the City’s total budget. The Fiscal 2022 Preliminary Budget increased the Fiscal 2022 contract budget by \$28.4 million compared to the previous plan. Since adoption of the Fiscal 2021 budget, the contract budget for Fiscal 2021 has increased by approximately \$2.4 billion, to \$19.4 billion, of which approximately \$1 billion was introduced in the Preliminary Plan. The increase is largely attributed to the recognition of federal and State grants, in addition to various technical adjustments in the contract budget across the agencies. Additionally, \$938 million, or 40 percent of the increase, in the current year is attributed to COVID-19 pandemic relief.

Since Fiscal 2015, actual contract spending has increased from 15 percent of actual total expense spending to approximately 20 percent, with the largest increases occurring between Fiscal 2015 and Fiscal 2017. Some of the more significant increases are for Hurricane Sandy-related housing recovery, charter schools, homeless shelters, and the creation of the New York City School Support Services to provide school custodial services. The Fiscal 2021 increase is partially attributed to COVID-19 pandemic relief. The contract budget is expected to increase over the Preliminary Plan as some contractual costs are reviewed and re-estimated on a year-to-year basis, in addition to COVID-19 spending, most of which will be reimbursed by Federal Emergency Management Agency (FEMA) funding.

Contract Spending by Agency - FY22
Dollars in Millions



Five agencies account for the majority of the City’s total contract budget for Fiscal 2022, providing either health and human services or public education, demonstrating the City’s reliance on outsourcing to deliver these services to the public. The five agencies that house the largest contract budgets are DOE, DHS, the Administration for Children Services (ACS), DOHMH, and the Department of Social Services (DSS)/Human Resources Administration (HRA). Collectively their contract budgets total approximately 78 percent of the total Contract Budget for Fiscal 2022.

Contract concerns for the Fiscal 2022 budget include:

- Restoration of the Indirect Rate Initiative for human service providers;
- Increased budget transparency, particularly in Contractual Services General object code and;
- Fiscal 2022 planning for COVID-19 expenditures.

Actions in the Preliminary Plan

The Preliminary Plan introduces a total net increase of \$3 billion in Fiscal 2021 and a total net decrease of \$5.1 billion in Fiscal 2022, with minor changes in the outyears. The Preliminary Plan introduces \$744 million in new needs in the current year and \$127 million for Fiscal 2022, with baselined additions totaling \$67 million in Fiscal 2023. Expense savings total \$435 million in Fiscal 2021 and \$1.3 billion in Fiscal 2022, and total \$3.4 billion over the five years of the Plan. Other adjustments in the Preliminary Plan reflect a decrease of \$4 million in Fiscal 2021 and a decrease of \$1.3 billion in Fiscal 2022.

Fiscal 2022 Preliminary Plan – Significant New Needs and Other Funding Adjustments					
All Funds <i>Dollars in Millions</i>	FY21	FY22	FY23	FY24	FY25
Nov 2020 Plan	\$92,022	\$97,421	\$99,918	\$101,376	\$101,376
New Needs Total	744	127	67	79	85
Campaign Matching Funds Program	\$35	\$0	\$0	\$0	\$0
Carter Cases	220	0	0	0	0
UPK & 3-K Leases	58	0	0	0	0
COVID Emergency Food	51	0	0	0	0
Test & Trace Corps	200	0	0	0	0
Fair Fares	0	53	0	0	0
Learning Bridges	59	0	0	0	0
Academic Mental Health Resiliency	35	35	35	35	35
Naloxone Kits	2	8	8	8	8
All Other New Needs	84	30	24	36	42
Other Adjustments	(4)	(1,265)	(22)	387	473
Debt Service Prepayment	2,725	(2,725)	0	0	0
Savings*	(435)	(1,273)	(539)	(564)	(584)
FY22 Prelim	\$95,052	\$92,285	\$99,424	\$101,277	\$103,189
TOTAL Change	\$3,030	(\$5,136)	(\$494)	(\$99)	(\$26)

*Savings does not include revenue savings, as it impacts the revenue budget, not the expense budget

New Needs

A complete list of all the new needs can be found in the “New Needs” Appendix. Some noteworthy new needs are highlighted below:

