



MARK LEVINE
NEW YORK CITY COMPTROLLER

NEW YORK BY THE NUMBERS

Monthly Economic and Fiscal Outlook

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Contents

- A Message from the Comptroller 4**
- The U.S. Economy 7**
- New York City Economy 8**
 - Payroll Employment Trends 8
 - Labor Market Indicators 8
 - Inflation..... 9
 - Consumer & Business Surveys..... 10
 - Office & Industrial Markets 10
 - Residential Real Estate 12
 - Tourism 13
 - Homelessness & Asylum Seekers 14
- City Finances 15**
 - New York City’s Preliminary Budget 15
 - NYC’s Property Tax Delinquencies..... 17
 - Wall Street Bonuses..... 18
 - State Budget Update 19
 - Federal Funding Update 21
 - New York City’s Cash Balances 23

A Message from the Comptroller

Dear New Yorkers,

New York City must pass a balanced budget by June 30 and as you've probably heard, this year's negotiations are especially complex.

Despite a stronger-than-expected economy — with real wages rising nearly 3%, Wall Street bonuses at record highs, and most major City tax revenues growing — the City is facing a fiscal shortfall on a scale we haven't seen since the Great Recession. In other words, we're spending more than we're bringing in.



I spoke about this challenge in [testimony before the City Council](#) last week, where I outlined the structural issues driving the gap and the work ahead to put the budget on a sustainable path.

This month's snapshot of key indicators reflects the growing complexity of the economic picture; both here in New York City and across the nation.

The most immediate risks to the economy right now are geopolitical. The recent strikes on Iran and the expanding conflict have already rattled financial markets and driven up oil prices.

New York City remains a bit insulated from the national landscape. After an increase in January, initial jobless claims in the city have retreated in recent weeks and are at a fairly low level. The city is also much less vulnerable to fluctuating gas prices because fewer residents are car dependent, and New York City's office market and tourism industry continue to see strong numbers.

But New Yorkers aren't feeling great about where things are headed. The total number of people on unemployment has leveled off, but is still 13% higher than this time last year; and inflation has been running almost a point above the nationwide average over the past year, largely due to electricity, housing, and childcare costs.

Read more at:

comptroller.nyc.gov/spotlight-nyc-jobs

With costs surging, consumer confidence in the state recently fell below the national average, which itself is near a decade low. Consumer confidence is heavily influenced by perceptions of the job market, and this disconnect between record tax revenue and the weak job market is one we will continue to monitor.

As always, we will continue to track all of these trends closely and share clear, data-driven insights to help New Yorkers understand what's happening in our economy, and what it means for the City's future.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark D. Levine". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark D. Levine
New York City Comptroller

Highlights

- The U.S. unemployment rate edged up 0.1 point to 4.4%, which is just shy of its 4-year high set this past November, and the employment-population ratio fell to a more than 4-year low. Private-sector employment (both including and excluding healthcare) fell in February, and there were downward revisions to earlier months.
- In NYC, initial weekly jobless claims, which had been driven up by the nurses' strike and harsh weather, have come back down since mid-February.
- Inflation remained subdued in February, with local 12-month inflation (3.2%) still running ahead of the U.S. rate (2.4%). But this preceded the recent surge in energy prices.
- Consumer confidence across NY State fell in February, while it edged up nationwide. Statewide, confidence is no longer above the U.S. average.
- Regional business sentiment was little changed based on the New York Fed's early-March surveys of manufacturers and service firms.
- While the nationwide office market has struggled to recover, New York City's market has continued its steady and fairly robust rebound in early 2026.
- Tourism in New York City remained fairly robust in February, despite two major snowstorms. Both hotel occupancy and Broadway attendance were up noticeably from a year earlier.
- On March 11th, the Comptroller [testified](#) before the City Council on the Mayor's Fy 2027 Preliminary Budget, which was released on February 17th.
- The Governor released her 30-day amendments to the Executive Budget and the Senate and Assembly released their respective one-house resolutions.
- As of March 3rd, the cash balance stood at \$4.5 billion, down from \$8.4 billion at the same time last year.

The U.S. Economy

- The U.S. unemployment rate edged up 0.1 point to 4.4% in February but is still slightly below its 4-year high of 4.5% set in November. Labor force participation and the employment-population ratio have both been trending down and are at their lowest levels in more than 4 years.
- Private-sector employment fell 86K in February and was up only 0.3% from a year earlier. Moreover, the only sector with any meaningful job creation has been Healthcare & Social Assistance; excluding that sector and Government, employment has been trending down since last April and is down more than 300K over that period.
- Both weekly jobless claims and continuing claims have remained at subdued levels nationwide in recent months.
- Consumers have remained discouraged about the U.S. economy. The Conference Board's index of consumer confidence edged up in February but is still near the low end of its post-pandemic range. Michigan's sentiment index, which is less focused on the job market, was little changed in early March, just a few points above its record low set in mid-2022.
- Business surveys were mixed in February. The NFIB's (National Federation of Independent Businesses) survey of small businesses showed sentiment to be little changed at a decent level, and the ISM's (Institute for Supply Management) surveys of manufacturing and service firms showed sentiment steady to improving, respectively.
- Inflation remained fairly subdued in February, but a surge in the price of crude oil, gasoline, and other energy commodities in early March portend a near-term acceleration in inflation. Business surveys conducted in early March—after the start of the war but mostly before the surge in oil prices—show little change in inflation expectations. However, Michigan's consumer survey shows a modest rise in both short-term and long-term expectations.

