



New York City Council
Hon. Adrienne Adams, Speaker of the Council
Hon. Lincoln Restler, Chair,
Governmental Operations, State and Federal Legislation Committee

**Report on the Fiscal 2026 Preliminary Plan,
the Fiscal 2026 Preliminary Capital Commitment Plan and
the Fiscal 2025 Preliminary Mayor’s Management Report for
the Law Department**

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Fiscal 2026 Preliminary Plan

FY25 **FY26**

**\$56.1
million
since
Adopt.**



**\$8.7
million
since
Nov.**



**\$8.9
million
since
Adopt.**



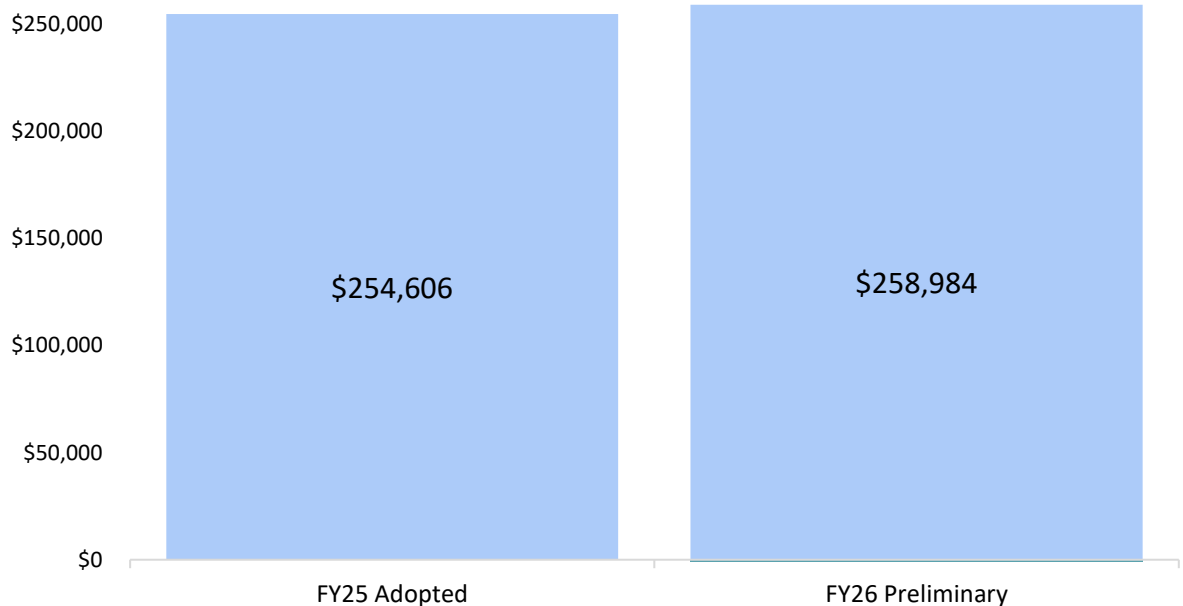
**\$8.9
million
since
Nov.**



The Law Department Budget Overview

The Preliminary Financial Plan for Fiscal 2025-2029 (Preliminary Plan), includes a proposed Fiscal 2026 budget of \$259.0 million for the Law Department. The Law Department’s Fiscal 2026 budget in the Preliminary Plan is \$8.9 million (3.6 percent) greater than its \$250.1 million Fiscal 2026 budget in the November Financial Plan. The Fiscal 2026 Preliminary Budget is \$4.4 million greater than the Fiscal 2025 Adopted Budget.