- **Campaign Matching Funds Program.** The Preliminary Plan includes one-time new needs funding of \$35 million in Fiscal 2021 for the Campaign Matching Funds Program, which provides eligible candidates for elected City offices (the Mayoralty, Public Advocate, Comptroller, Borough Presidency and City Council) matching funds for private donations received. This action brings the Fiscal 2021 budget for matching funds to \$65.5 million.
- **Carter Cases.** The Preliminary Plan adds \$220 million to DOE’s Fiscal 2021 budget for Carter Cases, bringing DOE’s total Carter Case budget to \$625.6 million in Fiscal 2021. The

Fiscal 2021 Adopted Budget only included \$405.6 million for Carter Cases despite Fiscal 2020 actual expenditures of \$710 million.

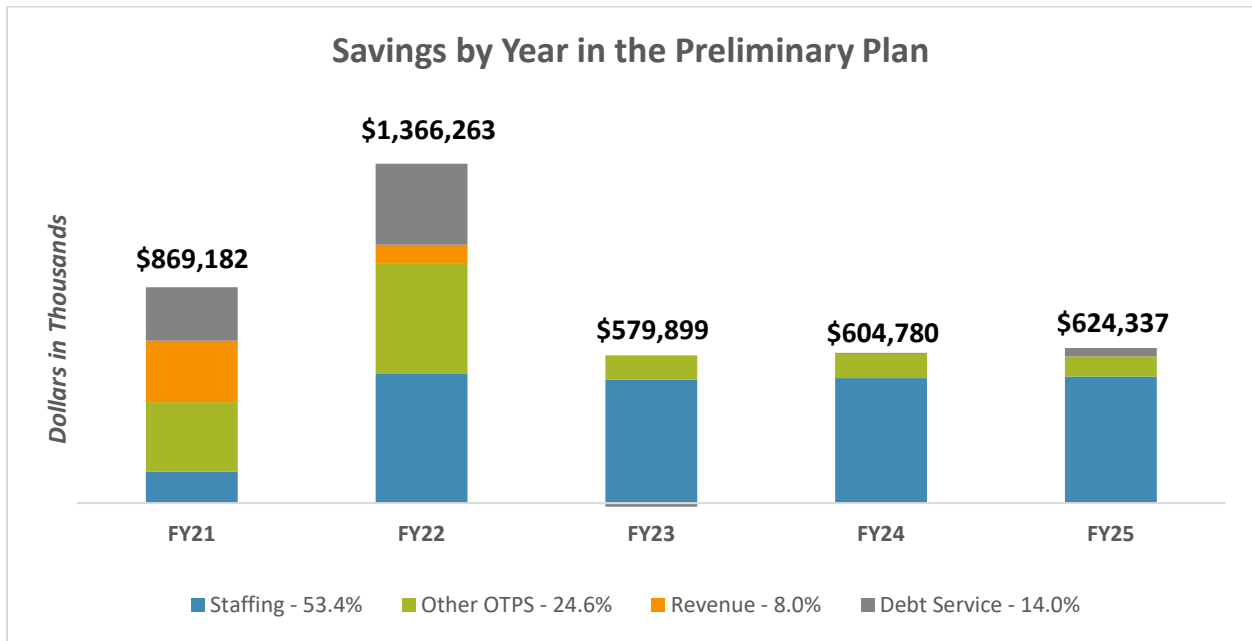
- **Universal Pre-Kindergarten & 3-K.** The Preliminary Plan includes one-time new needs of \$58 million in Fiscal 2021 to fund increased lease expenditures for K-12 and Early Childhood locations across the City.
- **COVID-19 Programs.** The Preliminary Plan includes \$832.6 million in COVID-19 related spending in Fiscal 2021. Of this total, \$256.5 million is for new needs added in the Plan. These include \$51.5 million for emergency food programs and \$200 million for the Test and Trace Corps.
- **Fair Fares.** The Preliminary Plan adds \$53 million to DSS' budget for Fiscal 2022 to fund the Fair Fares transit subsidy program for qualifying, low-income individuals. Notably, the program is not currently baselined and funding is added as needed.
- **Learning Bridges Program.** The Preliminary Plan adds \$59.2 million in Fiscal 2021 and \$271,268 in Fiscal 2022 for the Learning Bridges Program. Of this total, \$57 million has been allocated to the Department of Youth and Community Development (DYCD), while the remaining funding has been allocated to the Department of Citywide Administrative Services (DCAS).
- **Academic Mental Health Resiliency.** The Preliminary Plan includes baselined new needs of \$35.2 million beginning in Fiscal 2022 for DOE's Mental Health Resiliency Plan. Of this total, \$16.1 million supports 151 new social worker positions. The remainder of this funding supports the first phase of the plan, which aims to add a community school in each of the 27 communities hardest hit by the COVID-19 pandemic.
- **Naloxone Kits.** The Preliminary Plan includes new needs of \$2.1 million in Fiscal 2021 and baselined funding of \$8.2 million beginning in Fiscal 2022 for the DOHMH's naloxone distribution program.

