



MARK LEVINE
NEW YORK CITY COMPTROLLER

NEW YORK BY THE NUMBERS

Monthly Economic and Fiscal Outlook

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A Message from the Comptroller

Dear New Yorker,

For most New Yorkers, the only number that matters this week is five, the number of games the Knicks needed to win their third NBA Championship and first in 53 years. As the city celebrates, we haven't taken our eyes off a different scoreboard: the economic indicators that tell us where New York stands today and where it's headed next.

In this month's ***New York by the Numbers***, we see an economy of contradictions -- one that in some ways is showing encouraging signs but is also showing persistent pressures. Consumer confidence in the New York metro area has remained roughly 20 points above the national average for the past two months. At the same time inflation is running nearly a full percentage point higher than nationally (5.1% vs. 4.2% over the past 12 months). With the warm weather approaching – and the rising energy costs that come with it – we will be watching whether that confidence holds.

New York City's office market also continued its strong return in May. While there remains a good deal of slack, the office vacancy rate in Manhattan's central business district has continued to trend down from its pandemic highs and is well below rates in other major city centers across the U.S.

May also saw gains in tourism after a weak start to the year. However, even with the uptick, tourism is still below 2025 numbers. With summer on the horizon, the World Cup, America's 250th anniversary – and oh yeah, the Knicks championship run – this is a number we'll be keeping a close eye on.

With all the good vibes you might be excused for not noticing private-sector employment is little changed over the past three months. And initial weekly jobless claims have remained subdued in recent weeks, both in NYC and nationwide, continuing the “low hire, low fire” economy we've been riding since the start of 2025.

On a brighter note, however, while NYC's employment numbers have been buoyed by increases in Health & Social Services, two of the city's other key sectors saw respectable gains over the last three months: Professional & Business Services (+3,700) and Securities (+3,300). These sectors also registered solid gains over the past year.



The last number we're watching is 1: one championship, one celebration, and one ticker-tape parade. While New Yorkers enjoy this historic victory, we'll keep our eyes on the numbers that shape our economy and our future ... with blue and orange charts as you may notice!

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 stood at 4.3% in May, unchanged from April and from a year earlier. Private-sector payroll employment rose 120K in May, and gains in March and April were revised up. But over the past year, both labor force participation and the employment-population ratio are down, and there has been almost no net job gain outside Health & Social Assistance.
- Both in NYC and nationwide, initial weekly jobless claims have remained subdued in recent weeks, running below a year ago.
- Inflation remained elevated in May, running about a full point higher locally than nationally—5.1% versus 4.2%—on a 12-month basis. Once again, energy prices, both gasoline and electricity, were the primary drivers.
- Consumer confidence edged down in May, both nationally and in NY State, based on the Conference Board's survey. Yet for the past two months, confidence among NY State residents has been running 20 points higher than nationwide. University of Michigan's survey (reported only for the U.S. overall) showed consumer sentiment rebounding modestly from a record low in early June.
- Manhattan's office market has continued to improve, both in absolute terms and relative to other major urban hubs. This is evident from both vacancy rates and office attendance.
- Tourism picked up a bit in May and into early June, though it was still down modestly from a year earlier. While the World Cup matches are expected to provide an additional boost, advance hotel bookings for the summer have fallen short of expectations.
- On June 9th, the Comptroller [testified](#) before the City Council on the Mayor's FY 2027 Executive Budget.
- On July 1, nearly 215,000 New York City residents will lose their no cost Essential Plan health coverage, due to funding cuts and eligibility changes stemming from the One Big Beautiful Bill Act.
- As of May 29th, the cash balance stood at \$9.46 billion, compared to \$12.34 billion at the same time last year.

The U.S. Economy

- GDP growth in Q1 was revised from 2.0% to 1.6%. Exports grew briskly but imports grew faster, widening the trade deficit. GDP growth excluding trade was 1.25 higher (~2.9%). Consumer spending growth slowed, but business investment grew briskly (but less than the initial estimate).
- The U.S. unemployment rate stood at 4.3% in May, unchanged from April and from a year earlier. Yet both labor force participation and the employment-population ratio are down half a point over the past year.
- Private-sector employment rose 120K in May—mainly in Leisure & Hospitality and Health & Social Assistance—following upwardly-revised gains of 202K in March and 177K in April. In the last 12 months, the private sector added 677K jobs, with all the gain, and then some, accruing to the low-wage Health & Social Assistance and Leisure & Hospitality sectors. Outside those sectors, private employment was down more than 200K.
- While new job creation has remained low, so have layoffs—thus the “low-hire, low-fire” economy—as both weekly jobless claims and continuing claims have remained exceptionally low nationwide in recent weeks.
- Consumer confidence has been low. The Conference Board’s index, which is heavily focused on perceptions of the job market, edged down in May, partly reversing a modest rise in April. More alarming, University of Michigan’s sentiment index, which is less focused on the job market, fell to an all-time low in May, though it rebounded modestly in early June.
- Business surveys point to modest growth in both the manufacturing and service sectors. Inflationary pressures are an ongoing concern.
- Inflation remained elevated in May, with the CPI (Consumer Price Index) up 0.5% in May, on top of even steeper gains in March and April. Over the past 12 months, the overall CPI is up 4.2%, driven by continuing escalation in energy prices. Core inflation (excluding food & energy) has remained reasonably tame but still a bit above the Fed’s target, with that price measure rising 0.3% in May and up 2.9% over the past 12 months.
- New home construction has weakened. Single-family housing starts fell to an 8-month low in May and are well below 2025 levels year-to-date. Multi-family starts, which had reached a 3-year high in April, retreated sharply in May but are still up roughly 13% year-to-date from 2025.

New York City Economy

Payroll Employment Trends

- As shown in Table 1 below, private-sector employment fell by 5,400 in April but is little changed over the past three months and up 29K over the past year.
- Over the past 3 months, overall employment was little changed, despite declines in Transportation & Warehousing (-6,400), Leisure & Hospitality (-2,200), and the city's key Information sector (-2,200). On a brighter note, two of the city's other key sectors saw decent gains: Professional & Business Services (+3,700) and Securities (+3,300). These sectors also registered moderate gains over the past year.