New York City Economy

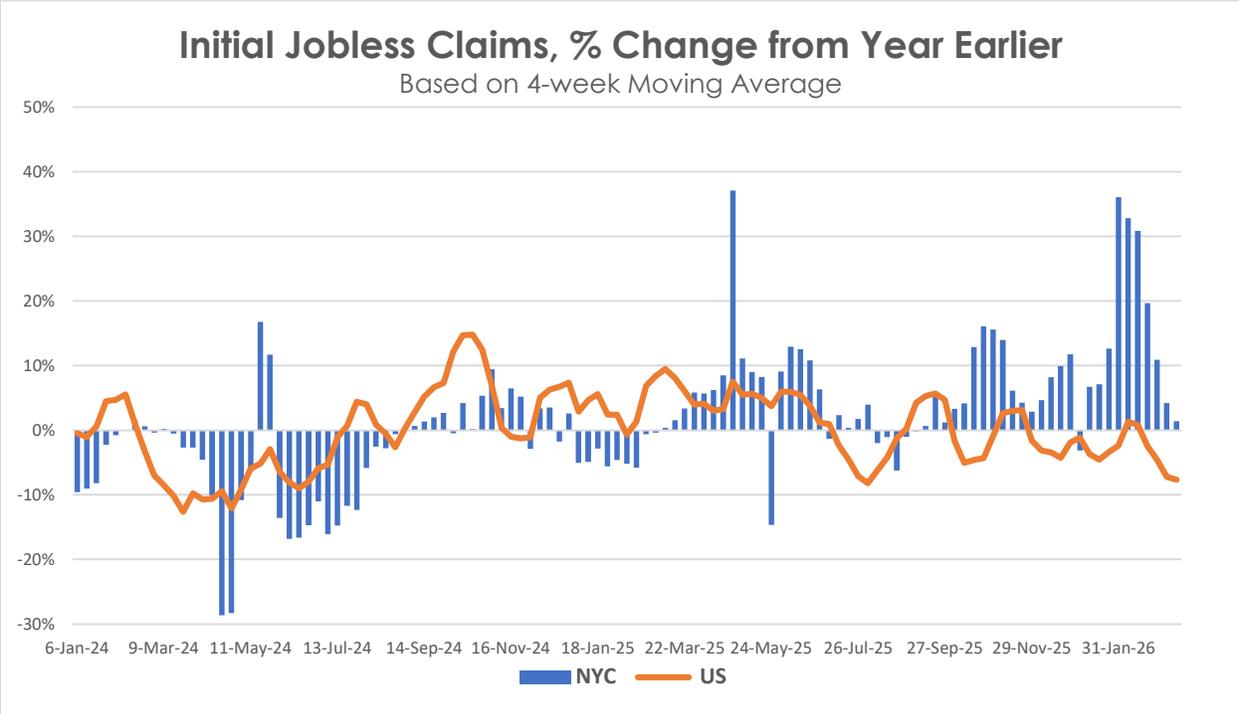
Payroll Employment Trends

- NYC employment data have not yet been released for the first two months of 2026. January jobs data, along with annual benchmark revisions, are due to be released on April 2nd and will be reported in our April Newsletter.

Labor Market Indicators

- Weekly initial jobless claims in New York City, which had spiked higher in February due to the nurses' strike, have since retreated to more benign levels, as shown in Chart 1 below.
- After trending up earlier this year, the level of continuing claims has leveled off in recent weeks and is about 13% higher than a year earlier and up more than 25% from early-2020 (i.e. comparable pre-pandemic) levels. Most of the increase—compared with both a year ago and early 2020—has been in Healthcare & Social Assistance.

Chart 1

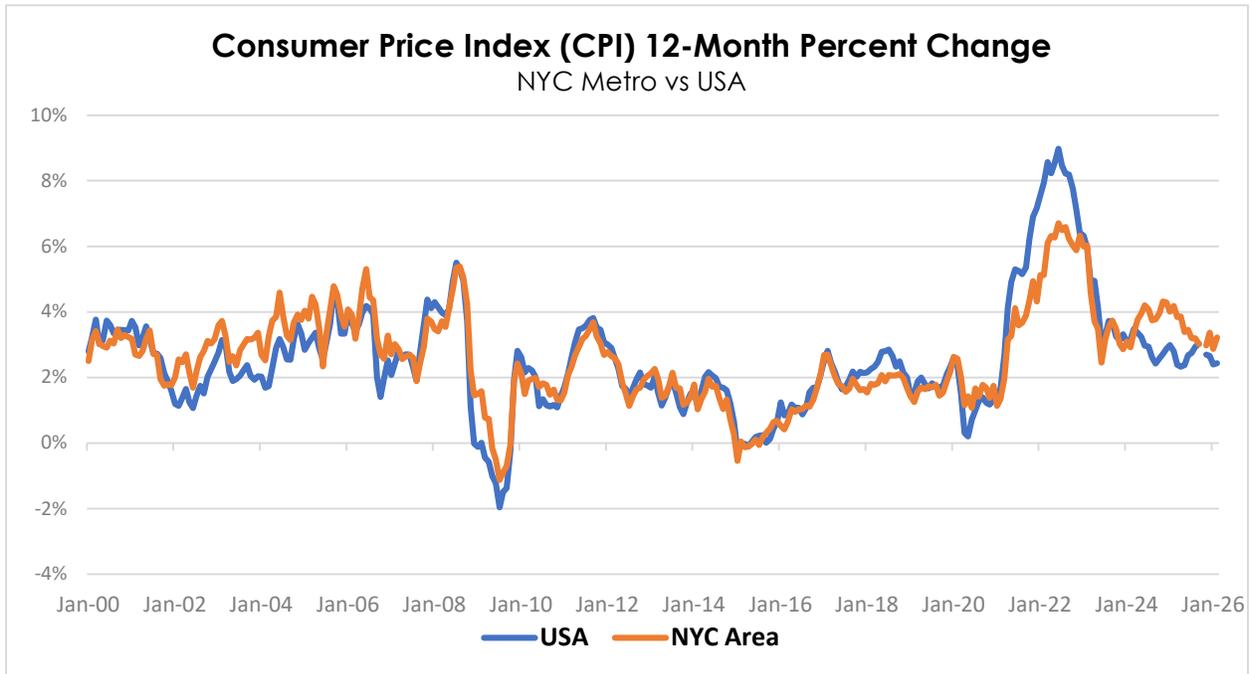


Sources: U.S. Bureau of Labor Statistics; NY Department of Labor

Inflation

- Inflation in the New York metro area picked up last month, averaging 3.2% over the 12 months ending in February, above the U.S. rate of 2.4% as shown in Chart 2 below.