Difference between FY25 Adopted and FY26 Preliminary

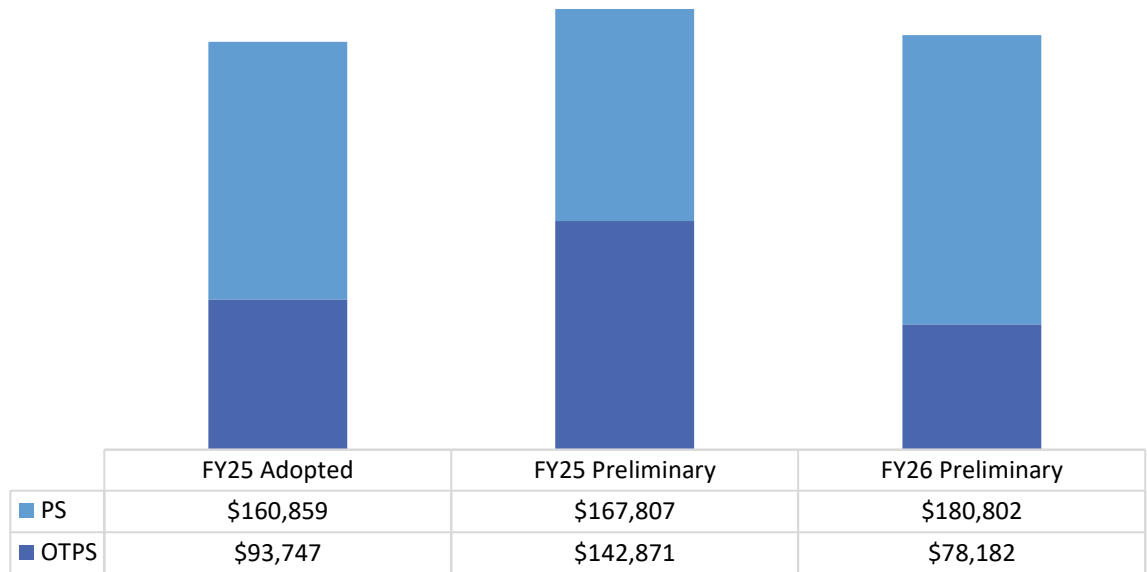


*Dollars in Thousands
Source: New York City Office of Management and Budget*

**PS and
OTPS:**

**PS:
\$180.8
million**

**OTPS:
\$78.2 million**



Dollars in Thousands

Source: New York City Office of Management and Budget

**Agency
Financial
Summary**

<i>Dollars in Thousands</i>	FY23 Actual	FY24 Actual	FY25 Adopted	Preliminary Plan		*Difference FY26 - FY25
				FY25	FY26	
Budget by Unit of Appropriation						
001 - Personal Services	\$143,735	\$164,619	\$160,859	\$167,807	\$180,802	\$19,943
002 - Other Than Personal Services	127,541	160,638	93,747	142,871	78,182	(15,566)
TOTAL	\$271,276	\$325,258	\$254,606	\$310,678	\$258,984	\$4,377
Funding						
City			\$245,185	\$262,550	\$249,322	\$4,136
Other Categorical			417	617	417	0
Capital-IFA			4,652	4,652	4,789	137
State			0	35,000	0	0
Intra-City			4,352	7,859	4,456	104
TOTAL	\$271,276	\$325,258	\$254,606	\$310,678	\$258,984	\$4,377
Budgeted Headcount						
Full-Time Positions - Civilian						
	1,378	1,396	1,429	1,454	1,510	81
TOTAL	1,378	1,396	1,429	1,454	1,510	81

**The difference of Fiscal 2026 Preliminary Budget compared to Fiscal 2025 Adopted Budget.*

Source: New York City Office of Management and Budget

**Agency
Contract
Budget:**

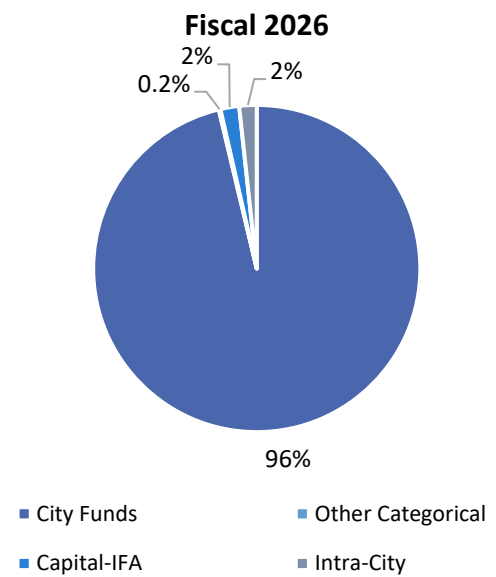
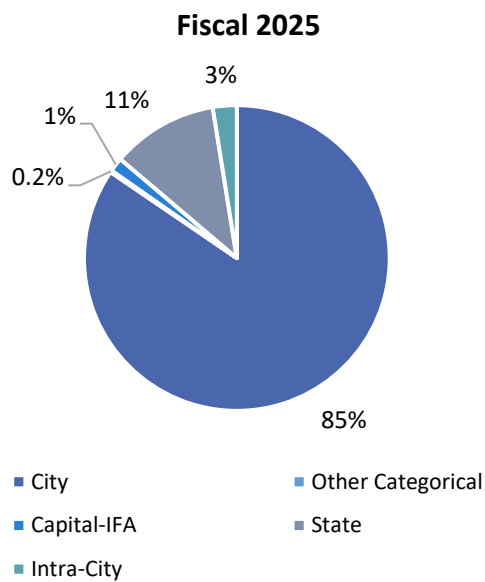
**FY26
Contract
Budget:
\$32.3 million**