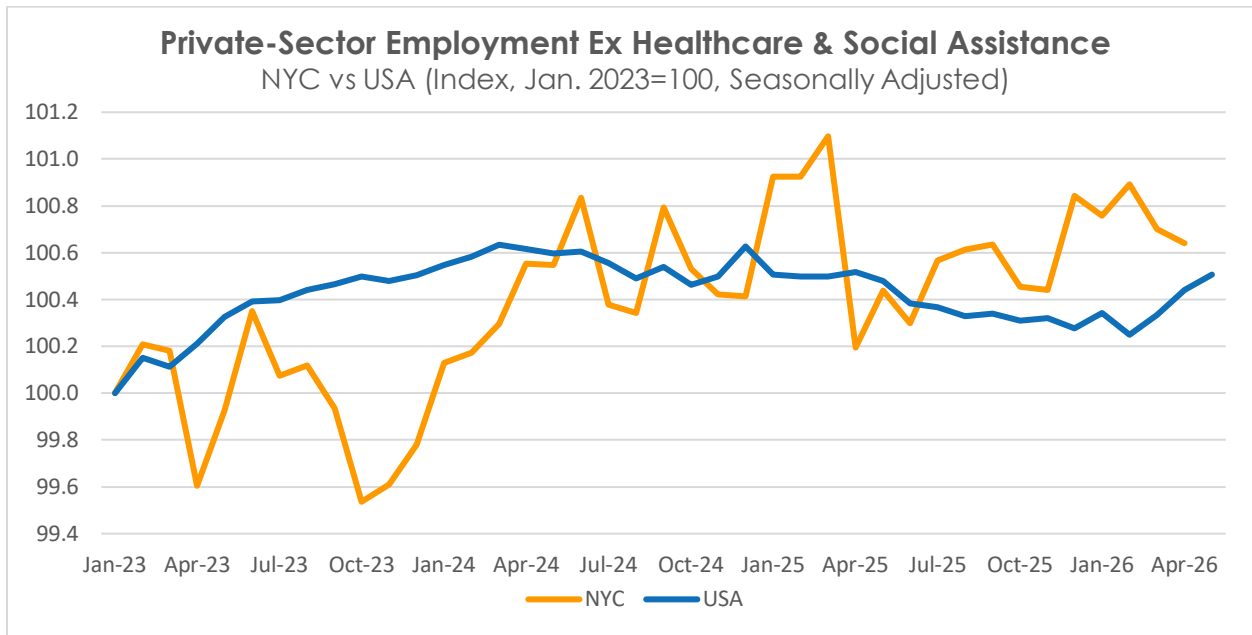
Table 1 Seasonally Adjusted NYC Employment, by Industry

(1,000s)	Seasonally Adjusted NYC Employment					April 2026 Change over		
Industry:	Apr. '25	Jan. '26	Feb. '26	Mar. '26	Apr.'26	12 Months	3 Months	1 Month
Total Non-farm	4,797.4	4,835.2	4,841.9	4,842.6	4,836.1	38.7	0.9	(6.5)
Total Private	4,185.7	4,215.8	4,222.3	4,220.2	4,214.8	29.1	(1.0)	(5.4)
Government	611.7	619.4	619.6	622.4	621.3	9.7	2.0	(1.1)
Financial Activities	512.3	517.2	521.7	519.9	520.5	8.2	3.4	0.6
Securities	206.3	209.2	211.4	212.0	212.5	6.2	3.3	0.5
Information	218.8	221.9	222.4	222.0	219.7	0.9	(2.2)	(2.2)
Prof. and Bus. Services	792.1	798.3	800.5	800.6	802.0	9.9	3.7	1.5
Educational Services	262.3	267.4	272.4	268.8	268.0	5.6	0.5	(0.8)
Health & Social Assist.	1,002.7	1,015.8	1,016.5	1,021.1	1,017.6	14.9	1.8	(3.5)
Leisure and Hospitality	449.1	449.7	448.0	447.1	447.5	(1.7)	(2.2)	0.4
Arts, Ent., and Rec.	90.0	90.3	88.7	88.7	88.7	(1.3)	(1.6)	0.0
Accomm. & Food Svc.	359.1	359.4	359.3	358.4	358.8	(0.4)	(0.7)	0.4
Retail Trade	299.2	297.8	298.4	298.2	299.2	0.1	1.4	1.0
Wholesale Trade	132.6	131.1	131.4	131.3	132.0	(0.6)	0.9	0.6
Trans. & Warehousing	132.7	136.3	133.1	133.0	129.9	(2.8)	(6.4)	(3.1)
Construction	52.5	51.1	50.7	50.1	50.5	(2.0)	(0.5)	0.4
Manufacturing	4,797.4	4,835.2	4,841.9	4,842.6	4,836.1	38.7	0.9	(1.4)

Sources: NYC Office of Management & Budget; U.S. Bureau of Labor Statistics; NY State Department of Labor

- Overall, private-sector employment excluding Health & Social Assistance—our preferred employment metric—has essentially trended sideways over the past two years, very slightly out-performing its nationwide counterpart, which had been drifting down until the last few months, as shown in Chart 1 below.