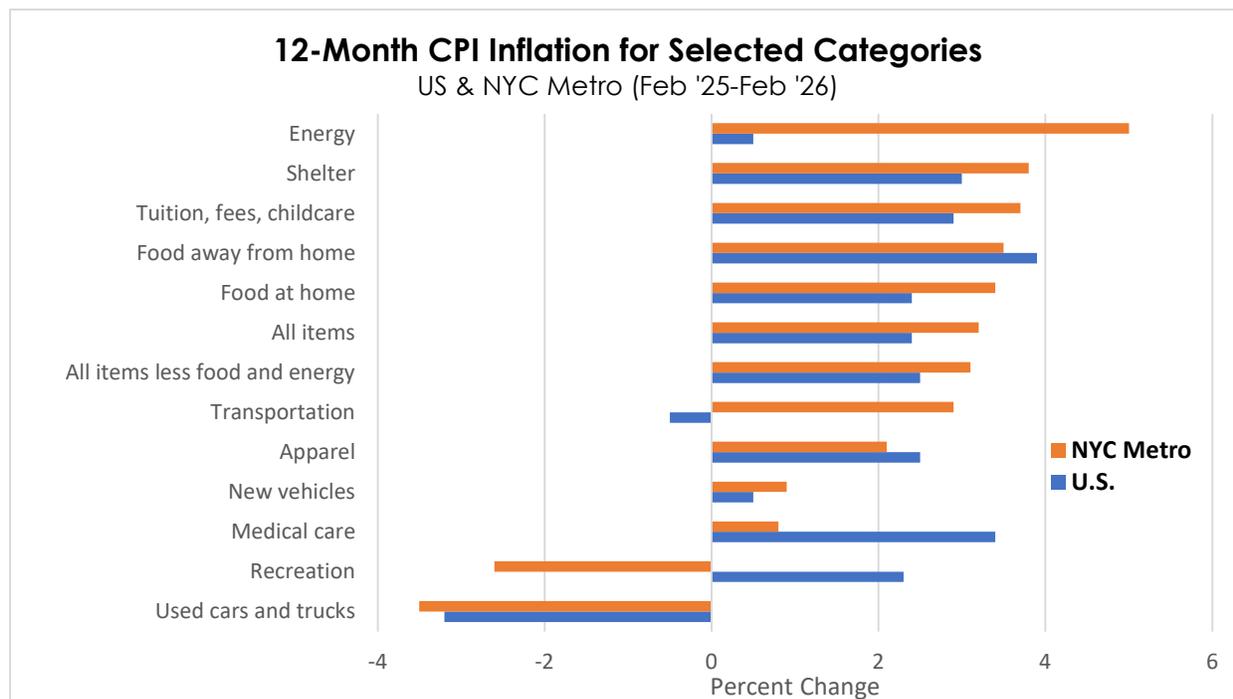
Chart 2



Sources: U.S. Bureau of Labor Statistics; Moody's economy.com

- The recent acceleration in prices was primarily driven by energy prices. Whereas electricity costs had already been rising rapidly, gasoline prices, had been on the decline but turned up modestly in February. Moreover, this preceded the surge in oil and gasoline prices following the onset of the war against Iran—that will show up in the March CPI report released in April.
- In addition to energy, housing and child care costs have also been major contributors to overall inflation, both at the national level and especially at the local level, as shown in Chart 3 below.
- At the other end of the spectrum, prices for used vehicles have declined over the past 12 months, and prices for new vehicles rose only marginally. Prices for recreation goods & services also declined, but it is unclear what has driven this decline, as local-area CPIs are not reported at a more detailed level.

Chart 3



Source: U.S. Bureau of Labor Statistics

Consumer & Business Surveys

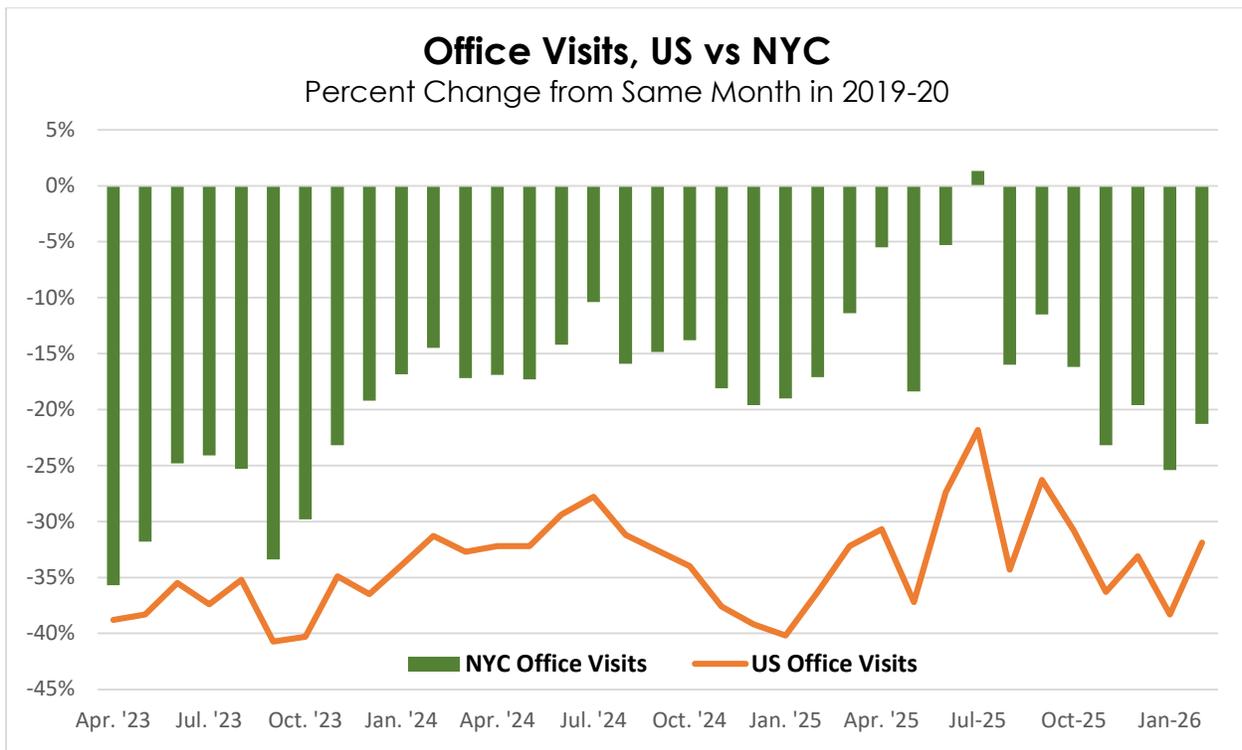
- In the New York Fed's just-released regional [business surveys](#) conducted in early March, both manufacturers and service firms reported sluggish business activity but continued to express cautious optimism about the near-term outlook. Respondents noted little change in inflationary pressures thus far, though a growing proportion of service firms expect higher prices in the months ahead.
- Consumer confidence across New York State, which had been moderately above the nationwide level, fell for the third straight month in February, converging with the U.S. level. While expectations have remained steady, consumers' assessment of current conditions fell to a 5-year low—both across the state and across the nation.

Office & Industrial Markets

- New York City's office market has continued to strengthen in recent weeks, with availability rates trending down across the board—bucking trends across much of the nation, where vacancy and availability rates have remained elevated.

