



**THE COUNCIL
THE CITY OF NEW YORK
FINANCE DIVISION
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TO: Honorable Adrienne E. Adams
Speaker

Honorable Justin Brannan
Chair, Finance Committee

FROM: Tanisha S. Edwards, Esq.,
Chief Financial Officer and Deputy Chief of Staff to the Speaker
Eisha Wright, Deputy Director, Finance Division
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DATE: April 14, 2022

SUBJECT: Expense Budget Modification for Fiscal 2022 (MN-3)

INITIATION: By letter dated March 15, 2022, the Director of the Office of Management and Budget submitted to the Council, pursuant to section 107(b) of the New York City Charter, a request for approval to modify units of appropriation and transfer funds from various agencies in the amount of \$1,853,596,876 to implement changes in the City's expense budget.

BACKGROUND: MN-3 reallocates appropriations that were reflected in the Fiscal 2022 Adopted Budget to implement expense budget changes which were reflected in the City's February Financial Plan.

FISCAL IMPACT: MN-3 represents the reallocation of appropriations. The net effect of this modification is zero.

Expense Budget Modification (MN-3)

MN-3 modifies the current Fiscal 2022 budget. The changes presented in the Preliminary Financial Plan, as well as changed reflected in City Council transparency resolutions are included.

MN-3 moves \$1.85 billion in City tax-levy funds (CTL) within and among City agencies but leaves the overall level of City funds unchanged.

The Program to Eliminate the Gap (PEG) target of three percent across most agencies allowed for City funds to be redistributed to fund new needs. Significant PEGs include:

- \$108.6 million in savings from vacancy reductions across several City agencies, with an associated headcount reduction of 3,080 positions.
- \$113 million savings from accruals of projected salary expenses at the New York Police Department (NYPD).
- \$110 million in savings related to central staff vacancies, per session reduction, and a reduction in the central OTPS budget at the Department of Education (DOE). Of the \$110 million, \$100 million of the savings are achieved through personal services (PS) accruals acquired through a hiring freeze
- \$39.2 million in savings from School Safety Agent vacancies at the DOE.
- \$36.8 million in savings by eliminating a school allocation that is duplicative of Academic Recovery that is funded by federal stimulus funding.
- \$33 million in the Department of Homeless (DHS) services related to closing of all hotels housing families with children.
- \$31.2 million savings in the Department of Housing Preservation and Development from costs associated with NYCHA vacant unit readiness.

Notable New Needs funded with the reduction in CTL from the PEG program include:

- \$132 million for the adult shelter re-estimate at DHS.
- \$76 million uniformed overtime at NYPD.
- \$55 million uniformed overtime at the Fire Department.
- \$52 million for current year uniform overtime budget at the Department of Corrections (DOC).
- \$50 million for a uniform overtime adjustment at the Department of Sanitation.
- \$42 million for Early Voting expenses incurred in the November Citywide Election, and takes into account the Special Elections that have occurred so far in the current fiscal year at the Board of Elections.

MN-3 also reflects \$1.1 billion in new federal funding, with significant federal grants funding the following:

- \$500 million in American Rescue Plan (ARP) funds to NYPD.
- \$200 million in ARP funding at DOC to support 2,571 positions.
- \$179 million in Federal Emergency Management Agency (FEMA) grants for Vaccine Command Center at the Department of Health and Mental Hygiene.

- \$160 million to support COVID-19 testing for Department of Education Students and New York City employees through funded through the Department of Emergency Management (OEM).
- \$56 million will support funding for vaccine sites at the Vaccine Command Center at OEM.
- \$28.1 million in ARP and Coronavirus Response and Relief Supplemental Appropriations Act (CRSSA) in the Department of Transportation's budget for the Staten Island ferry.