Chart 1

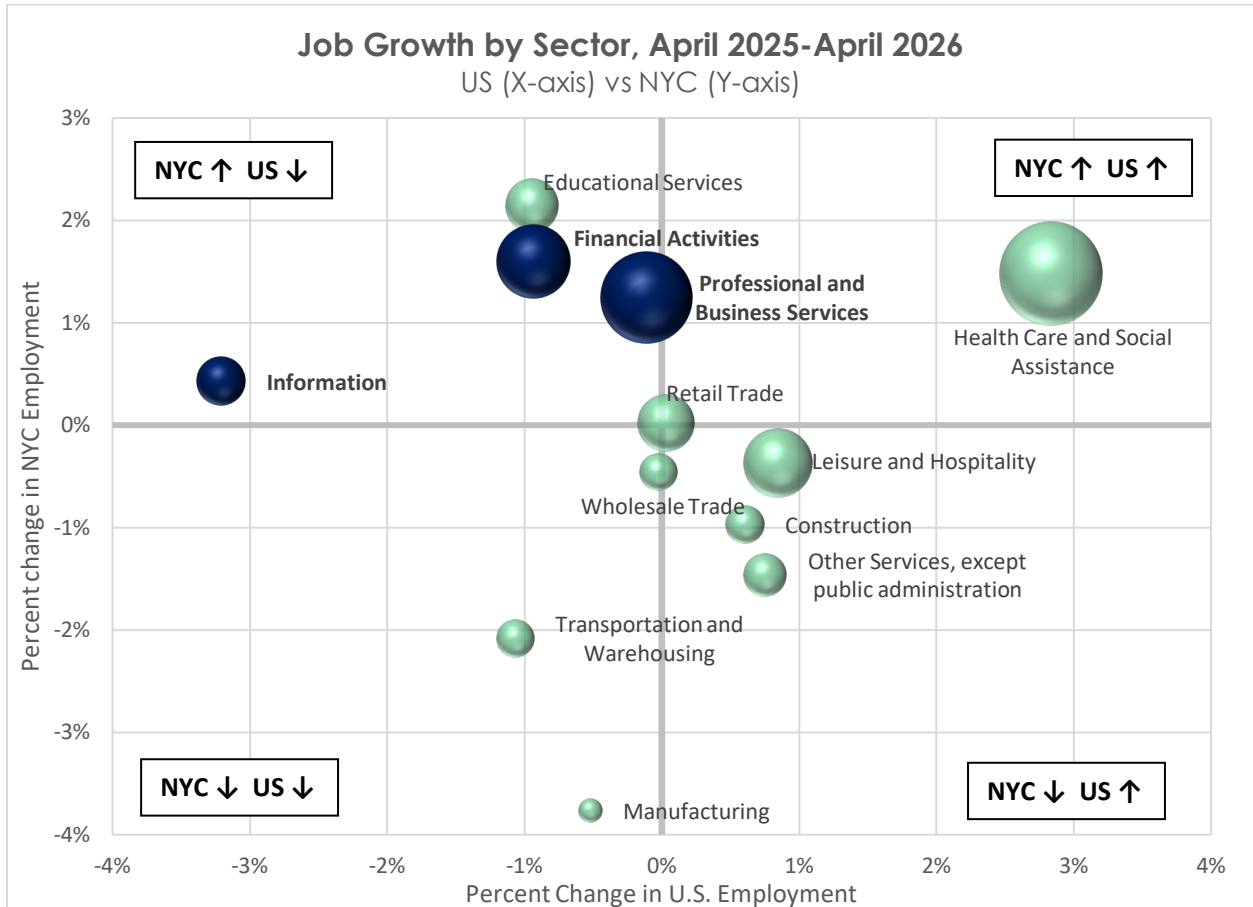


Sources: NYC Office of Management & Budget; U.S. Bureau of Labor Statistics; NY Department of Labor; Moody’s economy.com

- To give a better sense of the crosscurrents in the job market over the past year, Chart 2 shows how the major industries sectors have fared in terms of job growth or loss, both nationwide and locally. The horizontal axis shows the nationwide percent change in jobs, while the vertical axis shows the local percent change, and the size of the bubble is proportional to the number of local jobs in the sector.
- The city’s three key (and highest-paying) sectors, Finance, Information, and Professional & Business Services are highlighted in bold. All three are in the upper-left quadrant, along with Private Educational Services; that is, these sectors have all seen at least some net job creation in NYC over the past year, even as they have shed jobs at the national level.
- Remarkably, the only sector that has added jobs both locally and nationally (upper-right quadrant) has been Healthcare & Social Assistance.

- In the lower left quadrant, New York City has seen relatively steep job losses in the Manufacturing & Distribution sectors, while the nation as a whole has not.