- Market rents in NYC have been trending up, even in lower-tier (Class B & C) office buildings where they still lag pre-Covid levels.
- Office attendance thus far in 2026 has lagged 2025 levels, but this is likely attributable to unseasonably inclement weather. In NYC, attendance was running 21% below comparable pre-pandemic levels in February—versus 17% below last February as shown in Chart 4. Nationally, attendance was down 32%—actually an improvement from February 2025 when it was down 36%.

Chart 4

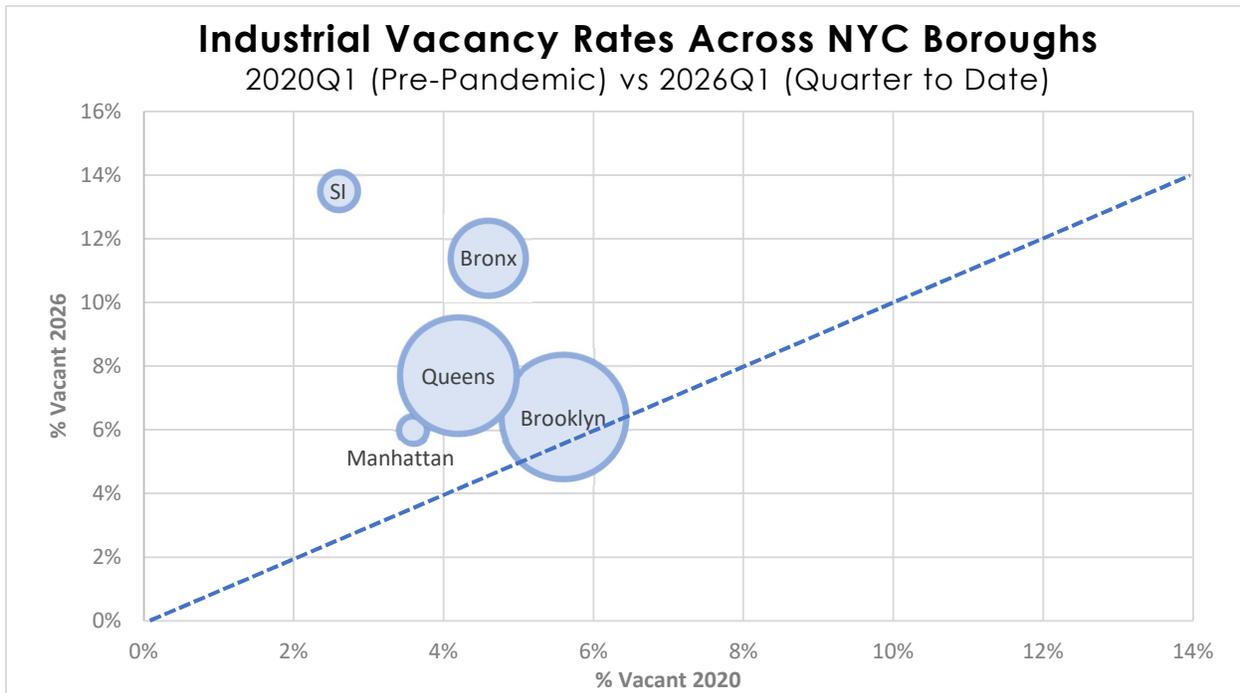


Source: Placer.ai

- While much attention is paid to New York City’s office market—the largest in the nation—the industrial market is also a key element of the local ecosystem, supporting our manufacturing and distribution industries.
- Though NYC’s manufacturing sector has shrunk substantially over the decades, it is still important for high-value and perishable goods and employs over 50,000 workers. The wholesale and warehousing sectors employ another 140,000.
- Unlike the office market, the market for industrial space held up fairly well during the pandemic—as spending on services (travel, dining out, etc.) was curtailed, New Yorkers were spending more on manufactured goods.

- Recently, while market asking rents remain well above pre-pandemic levels, industrial vacancy rates have risen. As seen in Chart 5, vacancies are higher than in 2020, especially in Staten Island and the Bronx. However, vacancy rates have remained fairly low in Brooklyn & Queens, which together account for more than 75% of the city's industrial space.

Chart 5



Source: Costar

Note: Size of bubble is proportional to the volume of industrial space in each of the boroughs.

Residential Real Estate

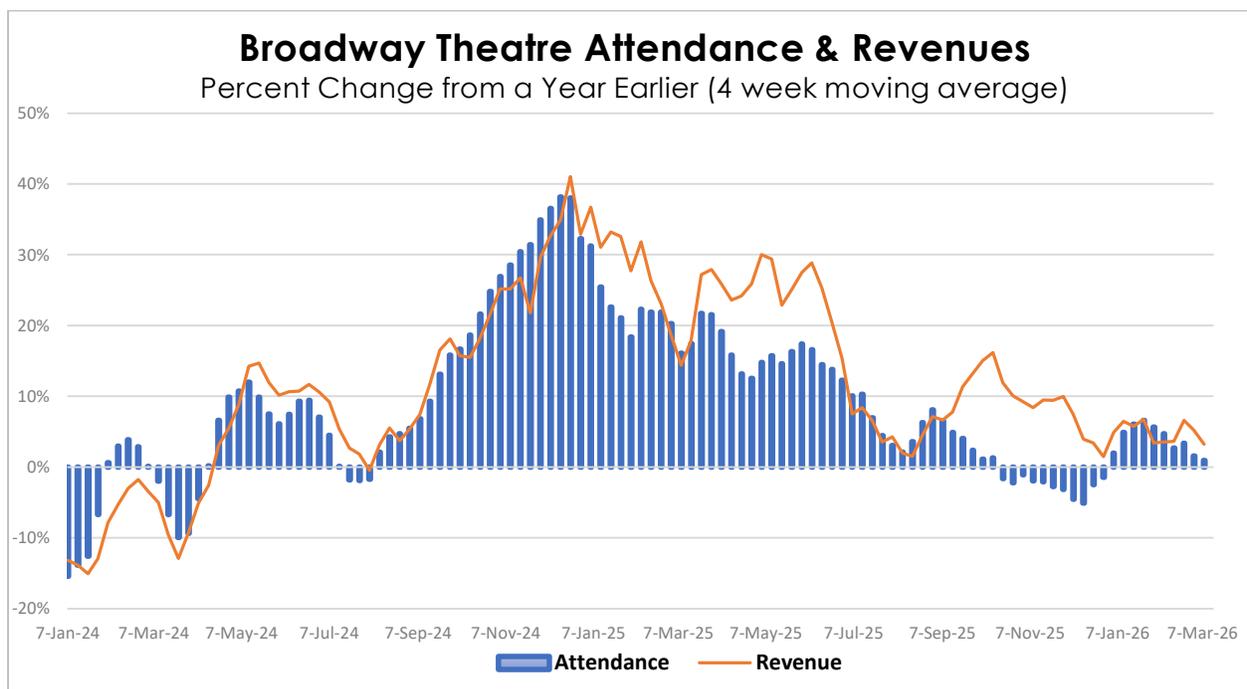
- The residential rental market has remained tight through the first two months of 2026, while the sales market had remained fairly sluggish.
- Citywide rents were up nearly 6% from a year earlier in January and February, with even steeper gains in Manhattan but more modest increases in Queens, based on tabulations from StreetEasy.
- On the supply side, StreetEasy [reports](#) that nearly 19,000 newly-constructed rental units were added to the market in 2025 (up 37% from 2024), mostly in the outer boroughs. Yet supply is still evidently not keeping up with demand, as the citywide inventory of available rental units has been trending down—not surprisingly, most notably in Manhattan.