Other Adjustments

- **Additional COVID-19 Funding.** As previously mentioned, the Preliminary Plan includes \$832.6 million in COVID-19 funding in Fiscal 2021, of which \$575.9 million is in other adjustments. Of this total, \$346.1 million is allocated to H+H, \$153.2 million to the DHS, and \$108.7 million is allocated to the DOE. This funding has been allocated for reimbursements of specific COVID-19 related costs, among other uses.

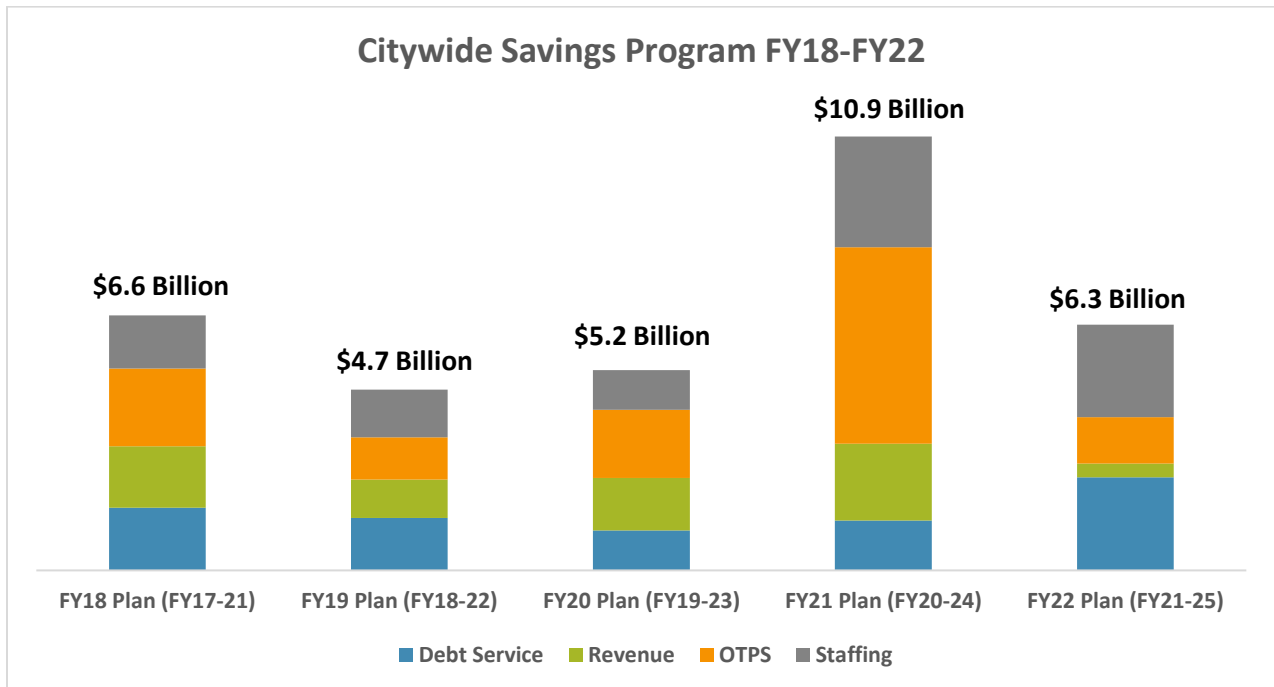
Citywide Savings Program

The Citywide Savings Program introduces a mix of efficiency savings, cost and revenue re-estimates, and debt service prepayments that amount to approximately \$4 billion from Fiscal 2021 through Fiscal 2025. Savings in Fiscal 2021 and 2022 total \$2.2 billion.