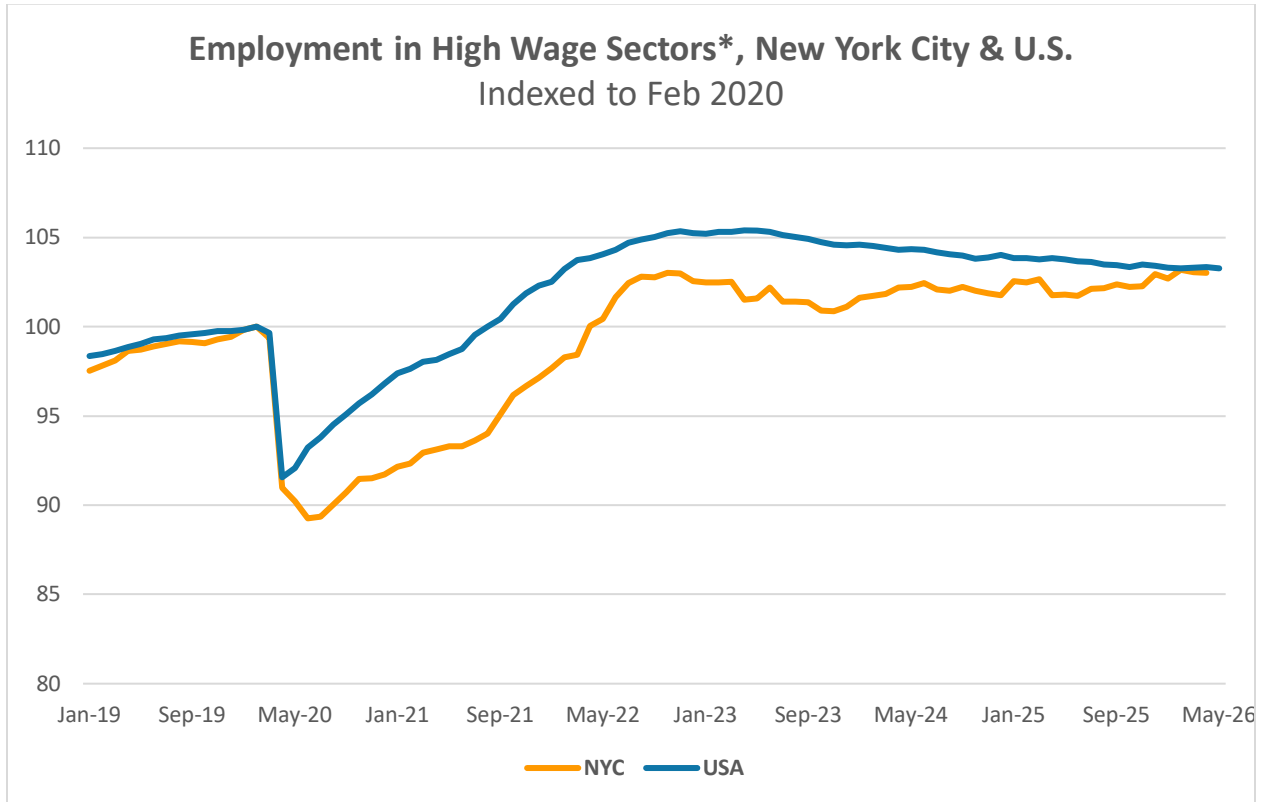
Chart 2



Sources: NYC Office of Management & Budget; U.S. Bureau of Labor Statistics; NY Department of Labor

- Chart 3 shows national and local trends in the city's three key sectors combined—Finance, Information, and Professional & Business Services—since just before the pandemic. While NYC had lagged the U.S. during and after the pandemic, it has gradually caught up over the past two years. Within this group, NYC has far surpassed the U.S. in the Finance sector, has slightly outperformed (sustained less job loss) in Information but has lagged somewhat in Professional & Business services.

Chart 3



Sources: U.S. Bureau of Labor Statistics; NYC Office of Management & Budget

*High-wage sectors include Information, Finance, and Professional and Business Services

Labor Market Indicators

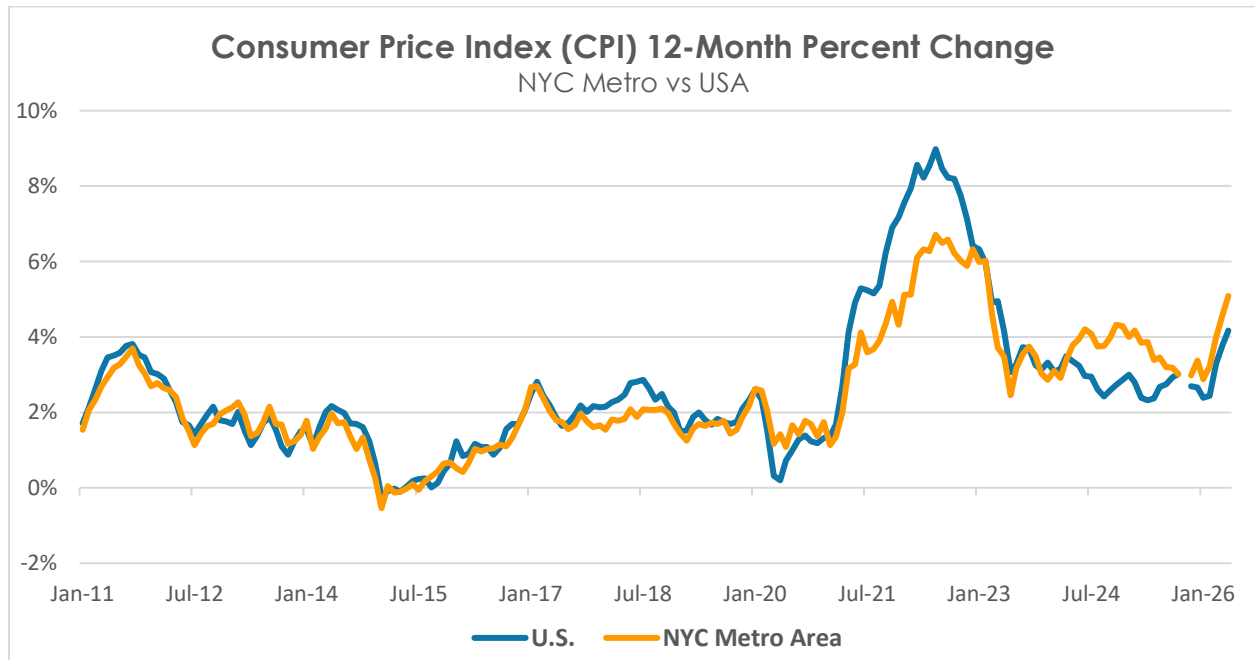
- Weekly initial jobless claims have, once again, been running below year-earlier levels in New York City, and well below nationwide.
- The exceptionally low level of jobless claims during a period of lethargic net job creation—in NYC but especially nationwide—clearly illustrates the widely mentioned “low-hire, low-fire” economy.

Inflation

- Consumer prices in the New York metro area rose briskly in May for the third straight month. Overall, local inflation has averaged 5.1% over the past 12 months, almost a full point above the U.S. rate of 4.2% as shown in Chart 4 below.