**Number of
Contracts in
FY26: 430**

<i>Dollars in Thousands</i>				
Category	FY25 Adopted	Number of Contracts	FY26 Preliminary	Number of Contracts
Cleaning Services	\$119	1	\$119	1
Contractual Services - General	440	14	440	14
Data Processing Equipment Maintenance	701	8	701	8
Maintenance and Repairs - General	1,576	17	1,576	17
Office Equipment Maintenance	160	9	160	9
Professional Services - Accounting	100	1	100	1
Professional Services - Computer	207	1	207	1
Professional Services - Engineering and Architectural	130	28	130	28
Professional Services - Legal	26,092	31	8,817	31
Professional Services - Other	14,059	279	14,059	279
Security Services	763	1	763	1
Temporary Services	5,093	15	5,093	15
Training Program for City Employees	105	24	105	24
Transportation Services	50	1	50	1
TOTAL	\$49,594	430	\$32,320	430

Source: New York City Office of Management and Budget

Agency Budget by Funding Source



Source: New York City Office of Management and Budget

Budgeted Headcount:

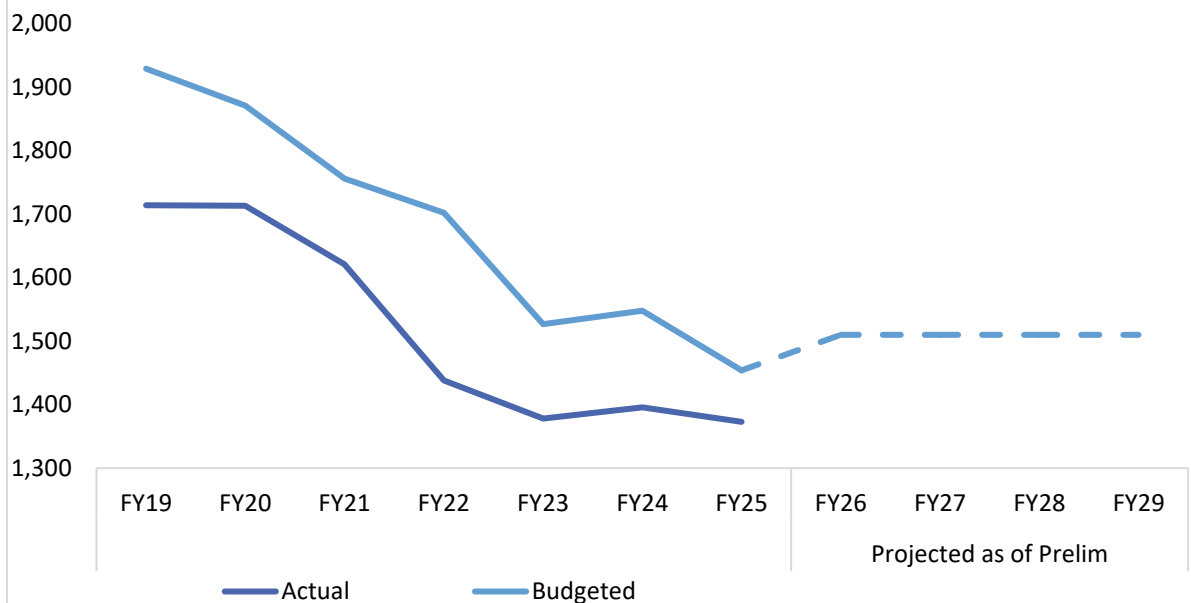
FY26 full-time positions: 1,510

FY25 full-time positions: 1,454

Actual Headcount as of January: 1,373

Vacancies as of January: 81

Budgeted and Actual Headcount FY19-FY29



Source: New York City Office of Management and Budget

Note: Budgeted and actual headcounts are as of the end of the fiscal year, except for FY26 where budgeted headcount is as of the Preliminary Plan and actual headcount is as of January 2025.