Approximately 53.4 percent of the savings relate to staffing and 24.6 percent comes from other OTPS savings. Staffing savings are generated through hiring delays, PS accruals, staffing efficiencies, and hiring and attrition management savings, whereby three staff would need to separate from City service in order to hire an additional staff person. OTPS savings include program efficiencies, savings through insourcing, and OTPS re-estimates, among others. Debt service savings comprise 14 percent of the savings, while the remaining eight percent comes from additional revenues at the agency level.

The Preliminary Citywide Savings Program establishes savings that are concentrated in the first fiscal year of the program, like previous savings programs, with 21.5 percent of the savings booked in Fiscal 2021. This is primarily due to the significant amount of debt service-related savings in Fiscal 2021, as well as increased revenue projections. It is typical for the Citywide Savings Program to have greater savings in the current year, as OMB becomes more confident of year-end surplus estimates. To date, when combined with the savings introduced in the November 2020 Financial Plan, the Fiscal 2022 Citywide Savings Program is 57.7 percent of the size of the Fiscal 2021 program, which totaled \$10.9 billion over five fiscal years (2020–2024). As in the previous four fiscal years, an additional Citywide Savings Program is anticipated with the release of the Fiscal 2022 Executive Plan. The Executive Plan would require a Citywide Savings Program of at least \$4.6 billion over the five-year period in order to match the size of last year’s savings program.



The \$6.3 billion in savings in the Fiscal 2022 program to date represents a reduction in City funds spending of just over 3.9 percent over the five-year plan. In addition to agency savings, the Plan proposes citywide initiatives to achieve savings across all agencies. Below are two sections detailing significant agency savings, along with new citywide initiatives.

Fiscal 2022 Preliminary Citywide Savings Program Highlights

Significant Savings

- Debt Service Savings.** The Preliminary Plan shows debt service savings totaling \$215.3 million for Fiscal 2021 with additional savings in the outyears. These are derived primarily from re-estimates of debt service costs related to the City's variable-rate bonds and the retention of state building aid revenues by the Transitional Finance Authority (TFA). This is in addition to the \$684.2 million in savings for Fiscal 2021 in the November 2020 Plan.
- Reimbursement for City Services (H+H).** The Preliminary Plan includes one-time savings of \$212.4 million in Fiscal 2021 as a reimbursement of the debt service the City pays on behalf of H+H. Prior to Fiscal 2016, H+H paid the City for its share of the City's debt service on general obligation, TFA, and Dormitory Authority of the State of New York bonds. In light of H+H's financial struggles, the City increased its support to H+H by relieving the system of its debt service obligation starting in Fiscal 2016. This payment is H+H's share of the City's debt service in Fiscal 2021.

Funding Swaps

- Medicaid Reimbursement.** The Preliminary Plan reflects a savings of \$100 million in Fiscal 2021 for Medicaid reimbursement. The funding was replaced with federal revenue, resulting in a net change of zero. This funding swap relates to payments due to the City for the Federal Medicaid Assistance Percentage that were held back by the State.

- **Emergency Medical Service (EMS) Revenue.** The Preliminary Plan reflects savings of \$14.5 million in Fiscal 2021 and \$20.8 million in Fiscal 2022 associated with increased ambulance revenue.

Programmatic Savings

- **DOE Savings.** The Preliminary Plan recognizes three significant savings for DOE. However, according to an announcement made by the Mayor, the first two categories of cuts described below will be reversed when the FEMA reimbursement rate for COVID-related expenses increases to 100 percent.⁴
 - **Temporary Fair Student Funding Reduction.** The Preliminary Plan includes a one-time \$150 million cut to Fair Student Funding (FSF) in Fiscal 2022. This cut mirrors the \$100 million cut to FSF proposed in the Fiscal 2021 Executive Plan, which was ultimately restored in the Fiscal 2021 Adopted Budget.
 - **3-K Delay.** The Preliminary Plan includes \$43.8 million in savings in Fiscal 2022 related to the delay to DOE's planned 3-K expansion.
 - **Program Reductions.** The Preliminary Plan includes savings of \$40 million related to DOE's budget for School Allocation Memoranda.