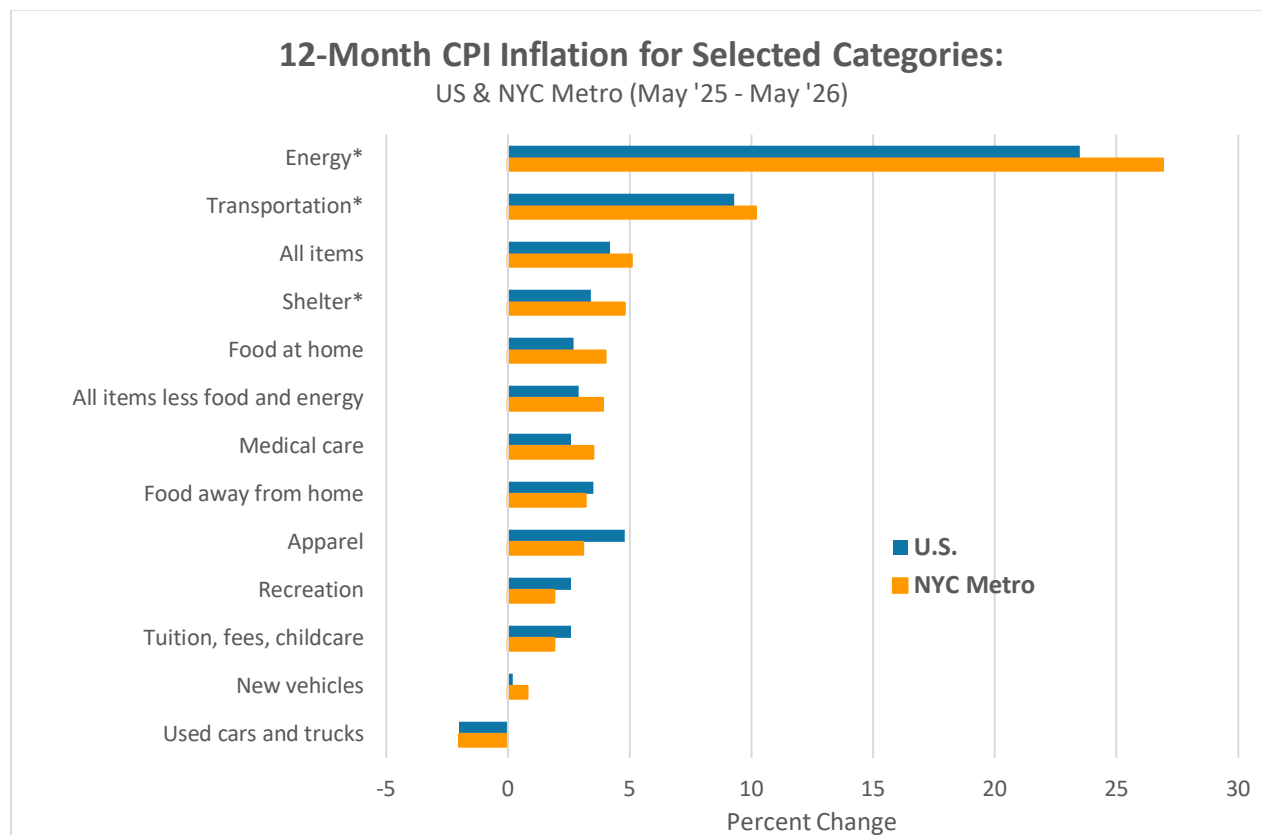
- Inflation, both locally and nationwide, continues to be driven primarily by energy prices. In addition to gasoline prices, which rose sharply for the 3rd straight month, electricity costs have been escalating for much of the past year, especially across the region. While electricity prices are no longer reported for metro areas, they are up 9.4% across the Northeast, well above the (still-high) nationwide rise of 5.9%.
- Local-area prices for food at home (groceries) decelerated in May—up 4.0% from a year earlier, versus up 5.9% in April—but still well above the nationwide rise of 2.7%. Prices for food away from home (i.e. restaurant meals) were up just 3.2% or slightly below the nationwide rate.
- Excluding food and energy, inflation has averaged 3.9% over the past 12 months, a full point above the U.S. rate of 2.8%. Residential rents and child care & tuition costs have also been rising relatively rapidly, and faster locally than nationwide.