Preliminary Plan Changes	<u>FY25 = \$8,744</u>	<u>FY26 = \$8,885</u>	<u>FY27 = \$7,275</u>	<u>FY28 = \$7,275</u>	<u>FY29 = \$7,275</u>
	New Needs = \$7,359	New Needs = \$8,870	New Needs = \$7,275	New Needs = \$7,275	New Needs = \$7,275
	Other Adjustments = \$1,385	Other Adjustments = \$15	Other Adjustments = \$0	Other Adjustments = \$0	Other Adjustments = \$0
	Savings = \$0	Savings = \$0	Savings = \$0	Savings = \$0	Savings = \$0
<div>Dollars in Thousands</div> <div>Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings.</div>					
FY26 Changes in Preliminary Plan: Total: \$8.9 million New Needs: \$8.9 million Other Adjustments : \$15,000	<div>Significant Preliminary Plan Changes</div> <div>New Needs</div> <ul style="list-style-type: none">Staffing Realignment. The Preliminary Plan includes an additional \$5.5 million in City funding in Fiscal 2025 and baselined funding of \$4.5 million, starting in Fiscals 2026, for staffing costs. This funding will support the updated salary structure for existing positions, as the amount of budgeted funding and the number of budgeted positions were not fully aligned.Cannabis Enforcement. The Preliminary Plan includes an additional \$1.4 million of City funding in Fiscal 2025 and \$2.8 million baselined, starting in Fiscal 2026, for 25 cannabis enforcement positions. Positions added include 7 paralegals, 3 clerical staff, and 15 Assistant Corporate Counsels to support cannabis-related law enforcement and litigation. Funding in Fiscal 2025 is prorated for half of the year, based on hiring timeline. The new counsels will advise the Department of Finance and the Sherriff’s Office, as well as defend challenges to the law and provide counsel to City agencies on other cannabis-related legal issues.2025 Charter Revision Commission. The Preliminary Plan includes an additional \$105,000 of City funding in Fiscal 2025 and \$1.6 million in Fiscal 2026 for the 2025 Charter Revision Commission. This funding will support advertising and public event costs in calendar year 2025, relating to the work of the Commission and ballot measures it drafts.2024 Charter Revision Commission. The Preliminary Plan includes an additional \$362,000 of City funding in Fiscal 2025 for the 2024 Charter Revision Commission. Funding supports expenditures on advertisements for ballot measures on the November 2024 ballot.				

Other Adjustments

- **External Legal Counsel Contract.** The Preliminary Plan includes \$1.0 million in intra-City funding in Fiscal 2025 only from the Department of Education (DOE) for external legal counsel contracts held by the Law Department. The Law Department holds the contract with Orrick, Herrington & Sutcliffe LLP, which DOE utilizes for assistance on special education legal matters
- **Wolff-Alport Chemical Company Cleanup.** The Preliminary Plan includes \$339,136 in Intra-City funding in Fiscal 2025 only from the Departments of Transportation and Environmental Protection. The Law Department holds a contract with an external consultant specializing in radiation issues. This funding supports contracted clean-up and sewer replacement services at the superfund site on the border of Queens and Brooklyn.

Preliminary Mayor's Management Report

The Preliminary Mayor's Management Report (PMMR) for Fiscal 2025 reports on three service areas and five goals for the Law Department. Noteworthy metrics that were reported are detailed below.

- **Payout for Judgements and Claims.** Payouts for judgments and claims against the City in State and federal courts increased by a modest 4.1 percent during the first four months of Fiscal 2025 when compared to the same period last year. In Fiscal 2024, payments for judgments and claims hit a recent high of \$1.52 billion, up from \$1.21 billion in Fiscal 2023, and \$794.7 million in Fiscal 2022. While the goal of the Law Department is to limit the City's liability against claims, the spike in payouts is partly attributed to settlements of various substantial and longstanding legal matters against the City. These include claims related to the Child Victims Act, a 2019 State law that extended eligibility for survivors of childhood sexual assault to file civil lawsuits. The PMMR notes that the amount of payouts since the COVID-19 pandemic are lower than the years before the pandemic.
- **Cases Commenced Against the City.** In the first four months of Fiscal 2025, 3,711 cases were commenced against the City, an increase of 10.7 percent from the same period last year. Cases filed have been steadily increasing over the last few years, growing from 8,284 cases in Fiscal 2022, to 8,812 cases in Fiscal 2023, and then again to 10,359 cases in Fiscal 2024. The majority of cases against the City are commenced in State court which increased from 7,586 cases in Fiscal 2022 to 9,540 cases in Fiscal 2024. In the first four months of Fiscal 2025, 3,388 cases commenced in State court, which is 9.4 percent more than during the same period last year. While the number of cases against the City commenced in federal court is lower, the recent growth is more substantial, hitting 323 cases in the first four months of Fiscal 2025, which is 26.7 percent more cases than during that period in Fiscal 2024. Cases in State court grew from 698 cases in Fiscal 2022 to 819 cases in Fiscal 2024. According to the PPMMR, the increase in State cases is partly due to the commencement of Gender Motivated Violence Act cases prior to the sunset provision of the statute of limitations. The increase in federal cases is due to several reasons, including the increased number of reverse conviction matters recently filed, a rise in civil rights cases related to the more than 1,200 criminal convictions that were vacated over the past two years, and