- In contrast, selling prices of existing homes have been essentially flat over the past 12 months. Prices edged up by just 0.5% citywide, with a 3% gain in Queens but little change in Brooklyn or Manhattan.

Tourism

- Tourism has shown continued resilience thus far in 2026, in contrast with a number of other U.S. tourist destinations. While the February 22nd blizzard curtailed activity in the final week of the month, for February as a whole, tourism appeared to be quite robust.
- The citywide hotel occupancy rate averaged 73% in February, up slightly from a year earlier but a few points below the February 2020 (i.e. pre-pandemic) level. Hotel revenues (per available room) were up 5% from a year earlier, on average. This contrasts with the U.S. as a whole, where both hotel occupancy and revenues were little changed from a year earlier.
- Broadway theatre attendance and revenues continued to run ahead of comparable 2025 levels in February, as shown in Chart 6, despite multiple snowstorms and unseasonably cold weather. Attendance was also up from pre-pandemic (February 2020) levels.

Chart 6

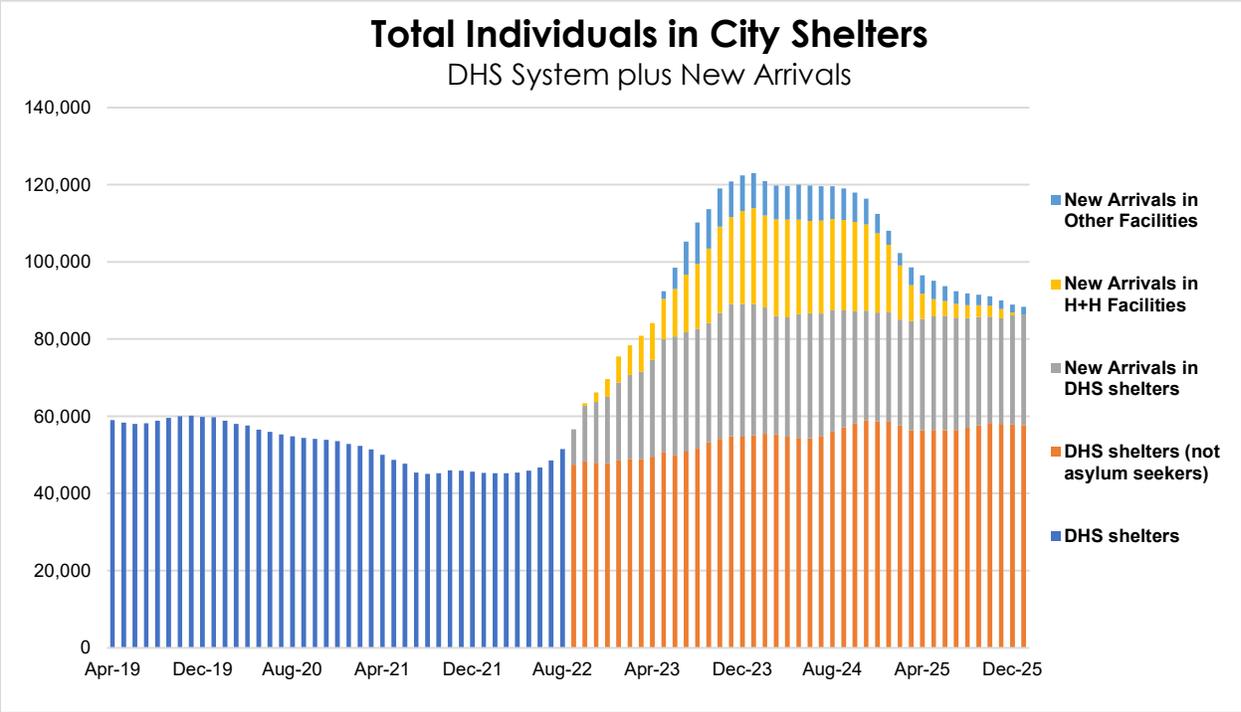


Source: League of Broadway Theatres

Homelessness & Asylum Seekers

- Chart 7 shows the monthly average number of people in City shelters through the end of February 2026. From September 2022 through February 2026 the Citywide census (comprised of asylum seekers and DHS shelters) increased by 55%, rising from roughly 56,600 to 87,961 individuals. Much of this growth is attributable to asylum seekers, who represent roughly 34% of the total individuals in shelter citywide, down from the 55% peak in January 2024.
- In February, the average number of asylum seekers in City shelters was approximately 30,123, marking a decrease of nearly 540 individuals from January 2026.
- Over the past 12 months, from February 2025 through February 2026, the average asylum seeker shelter census decreased by 14,570 individuals, or 33 percent. The non-asylum-seeking population has increased by 260 individuals or less than one percent over the same period.

Chart 7



Sources: NYC DHS; NYC Mayor's Office; Office of the NYC Comptroller

Note: Figures shown are monthly averages. Data on the asylum seeker population within DHS shelters are not available prior to August 31, 2022. Other Facilities include spaces operated by NYCEM, HPD, and DYCD, and those outside of NYC.

- On February 19, the Department of Social Services released an Action Plan to phase out facilities operating under emergency regulatory suspensions and restore compliance with local shelter standards, such as capacity limits and the provision of kitchens for families with children. The Action Plan outlines three main goals: (1) close the final remaining non-DHS site, the Bruckner, by the end of calendar year 2026, which currently shelters more than 1,600 single adults; (2) bring all single adult shelters into compliance with the standard 200-bed capacity limit by the end of calendar year 2027; and (3) transition families with children from hotels into compliant facilities through the early opening of new shelters and the selective conversion of hotels into permanent facilities. The Plan also relies on accelerated subsidized exits to permanent housing and strengthened prevention and diversion programs to reduce overall shelter demand.