Chart 4



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

Chart 5



Source: U.S. Bureau of Labor Statistics

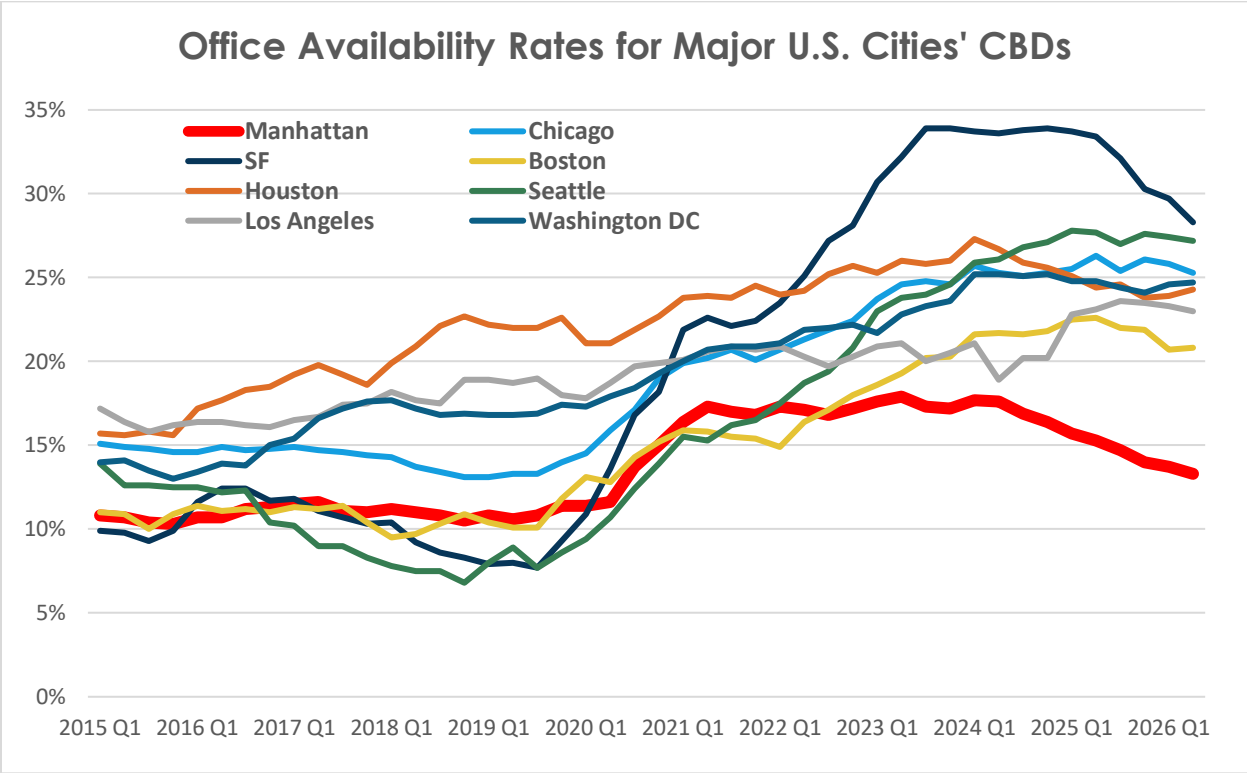
Consumer Surveys

- Based on the Conference Board's monthly survey, consumer confidence across New York State edged down in May after rebounding sharply in April; statewide confidence is now 20 points above nationwide confidence—a rare occurrence.
- Consumer confidence nationwide also edged down in May and is at a fairly dismal level by historical standards. Meanwhile, early returns from University of Michigan's June survey (available only for the U.S. overall) show sentiment rebounding modestly from a record low in May but still at an exceptionally depressed level.

Office Market & Attendance

- While there remains a good deal of slack, NYC's office market has seen stronger improvement than other major U.S. cities over the past year. As shown in Chart 6 below, the office availability rate in Manhattan's CBD (central business district) has continued to trend down from its pandemic highs and is well below central-city rates in other major urban hubs across the U.S.
- This is also reflected in return-to-office measures, [as measured by Placer.ai](#), where New York leads all major U.S. cities except Miami.

Chart 6



Source: Costar; Office of the NYC Comptroller

Housing

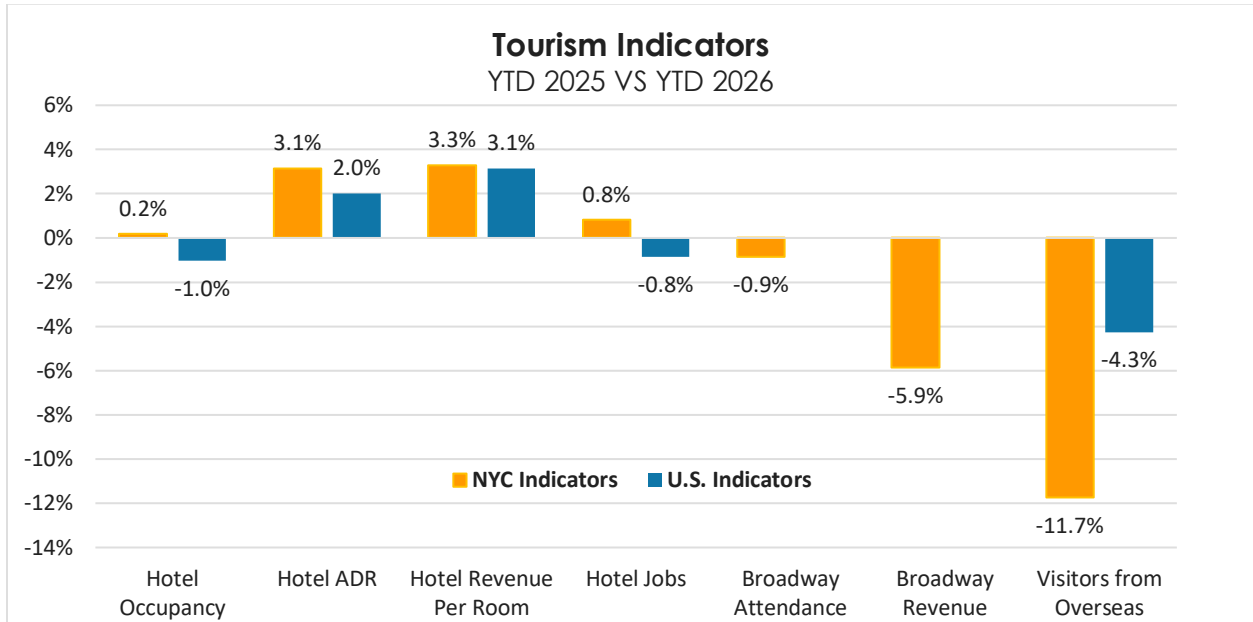
- The city's housing market remains tight—especially the rental market. StreetEasy estimates that average rents across the city are up nearly 6% over the past 12 months, with the steepest gains in already-pricey Manhattan.

- Recent annual data reveal a large and growing number of vacant units in rent-stabilized buildings. Specifically, the RGB reported that in 2025 there were roughly 59,000 vacant, rent-stabilized apartments across New York State--the vast majority (~95%) in the five boroughs—a 16% increase from 2024, up more than 50% from 2019, and the second highest on record in recent years, surpassed only in 2021 (boosted by the COVID pandemic).

Tourism

- Tourism has picked up somewhat in May and early June, following a disappointing spring.
- Broadway theatre's year-to-date revenue and attendance figures are above pre-pandemic levels but below last year's benchmarks. Chart 7 shows attendance down slightly and revenue down by nearly 6% from last year. January-May 2025 was an exceptionally strong run for Broadway, and 2026 so far has not matched pace. It is worth noting, however, that 2026 so far remains 19% above in revenue and 17% above in attendance compared with the same period in 2024.
- A drop in international arrivals, particularly through the New York and New Jersey ports of entry, explains some of the weakness in tourism so far this year. We expect overseas visitors to increase over the summer as major sports events get underway.
- Hotel occupancy in New York City was down from a year earlier in May, but roughly on par with 2025 levels year-to-date, as shown in Chart 7. The average daily rate and revenue per available room are roughly 3% up from last year. These statistics compare favorably with those for the nation as a whole.