Labor Savings

The Administration has reported \$776 million in cumulative labor savings as of February 10, 2021, reflecting a series of agreements with municipal unions that the Mayor's Office has announced to defer retroactive lump sum payments and union benefit fund contributions from Fiscal 2021 to Fiscal 2022. Major actions have included a delay of \$450 million in lump sum payments to the UFT and a deferral of \$164 million in welfare fund payments to District Council 37, both announced in October, in an endeavor to secure \$1 billion in labor savings in Fiscal 2021. The Preliminary Plan captures an estimated \$52 million in labor deferrals across the Labor Reserve (\$18.5 million), miscellaneous fringe (\$24.6 million), and the Department of Correction (DOC) (\$8.9 million).

Citywide Initiatives

The Preliminary Citywide Savings Program includes two new citywide initiatives, which aim to generate savings across agencies through improvements in operating efficiency. Of the total \$4 billion in savings reflected in the Preliminary Plan, \$1.4 billion, or approximately 35 percent, are from citywide initiatives.

- **Hiring and Attrition Management.** Introduced in the Fiscal 2022 Preliminary Budget, the City has imposed strict hiring protocols that impact all City agencies whereby three positions would need to be vacant before an agency could seek permission to hire one new staff. This practice will generate savings of \$61.4 million in Fiscal 2021, along with a headcount reduction of 2,604 positions. In Fiscal 2022 and the outyears, the majority of these savings have yet to be allocated to individual agencies. In total this program will reduce headcount by 5,112 in Fiscal 2022 and 4,937 in Fiscal 2023 and the outyears, with

⁴ New York Department of Finance, Tax Expenditure 2020 Report:

"https://www1.nyc.gov/assets/finance/downloads/pdf/reports/reports-tax-expenditure/ter_2020_final.pdf"

<https://www1.nyc.gov/assets/finance/downloads/pdf/reports/reports-tax>

savings of \$311.7 million in Fiscal 2022, \$351 million in Fiscal 2023, \$357.3 million in Fiscal 2024 and \$363.8 million in Fiscal 2025.

- **Office Supplies Savings.** The Preliminary Plan introduces a new citywide savings initiative whereby City agencies would seek to reduce their spending on office supplies, given that a majority of City offices remain closed or are operating at less than 50 percent capacity. As such, this savings initiative will generate one-time savings of \$2.8 million in Fiscal 2021.

The financial plans began implementing Citywide Savings initiatives since Fiscal 2018. A complete list of all Citywide Savings Initiatives and the estimated savings can be found in the “Citywide Savings Initiatives” Appendix of this report.

Conclusion

The changes introduced in the Preliminary Plan are modest. Over the next several weeks, the Council will examine the programmatic impact of this Plan and will issue recommendations in anticipation of the Executive Budget. Among other notable risks, there are risks from the State, understated spending estimates at the City budget level, and federal revenue that is not yet recognized. The Council looks forward to engaging in a budget process that will result in putting the City on the road to recovery.

Appendices

Appendix A: Fiscal 2022 Preliminary Plan New Needs

Preliminary Plan - New Needs - All Funds					
<i>Dollars in Thousands</i>					
Agency	FY21	FY22	FY23	FY24	FY25
BOROUGH PRESIDENT - BROOKLYN	\$-	\$823	\$-	\$-	\$-
BOROUGH PRESIDENT - MANHATTAN	0	474	0	0	0
BOROUGH PRESIDENT - QUEENS	0	775	0	0	0
BOROUGH PRESIDENT BRONX	0	674	0	0	0
BOROUGH PRESIDENT STATEN ISLAND	0	389	0	0	0
CAMPAIGN FINANCE BOARD	35,000	0	0	0	0
DEPARTMENT OF EDUCATION	278,000	35,210	35,210	35,210	35,210
DEPARTMENT OF FINANCE	4,232	500	0	0	0
DEPARTMENT OF HEALTH AND MENTAL HYGIENE	7,582	11,112	11,850	11,850	11,850
DEPARTMENT OF SANITATION	51,500	0	0	0	0
DEPARTMENT OF SOCIAL SERVICES	0	53,000	0	0	0
DEPARTMENT OF TRANSPORTATION	11,778	500	280	0	0
DEPT OF SMALL BUSINESS SERVICES	8,611	0	0	0	0
DEPT OF CITYWIDE ADMIN SERV	9,520	3,580	0	0	0
DEPT OF DESIGN & CONSTRUCTION	15,734	0	0	0	0
DEPT OF INFO TECH & TELECOMM	37,644	14,893	16,065	27,700	34,379
DEPT OF YOUTH & COMMUNITY DEV	57,000	0	0	0	0
FINANCIAL INFO SERVICES AGENCY	2,000	0	0	0	0
HEALTH + HOSPITALS	200,000	0	0	0	0
HOUSING PRESERVATION AND DEVEL	1,811	0	0	0	0
LAW DEPARTMENT	18,000	0	0	0	0
POLICE DEPARTMENT	6,164	4,934	4,318	4,318	4,318
PUBLIC ADVOCATE	0	47	0	0	0
TOTAL	\$744,574	\$126,911	\$67,723	\$79,078	\$85,756