City Finances

New York City's Preliminary Budget

- On February 17th the Mayor released the [Preliminary Budget for FY 2026-FY 2030](#). The FY 2026 budget totals \$122.4 billion, growing to \$127.0 billion in FY 2027. In the outyears, expenditures are budgeted to grow to \$135.6 billion in FY 2028, \$137.0 billion in FY 2029, and \$140.1 billion in FY 2030. Budget gaps, as presented by the Mayor's Office of Management and Budget (OMB), total \$6.7 billion in FY 2028, \$6.8 billion in FY 2029, and \$7.1 billion in FY 2030.
- On March 11, the Comptroller [testified](#) before the City Council Finance Committee and released our Office's [Comments on the Preliminary Budget](#), which provides an in-depth analysis of the budget.
- As detailed in the report, our Office finds that the budget provides a significantly more realistic accounting of City expenditures than recent financial plans. It recognizes billions in chronically underbudgeted costs, funds fiscal cliffs for recurring programs, and reflects other known yet previously unaccounted for obligations that have been long identified by this Office. This includes funding rental assistance, shelter costs, overtime, cash assistance, special education Due Process cases, among other costs.

- The budget also makes clear that the City is operating at a structural deficit—spending far more than it takes in.
- To close budget gaps in FY 2026 and FY 2027, the Mayor relies on optimistic revenue projections, reserve drawdowns, unspecified savings, and the substantial erosion of the City’s fiscal flexibility. Specifically, these actions include:
 - \$6.6 billion over the two years in higher City tax revenues, which may prove to be a reversal of OMB’s well-established cautious approach to forecasting.
 - \$3.7 billion from a proposed increase in the property tax in FY 2027.
 - \$3.0 billion over the two years in commitments and favorable tax legislation proposed in the State budget, but not yet enacted, which are only partially recurring.
 - \$2.6 billion in reserve drawdowns over the two years beyond the typical current year reduction, including from the Revenue Stabilization Fund (the City’s rainy-day fund) and the Retiree Health Benefits Trust.
 - \$1.8 billion over the two years from recently announced but unspecified savings targets.
- The operating surplus, which is used to prepay next year’s expenses, drops from \$3.8 billion in FY 2025 to \$238 million in FY 2026, as currently budgeted, a 94 percent decline. On its face, this means that in FY 2026 expenses are \$3.6 billion higher than revenues.
- In addition, the property tax increase pushes the tax levy for operating purposes close to the City’s tax limit, effectively eliminating the City’s revenue-raising capacity.
- As detailed in our report, our baseline tax revenue forecast is lower than the administration’s in FY 2026 through FY 2028, although higher in FY 2029 and FY 2030. Our expenditure estimates are higher than those included in the financial plan in all years, but the difference is much smaller when compared to prior plans.
- Assuming that the property tax is passed, budgeted savings are achieved, State aid and favorable tax legislation is enacted as proposed, and reserves are drawn down, we project gaps of \$797 million in FY 2026, \$2.9

billion in FY 2027, \$10.1 billion in FY 2028, \$8.6 billion in FY 2029, and \$7.0 billion in FY 2030. Without the proposed property tax increase in FY 2027, we estimate gaps would increase to \$6.5 billion that year, bringing the two-year total to \$7.3 billion in FYs 2026 and 2027.

- For more details on these estimates, see our [report](#).

NYC's Property Tax Delinquencies

- Table 1 shows the real property tax delinquency rate as of February of each fiscal year. Overall delinquency increased between FY 2022 and FY 2024 and has since stabilized. The all-property rate rose from 2.6% in FY 2022 to 3.2% in FY 2024 and remained unchanged at 3.2% through FY 2026.
- Class 1 delinquency peaked in FY 2024 and has since improved. The rate increased from 3.8% in FY 2022 to 4.3% in FY 2024, before declining to 3.7% in FY 2026, indicating improving payment performance in this class.
- Class 2 properties show the most consistent increase in delinquency. The rate rose steadily from 2.8% in FY 2022 to 4.0% in FY 2026. Growth was driven primarily by elevator apartment buildings (1.7% to 3.9%) and walk-up apartment buildings (4.0% to 5.3%), while cooperatives remained low and stable at about 1%.
- Class 4 delinquency increased modestly but trends vary by property type. The overall rate rose from 2.6% in FY 2022 to 3.1% in FY 2026. Within the class, office properties increased (0.8% to 1.5%), and store buildings rose slightly, while hotel delinquency declined sharply (7.2% to 3.2%).
- Delinquency remains concentrated in a small number of property types. In FY26, walk-up apartment buildings (5.3%) and Class 2 condominiums (5.1%) recorded the highest rates among major residential categories, while cooperatives (1.1%) and offices (1.5%) remained among the lowest.
- The City has the authority to conduct lien sales until the end of 2028, after which liens would be purchased by a new entity (a "land bank") that has yet to be created or authorized by the NY State Urban Development Corporation.
- The Mayor announced recently that the lien sale program is paused pending a 6-month review period. He has previously pledged to end the tax lien sale program. The continued suspension of the program would

open a gap of at least \$80 million in the Financial Plan, which currently assumes lien sales will resume in FY 2027, and higher delinquency rates.

Table 1. Delinquency Rates as of March of Each FY

	FY22	FY23	FY24	FY25	FY26
Class 1	3.8%	4.2%	4.3%	3.9%	3.7%
Class 2	2.8%	3.4%	3.7%	3.8%	4.0%
<i>Condominiums</i>	4.9%	5.0%	5.7%	4.8%	5.1%
<i>Cooperatives</i>	0.9%	0.9%	1.1%	1.0%	1.1%
<i>Elevator apartments</i>	1.7%	3.0%	3.1%	3.6%	3.9%
<i>Walk-up apartments</i>	4.0%	4.8%	5.1%	5.3%	5.3%
Class 4	2.6%	2.5%	3.0%	3.2%	3.1%
<i>Condominiums</i>	2.6%	2.4%	3.2%	3.0%	3.0%
<i>Hotels</i>	7.2%	5.1%	5.4%	3.7%	3.2%
<i>Office</i>	0.8%	0.7%	0.9%	1.5%	1.5%
<i>Store buildings</i>	3.9%	3.7%	4.1%	4.3%	4.0%
All classes	2.6%	2.9%	3.2%	3.2%	3.2%

Wall Street Bonuses

- New York City's winter bonus season, lasting from December through March, is an important and highly variable part of local annual wage and salary earnings. Among the industries paying bonuses in this period is the city's securities sector, whose overall bonus pool is usually related to the prior calendar year's industry profitability. One year ago, approximately 200,000 industry employees shared a record-high bonus pool of about \$45 billion, an average of about \$225,000 per worker.
- As explained in a prior [newsletter](#), NYC tax withholding collections provide an early gauge of winter season bonuses. In past years, the growth rate of winter bonuses measured by tax withholding has tracked quite closely to the growth rate of the Wall Street bonus pool, as later determined by detailed wage data. Table 2 shows the latest withholding data and an estimate of the growth in bonus incentive pay. This year's bonuses appear to be exceeding the strong prior year by more than 7%.