Chart 7

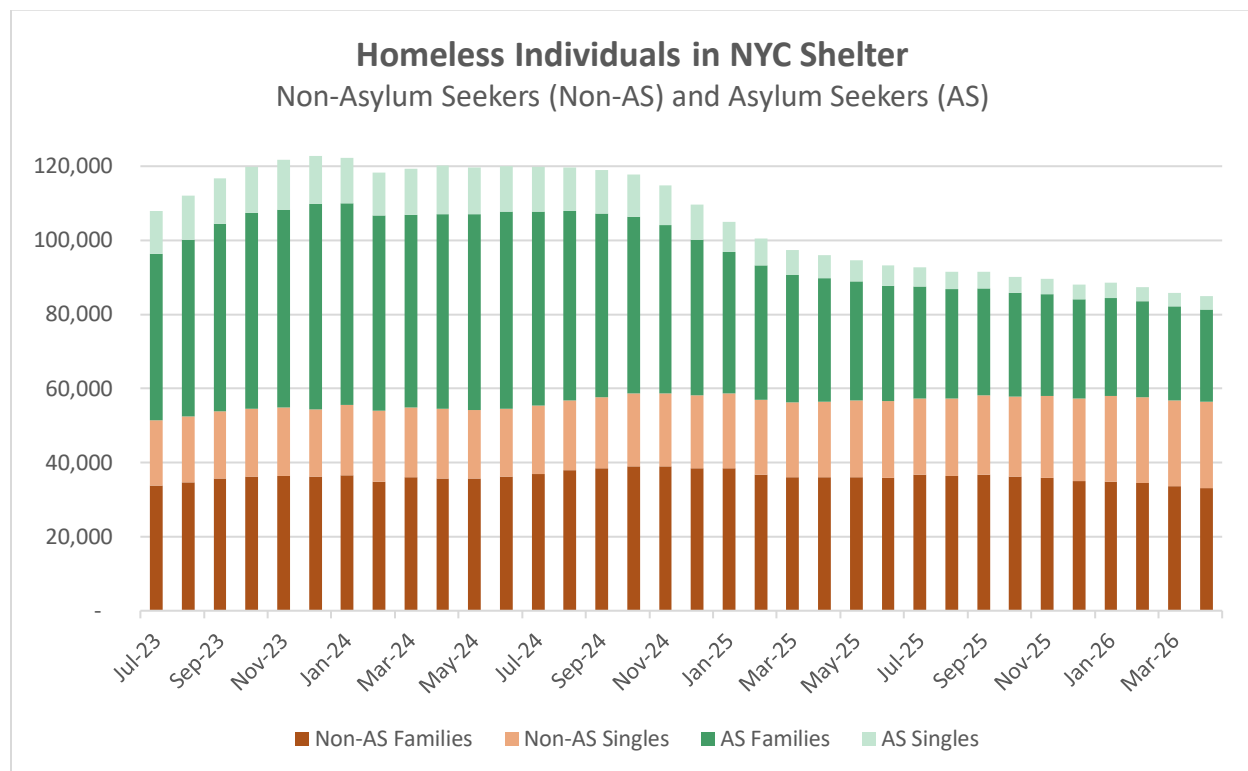


Source: Costar; Broadway League; International Trade Administration; Office of the NYC Comptroller

Homelessness & Asylum Seekers

- After surging in the second half of 2023 and peaking at roughly 123,000 in the winter of 2024, the population in DHS and emergency asylum seeker (AS) shelters has steadily declined over the past 18 months. The overall AS and non-AS DHS census has declined by approximately 34,540 (29 percent) from September 2024 to May 2026. However, the changes have not been uniform – asylum seekers have declined by more than 33,310, (54 percent), while non-asylum seekers have declined by approximately 1,230, (2 percent).
 - Within the non-AS population, singles have grown by 4,050 (21 percent) since September 2024, while individuals in families with children and adult families have declined by 5,280 (14 percent).
 - Within the AS population, singles have declined by more than 8,130 (70 percent), while individuals in families with children and adult families have declined by more than 25,180 (51 percent).

Chart 8



Sources: NYC DHS Daily Report; NYC Mayor’s Office; NYC Council

Note: Figures shown for one day each month, often the final day, dependent on the NYC Council Asylum Seeker Term and Condition. This data is not available prior to July 2023. Asylum seekers (AS) families and AS individuals are classified as such in City data. Non-AS refers to the DHS homeless population, not those in HPD or DYCD shelters. Families are those categorized as families with children and adult families.

City Finances

The Report on the May Financial Plan

- On June 9th, the Comptroller [testified](#) before the City Council and released our [Comments on the FY 2027 Executive Budget and May Financial Plan for FY 2026 - FY 2030](#).
- As detailed in the report, the FY 2027 Executive Budget abandons two problematic proposals included in the Preliminary Budget. The first was a 9.5% increase in the property tax (worth \$3.70 billion in FY 2027), an inequitable measure that also would have all but exhausted the City’s discretionary taxing authority under the Constitutional tax limit. The second proposal was to draw down a total of \$1.21

billion from the City's rainy-day fund (the Revenue Stabilization Fund or RSF) and the Retiree Health Benefits Trust (RHBT).