Appendix B: Fiscal 2022 Preliminary Citywide Savings Program

Preliminary Plan Citywide Savings (includes revenue savings)					
<i>Dollars in Thousands</i>					
Agency/Savings Category	FY21	FY22	FY23	FY24	FY25
Administration of Children's Services	\$36,320	\$9,000	\$-	\$-	\$-
Board of Correction	136	13	0	0	0
Borough President – Bronx	59	144	0	0	0
Borough President - Brooklyn	70	0	0	0	0
Borough President - Manhattan	90	83	0	0	0
Borough President - Queens	58	0	0	0	0
Borough President - Staten Island	46	112	0	0	0
Brooklyn Public Library	1,172	2,845	0	0	0
Business Integrity Commission	127	100	0	0	0
City Clerk	175	32	0	0	0
City Council	1,530	0	0	0	0
City University	0	49,300	0	0	0
Citywide Savings Initiatives	2,807	292,088	351,005	357,357	363,816
Civil Service Commission	41	0	0	0	0
Commission on Human Rights	212	140	0	0	0
Community Boards – All	238	448	8	0	0
Conflicts of Interest Board	69	50	0	0	0
Debt Service	215,309	326,409	(14,377)	4,075	34,063
Dept of Buildings	2,461	4,900	0	0	0
Dept of City Planning	1,147	0	0	0	0
Dept of Citywide Admin Services	12,435	2,618	0	0	0
Dept of Consumer Affairs	509	0	0	0	0
Dept of Correction	1,211	48,800	25,000	25,000	25,000
Dept of Cultural Affairs	1,133	4,711	0	0	0
Dept of Design and Construction	432	432	0	0	0
Dept of Education	4,000	292,800	0	0	0
Dept of Emergency Mgmt	223	402	0	0	0
Dept of Environmental Protection	580	684	0	0	0
Dept of Finance	1,174	28,415	40,415	40,415	40,415
Dept of Health and Mental Hygiene	30,433	4,000	0	0	0
Dept of Homeless Services	1,547	0	0	0	0
Dept of Info Technology and Telecommunication	15,451	4,090	0	0	0
Dept of Investigation	\$717	\$1,131	\$0	\$0	\$0
Dept of Parks and Recreation	2,097	5,000	0	0	0
Dept of Probation	2,062	1,025	0	0	0
Dept of Records and Information Services	599	0	0	0	0
Dept of Sanitation	7,188	15,061	6,002	6,087	6,273
Dept of Small Business Services	2,385	269	0	0	0
Dept of Social Services	199,189	12,131	0	0	0
Dept of Transportation	15,007	9,419	156	156	156
Dept of Veterans Affairs	265	61	0	0	0
Dept of Youth and Community Dev	568	5,730	0	0	0
Equal Employment Practices Commission	22	0	0	0	0