	<p>increased claims brought by pre-trial detainees in the custody of the Department of Correction.</p> <ul style="list-style-type: none"> • Cases Pending in State and Federal Court. In the first four months of Fiscal 2025, there were 33,713 cases pending in State court, an increase of 10.5 percent since the same period last year, continuing an upward trend since Fiscal 2022. The Law Department’s win rate on affirmative motions increased to 75 percent during the first four months of Fiscal 2025, which while an increase from the 70 percent win rate from the same period in the prior year is still below the 78 percent target. In the first four months of Fiscal 2025 the City had 647 pending cases in federal court, a modest 2.3 percent increase over the same period in the prior year. In contrast to the trend in State cases, federal cases have been declining in recent years from 770 cases in Fiscal 2022 to 624 cases in Fiscal 2024.
Budget Issues and Concerns	<p>The Law Department is responsible for all the legal affairs of the City. The Department represents the Mayor, other elected officials, as well as each of the City’s agencies in all affirmative and defensive civil litigation, as well as juvenile delinquency prosecutions brought in Family Court and Administrative Code enforcement proceedings brought in Criminal Court. Law Department attorneys draft and review local and State legislation, real estate leases, procurement contracts, and financial instruments for the sale of municipal bonds. The Department’s actual headcount has significantly decreased since the onset of the COVID-19 pandemic, as show in the headcount chart. Staffing decline is due to the citywide hiring freeze, the subsequent hiring restrictions still in place (the two-for-one hiring policy), and significant attrition of staff to positions in the private sector. The Law Department's ability to hire and retain sufficient staff, particularly lawyers, is a budget concern as it could directly affect its ability to manage cases efficiently and cost-effectively.</p>

**Budget
Actions in
the
November
and
Preliminary
Plans**

<i>Dollars in Thousands</i>	FY25			FY26		
	City	Non-City	Total	City	Non-City	Total
Law Department Budget as of the Adopted FY25 Plan	\$245,185	\$9,421	\$254,606	\$240,452	\$9,647	\$250,099
Changes Introduced in the November 2024 Plan						
New Needs						
Court-Appointed Monitors and Special Masters	\$10,000	\$0	\$10,000	\$0	\$0	\$0
Subtotal, New Needs	\$10,000	\$0	\$10,000	\$0	\$0	\$0
Other Adjustments						
Asylum Seeker Help Center Legal Services	\$0	\$35,000	\$35,000	\$0	\$0	\$0
Asylum Seeker Response Funding Realignment	3	0	3	0	0	0
Couch White LLP, Intra-City from DCAS	0	390	390	0	0	0
Couch White LLP, Intra-City from DEP	0	1,700	1,700	0	0	0
Mobile Food Vending Permit Enforcement, Intra-City from DOHMH	0	145	145	0	0	0
NYC Tourism + Conventions, Legal Services	0	200	200	0	0	0
Other Intra-City Adjustments for Legal Service Contracts	0	(111)	(111)	0	0	0
Subtotal, Other Adjustments	\$3	\$37,325	\$37,327	\$0	\$0	\$0
TOTAL, All Changes in November 2024 Plan	\$10,003	\$37,325	\$47,327	\$0	\$0	\$0
Law Department Budget as of the November 2024 Plan	\$255,188	\$46,746	\$301,933	\$240,452	\$9,647	\$250,099
Changes Introduced in the FY26 Preliminary Plan						
New Needs						
2024 Charter Revision Commission	\$362	\$0	\$362	\$0	\$0	\$0
2025 Charter Revision Commission	105	0	105	1,595	0	1,595
Cannabis Enforcement	1,400	0	1,400	2,800	0	2,800
Personal Services Funding Realignment	5,492	0	5,492	4,475	0	4,475
Subtotal, New Needs	\$7,359	\$0	\$7,359	\$8,870	\$0	\$8,870
Other Adjustments						
Asylum Seeker Response Funding Adjustment	\$2	\$0	\$2	\$0	\$0	\$0
Orrick, Herrington & Sutcliffe LLP, Intra-City from DOE	0	1,000	1,000	0	0	0
Technical Adjustments	0	43	43	0	15	15
Wolff-Alport Chemical Company, Intra-City from DEP and DOT	0	339	339	0	0	0
Subtotal, Other Adjustments	\$2	\$1,382	\$1,384	\$0	\$15	\$15
TOTAL, All Changes in the FY26 Preliminary Plan	\$7,362	\$1,382	\$8,744	\$8,870	\$15	\$8,885
Law Department Budget as of the FY26 Preliminary Plan	\$262,549	\$48,128	\$310,677	\$249,322	\$9,662	\$258,984