Table 2. NYC Winter Bonuses Through the Second Full Week in March

	Amount in \$ Millions	Growth from prior year
NYC winter withholding tax collections (14 consecutive full weeks ending March 6)	\$5,270	7.0%
Estimated NYC residents winter base pay withholding tax collections (using withholding growth rates in April through November 2025)	\$3,476	6.8%
Estimated NYC residents YTD winter bonus-related tax withholding	\$1,794	7.4%
Estimated NYC residents YTD winter bonus income	\$46,275	7.4%

Source: New York State Department of Taxation and Finance; Office of the NYC Comptroller calculations

State Budget Update

- The State Budget process has advanced since last month's newsletter with two key developments:
 1. The Governor released her 30-day budget amendments in late February, increasing the proposed budget from \$260.0 billion to \$262.7 billion, including \$1.5 billion in additional resources for New York City; and
 2. The chambers of the State Legislature released their respective one-house budget proposals, with the Assembly proposing a \$266.0 billion budget and the Senate proposing a \$269.8 billion budget.
- These three proposals form the basis for negotiations among the Governor, the Assembly Speaker, and the Senate Majority Leader as they work to finalize the budget before the start of the new fiscal year on April 1, the (often missed) statutory deadline for budget adoption.
- The Governor's 30-day amendments included \$1.5 billion in proposals benefitting New York City over City fiscal years 2026 and 2027:
 - Restoring New York City's Article 6 public health reimbursement rate to 36%, aligning it with other localities and allowing the City to access approximately \$60 million in additional funding each fiscal year.
 - Eliminating the annual interception of \$150 million in City sales tax revenue diverted to fund distressed hospitals (valued at \$37.5 million in City Fiscal Year 2026, as the first three quarters have already been intercepted).

- Providing \$300 million per year for youth diversion programs.
 - Allocating \$500 million in one-time general municipal aid to the City.
- Both houses included the above proposals and added additional revenue proposals that affect NYC:
 - Authorizing NYC to increase the unincorporated business tax (UBT) rate for businesses with incomes above \$5 million from 4% to 4.4%. The Senate estimates this will result in \$250 million in revenue for the City.
 - Authorizing New York City to increase corporate tax rates for financial sector firms from 9% to 10.8% and for other firms from 8.85% to 10.62%. The Senate estimates this will raise \$1.5 billion for the City.
 - Lowering New York City's pass-through entity tax credit from a 100% rebate to 75%. The Senate estimates this would increase tax revenues by \$700 million.
 - Imposing a 1.425% additional transaction tax on residential properties with sale prices over \$5 million. The Senate estimates this will raise \$321 million in revenue for NYC.
 - The State Senate is also proposing to end a sales tax exemption on gold bullion over \$1,000 and expects this would yield \$300 million in additional revenue for the City.
- NYC-specific highlights of the *Assembly's* Budget proposal include:
 - \$1 billion in temporary municipal assistance for New York City, to be provided over three years.
 - Currently, NYC receives no Aid and Incentives for Municipalities (AIM) funding. This proposed amount is in line with what the City received prior to 2011, when it became permanently ineligible for this funding stream. However, if New York City received the average per-capita amount provided to other municipalities, the City would receive approximately \$2 billion a year.
 - \$600 million in additional aid to support the NYC class size mandate for the 2026-27 school year (equal to the amount estimated by the Chancellor to hire sufficient teachers to meet this year's threshold of 80% compliance).
 - Changes to the Education Foundation Aid formula, including a new weight for homeless students and students in foster care (0.65), and an increased weight for English Language Learners (ELLs) from .53 to

0.6, which would likely add at least \$500 million to NYC's school aid levels.

- \$750 million in additional capital funding for the New York City Housing Authority (NYCHA) and \$100 million for NYCHA and Mitchell-Lama maintenance costs.
- NYC-specific highlights of the *Senate's* Budget proposal include:
 - \$604 million in temporary municipal assistance for New York City, to be provided over two years.
 - \$431 million of additional school aid funding for NYC. Changes include adjustments to the Foundation Aid formula weight for English Language Learners, the addition of a new weight for homeless students and students in foster care (but at a lower rate than the Assembly's proposal), and \$159 million for NYC to receive charter school transition aid for the first time.
 - \$500 million in funding for a statewide Child Care Worker Retention Grant program.
 - Reversing past state actions that limited NYC resources: the adult shelter reimbursement cap, estimated to benefit NYC \$500 million per year (Assembly proposal added \$100 million, Governor had no proposal); the NYC-specific Family Assistance 15% local share, \$193 million per year; and the unfunded mandate for foster care rates, \$263 million per year.
 - \$500 million in funding for capital projects at NYCHA; \$100 million for Mitchell-Lama preservation.
 - Also, additional modifications to the Governor's J-51 enhancement proposal to allow more buildings to qualify and increase assessed value eligibility threshold.

Federal Funding Update

- The Department of Homeland Security (DHS) entered a partial shutdown in mid-February after Congress failed to pass a full-year appropriations bill for this agency. Certain functions such as the Transportation Security Administration (TSA), border security, immigration enforcement, and disaster response, continue to operate, but many employees are working

without pay. Negotiations over immigration enforcement policy remain unresolved.