Agency/Savings Category	FY21	FY22	FY23	FY24	FY25
Financial Info Services Agency	\$322	\$0	\$0	\$0	\$0
Fire Department	22,332	36,779	0	0	0
Health and Hospitals	212,378	0	0	0	0
Housing Preservation and Development	1,566	1,619	0	0	0
Landmarks Preservation Commission	233	0	0	0	0
Law Department	9,412	0	0	0	0
Mayoralty	3,295	700	300	300	300
Miscellaneous	29,062	10,671	0	0	0
New York Public Library	1,558	3,779	0	0	0
New York Research Library	310	751	0	0	0
Office of Admin Tax Appeals	237	50	0	0	0
Office of Admin Trials and Hearings	2,150	0	0	0	0
Office of Payroll Admin	112	0	0	0	0
Office of the Actuary	126	184	0	0	0
Office of the Comptroller	843	2,109	0	0	0
OTPS Inflation	0	50,519	50,519	50,519	33,443
Police Department	21,819	132,326	120,871	120,871	120,871
Public Administrator – Manhattan	45	0	0	0	0
Public Administrator – Queens	23	0	0	0	0
Public Advocate	0	16	0	0	0
Queens Borough Public Library	1,223	2,963	0	0	0
Taxi and Limousine Commission	842	1,354	0	0	0
TOTAL	\$869,182	\$1,366,263	\$579,899	\$604,780	\$624,337

Appendix C: Citywide Savings Initiatives Since Fiscal 2018

Citywide Savings Initiatives (\$000)									
Plan Year	Savings Title	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
FY18	Fleet Optimization	(\$10,000)	(\$13,000)	(\$11,000)	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)
FY18	Skilled Trades Overtime	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
FY18	Civilian Overtime Cap Waivers	(4,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
FY18	Space Management	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
FY18	Reverse Auctions	(1,700)	(5,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
FY18	Paper Check Reform	(1,000)	(2,000)	(3,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
FY18	Printing Reform	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
FY18	Procurement Reform	0	(20,000)	(30,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
FY18	Enhanced Space Management	0	(10,000)	(15,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
FY18	Redeploy	0	(2,000)	(5,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
FY18	Centralized Skilled Trades Pool	0	0	(5,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
FY19	Fleet Legal Coordination	0	(4,800)	(4,800)	(4,800)	(4,800)	(4,800)	(4,800)	(4,800)
FY19	Electric Vehicles	0	(1,938)	(2,263)	(2,589)	(2,914)	(2,914)	(2,914)	(2,914)
FY19	Agency Phone Plan Review	0	(1,575)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)
FY19	Enterprise Print Management	0	(1,227)	(3,000)	(5,000)	(10,000)	(10,000)	(10,000)	(10,000)
FY19	Standardize Travel Policies	0	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
FY19	Auto Service Workers	0	(686)	(686)	(945)	(945)	(945)	(945)	(945)
FY19	Energy Load Management	0	(553)	(1,092)	(2,463)	(4,667)	(4,667)	(4,667)	(4,667)
FY19	Paper Reduction	0	(250)	(800)	(3,000)	(4,500)	(4,500)	(4,500)	(4,500)
FY20	Auto Service Workers II	0	0	(1,414)	(2,814)	(4,621)	(6,369)	(6,369)	(6,369)
FY20	Consolidating Consultant Contracts	0	0	0	(500)	(500)	(500)	(500)	(500)
FY20	Lease Auditing	0	(2,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
FY21	Agency Phone Plan Review II	0	0	(848)	(1,100)	(1,254)	(1,305)	(1,305)	(1,305)
FY21	Contract Auditing	0	0	0	0	0	0	0	0
FY21	Fleet Size Reduction Salvage Revenue	0	0	(806)	(806)	0	0	0	0
FY21	Fleet Approval Process	0	0	(2,831)	0	0	0	0	0
FY21	Heat, Light & Power	0	0	(58,972)	(54,145)	(16,999)	(2,639)	(5,211)	(5,211)
FY21	Vehicle Maintenance Shift	0	0	0	(1,046)	(1,046)	(1,046)	(1,046)	(1,046)
FY22	Discretionary Training Freeze	0	0	0	(1,427)	0	0	0	0
FY22	Vehicle Purchase Freeze	0	0	0	(30,044)	(50,545)	0	0	0
FY22	Hiring & Attrition Management	0	0	0	0	(292,088)	(351,005)	(357,357)	(363,816)
FY22	Office Supplies Spending	0	0	0	(2,807)	0	0	0	0
TOTAL		(\$30,700)	(\$88,029)	(\$187,012)	(\$244,986)	(\$526,379)	(\$522,190)	(\$531,114)	(\$537,573)