Source: New York City Office of Management and Budget

**Budget by
Units of
Appropriation**

Units of Appropriation (U/A): 001 - Personal Services and 002 - Other Than Personal Services						
<i>Dollars in Thousands</i>						
	FY23 Actual	FY24 Actual	FY25 Adopted	Preliminary Plan		*Difference
				FY25	FY26	FY26-FY25
Spending						
U/A 001 - Personal Services						
Full-Time Salaried - Civilian	\$131,939	\$152,301	\$150,009	\$160,352	\$169,829	\$19,820
Other Salaried and Unsalaries	4,637	4,699	6,446	3,046	6,569	123
Additional Gross Pay	4,552	5,374	2,272	2,278	2,272	0
Overtime - Civilian	2,632	2,296	2,131	2,131	2,131	0
P.S. Other	(25)	(50)	0	0	0	0
Subtotal	\$143,735	\$164,619	\$160,859	\$167,807	\$180,802	\$19,943
U/A 002 - Other Than Personal Services						
Contractual Services	\$76,671	\$115,784	\$49,594	\$97,642	\$32,320	(\$17,275)
Supplies and Materials	721	610	1,070	823	1,070	0
Fixed and Misc. Charges	71	37	18	24	18	0
Property and Equipment	3,438	2,194	984	1,343	984	0
Other Services and Charges	46,639	42,013	42,081	43,039	43,790	1,709
Subtotal	\$127,541	\$160,638	\$93,747	\$142,871	\$78,182	(\$15,566)
TOTAL	\$271,276	\$325,258	\$254,606	\$310,678	\$258,984	\$4,377
Funding						
City			\$245,185	\$262,550	\$249,322	\$4,136
Other Categorical			417	617	417	0
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Budgeted Headcount						
Full-Time Positions - Civilian	1,378	1,396	1,429	1,454	1,510	81
TOTAL	1,378	1,396	1,429	1,454	1,510	81

**The difference of Fiscal 2026 Preliminary Budget compared to Fiscal 2025 Adopted Budget.*

Source: New York City Office of Management and Budget

**Miscellaneous
Revenue**

- The Preliminary Plan includes approximately \$18.0 million of Law Department miscellaneous revenue in Fiscal 2026, which is the same as the adopted budget for Fiscal 2025.

<i>Dollars in Thousands</i>						
Revenue Sources	FY23	FY24	FY25	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY25	FY26	FY26-FY25
Administrative Code Violations	\$579	\$2,619	\$650	\$650	\$650	\$0
Affirmative R/E Litigation	1,471	5,324	250	250	250	0
Affirmative Litigation	6,137	33,012	6,759	6,759	6,759	0
Environmental Law Litigation	0	13,270	0	0	0	0
Vending, Xerox, Subpoena Fees	69	92	75	75	75	0
Collection Agency Claims	2,681	3,553	3,300	3,300	3,300	0
Worker Compensation	7,459	7,565	7,000	7,000	7,000	0
TOTAL	\$18,396	\$65,435	\$18,034	\$18,034	\$18,034	\$0

**The difference of Fiscal 2026 Preliminary Budget compared to Fiscal 2025 Adopted Budget.*

Source: New York City Office of Management and Budget