- Politico [reported](#) last week that New York State has received partial federal approval to reversing a previous expansion of its no-cost Essential Plan health coverage provided as part of the Affordable Care Act (ACA), rolling back eligibility from 250% to 200% of the federal poverty level (FPL).
 - This change would enable the State to access [billions](#) in reserve funds to address funding cuts and eligibility changes stemming from the OBBBA budget reconciliation act, which altered the federal rules supporting coverage for certain lawfully present immigrants.
 - If fully approved, the one-time funding will be used to maintain higher reimbursement rates for providers and cover the \$2.7 billion cost of providing state-funded Medicaid coverage to lawfully residing immigrants under 138% of the federal poverty level (FPL) who are no longer eligible for federal coverage. In addition, it would enable lawfully residing immigrants up to 200 percent of the FPL to remain eligible for the State's Basic Health Plan (currently the Essential Plan).
 - Approximately 450,000 New Yorkers (including 230,000 NYC residents) between 200 and 250% of the FPL will lose their no-cost coverage.
 - This approval would avert the worse-case scenario currently in the Governor's Executive Budget that would terminate the Essential Plan program and result in 1.2 million New Yorkers losing coverage.
- Center for Medicare and Medicaid Services (CMS) recently [requested](#) information from New York State regarding oversight and potential fraud in the State's Medicaid program, specifically citing NY's consumer directed personal care program as well as other categories. CMS has sent similar letters to Maine, California, and Minnesota.
- New work requirements took effect in New York City for recipients of Supplemental Nutrition Assistance Program (SNAP) benefits on March 1. Most of NY State had previously been exempt from SNAP work requirements due to high unemployment rates, but the waiver expired in February after the U. S. Department of Agriculture restricted the criteria for granting such exemptions.

- In addition, expanded work requirements authorized under the OBBBA (whose implementation had been delayed because of the waiver) also went into effect.
 - The rules apply to adults aged 18 to 64 who are able to work and do not live with a child under the age of 14. Homeless people and veterans are also no longer exempt due to the OBBBA changes.
 - Eligible activities include work, education and volunteering, but the requirements pose particular challenges for gig workers and others without regular schedules.
- Work on the Gateway Hudson River rail project resumed after a court order led to the release of previously withheld funds on February 18. Subsequently, in early March, a federal judge partially dismissed a related lawsuit, leaving open the possibility that the federal government could attempt to reclaim previously committed, and paid, funding.
 - As for Phase 2 of the Second Avenue Subway, the Metropolitan Transit Authority (MTA) stated that while construction on tunnel boring will continue, they will be unable to award a contract for station excavation should Federal funding continue to be withheld. The MTA sent a letter to the Federal Department of Transportation on February 25 stating that they will sue if they do not receive funds. On March 17, the MTA sued for breach of contract.
 - The U.S. Senate passed the 21st Century [ROAD to Housing Act](#) on March 12 by an unusual bipartisan 89-10 vote. The legislation includes incentives and reforms to expand housing supply, provisions aimed at limiting large institutional investors' purchases of single-family homes, and grants to support home rehabilitation and development, among other provisions. The bill now moves to the House, where its future is uncertain. If it were to pass, this would be the first major federal housing legislation in roughly 30 years.

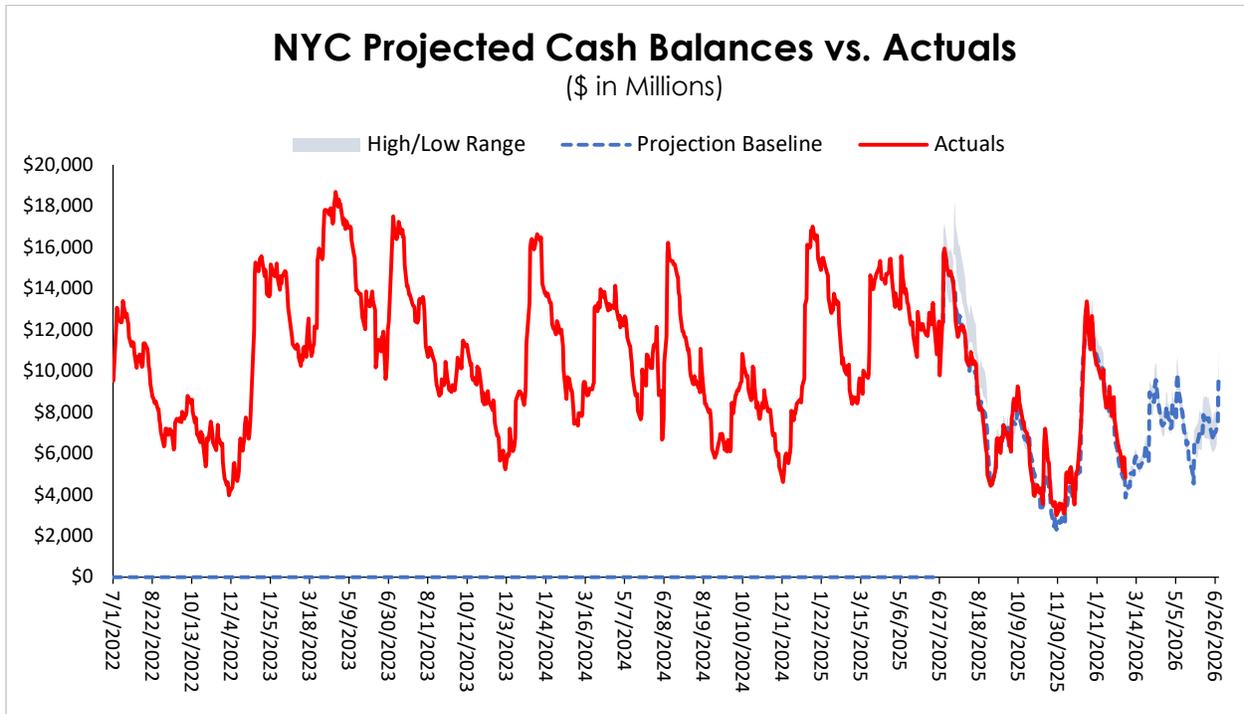
New York City's Cash Balances

- Each quarter, the Comptroller's Office issues projections for the subsequent four months. As shown below, actual cash balances for December through March were generally in line with, or slightly above, forecast, though performance varied by month. December balances were boosted by

\$610.5 million in New York State aid for asylum seekers. In January, however, cash balances fell below forecast as the City spent \$4.1 billion on capital expenditures, significantly more than expected. Capital spending then slowed in February and fell below projections, helping to offset January’s higher-than-expected spending. Over the projection period, the City received \$4.5 billion in capital reimbursements, about \$1 billion above the forecast, but not sufficient to fully cover capital expenditures.

- As of March 3rd, the cash balance stood at \$4.5 billion, compared to \$8.4 billion at the same time last year. Cash balances are now in line with levels recorded in FY 2020 at the onset of the Covid-19 pandemic.
- The Comptroller’s Office’s review of the City’s cash position during the second quarter of FY 2026 and projections through June 30,2026 are available [here](#).

Chart 8



Source: Office of the NYC Comptroller

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