- Instead, the May Financial Plan relies on numerous one-time measures and short-term savings initiatives, which, altogether, total \$6.1 billion to fill gaps in FY 2026 and FY 2027. These are measures which, by definition, will not be available next year. They include:
 - \$2.30 billion from the re-amortization of the unfunded pension liability;
 - \$1.61 billion in write-downs of expenses accrued to previous fiscal years in addition to the \$500 million already budgeted in the Preliminary Budget;
 - Nearly \$1 billion from the more gradual timeline to achieve the class size mandate and from the claw-back of H+H's share of pension re-amortization savings; and
 - \$200 million in one-time lower subsidy to the Metropolitan Transportation Authority (MTA), in addition to the \$500 million in one-time State unrestricted aid included in the Preliminary Budget.
- Despite being an improvement over the Preliminary Budget, the fiscal situation remains challenging: spending continues to outpace recurring revenues, even as the latter continue to grow robustly. The imbalance is evidenced by the drop of the prepayment of the upcoming year's expenditures from \$3.79 billion in FY 2025 to \$1.06 billion currently budgeted for FY 2026. This is a 72% decline year-over-year, the largest among four consecutive years of operating deficits, and the largest percentage decline since 9/11.
- For FY 2026, this Office estimates slightly higher City-funded revenues than the Mayor's Office of Management and Budget (OMB), which are somewhat offset by higher expenditure projections. This results in a small projected surplus of \$222 million. In FY 2027 and FY 2028, this Office projects lower revenues and higher spending than OMB. This results in a projected \$1.65 billion gap in FY 2027 and an \$8.76 billion gap in FY 2028.
- These estimates, however, assume the success of several budgeted revenue and savings actions that still require approval or lack sufficient detail to be deemed fully achievable. If any of these actions are not realized as planned, gaps could increase substantially.
 - In the first group—measures that require approval—are:

- Savings from the re-amortization of the pension unfunded accrued liability. At time of writing our Executive Budget report, only the Board of Education Retirement System (BERS) had approved. Shortly after its publication, on June 11, the New York City Employee Retirement System (NYCERS) also approved. It is likely but not guaranteed that the two remaining pension fund boards will approve. If they do not, gap estimates would increase by \$430 million in FY 2026, \$1.22 billion in FY 2027, \$1.23 billion in FY 2028, \$1.07 billion in FY 2029, and \$1.05 billion in FY 2030.
 - On a smaller scale and with smaller risk, the proposed reduction of the Personal Income Tax (PIT) credit for Unincorporated Business Tax (UBT) has not yet been approved by the City Council.
 - The one-time \$200 million reduction in the City subsidies to the MTA for FY 2027, which was not part of the Enacted State Budget and will need to be included in the MTA’s financial plan.
- In the second group—where sufficient details for full evaluation are lacking—are several largely unsubstantiated savings initiatives.
 - The May Plan still contains unallocated savings, and scant information was provided on plans to achieve three cost-containment initiatives for CityFHEPS, shelter costs, and due process cases. Until detailed plans are released and/or there is evidence of savings, these initiatives together pose risks of \$239 million in FY 2026, \$668 million in FY 2027, \$586 million in FY 2028, \$559 million in FY 2029, and \$547 million in FY 2030. For more details on these risks and our full analysis of the financial plan see [the report](#).

Our [report on the FY 2027 Executive Budget and Financial Plan](#) also includes several inserts on special topics that are worth our readers’ perusal.

1. **AI and New York City’s Fiscal Future.** A summary of [our recently published report by the same title](#) and how it relates to the baseline economic forecast in the budget report.
2. **Savings Initiatives Reflected in February, Assigned to Agencies in the May Plan.** An analysis of how the Mamdani administration allocated a total of \$4.7 billion of the previously unspecified Citywide Savings Plan over the financial period. However, the City has still not provided details for a total of over \$600 million in savings initiatives included in the May Plan through FY 2030.
3. **Updated Special Equalization Ratios.** A summary of the changes made by the State’s Office of Real Property Tax Services to the calculation of special equalization ratios, which

resulted in a higher Constitutional debt limit and tax limitation. You can trace the impetus for the methodological review to an [in-depth analysis of the ratios](#) that we published in 2024.

Of note: between FY 2025 and FY 2027, the city's debt capacity was increased by \$17 billion through State legislation, and by about \$6 billion with this administrative change, for a total of \$23 billion. Most of the additional debt capacity has been absorbed in the City's capital plan.

4. **The City's Operating Limit.** An updated estimate of the City's Constitutional tax limitation and margin under it. The margin would have been all but eliminated by the property tax increase proposed in the February Financial Plan. The abandonment of the proposal and the change in special equalization ratios (which raised the tax limitation by about \$1.5 billion) leave an operating margin of \$5.6 billion as of the FY 2027 Executive Budget assumptions.

The final margin estimate will be available at budget adoption, when an updated number for the prepayment of FY 2027 debt service will be available as well as its split between General Obligation and Transitional Finance Authority. Prepayment of General Obligation debt service reduces the operating margin, and budget documents currently assume that only Transitional Finance Authority's debt service will be prepaid.

5. **Key Takeaways from the 2024 Personal Income Tax Returns.** We provide summary statistics and trends from preliminary Personal Income Tax returns data for tax year 2024 (full-time residents only). Among the highlights: the growth in the number of filers above 2019 levels, the continued shift toward single filers, the income drivers and volatility at the top of the distribution, and the growth of the Pass-Through Entity Tax. The data updates our previous Fiscal Note [The NYC Personal Income Tax Before and After the Pandemic](#).
6. **The "Pied-a-Terre Tax."** An analysis of the surcharge on second homes enacted as part of the FY 2027 State budget. In [The Pied-a-Terre Tax and Its Potential Revenues](#), we had modeled previous legislative proposals and discussed several aspects of the surcharge that required consideration. We built a sample of targeted properties based on DOF valuations and exemptions that are only available to primary residents. We do not know the full extent of primary residence exemptions from the surcharge, the outcome of (a predictably large number of) appeals, and of behavioral changes. Before the tax base reductions associated with these factors, we estimate that potential revenues start at \$1.0 billion. This seems a relatively comfortable level to achieve the budgeted amount of \$500 million.
7. **Adjustments of Prior-Year Revenues and Expenses.** The Mayor's FY 2026 and FY 2027 budgets assume that the write-down to prior-year accrued revenues and expenses will add \$2.1 billion to the General Fund. To our knowledge, this is an unprecedented amount that (also for the first time) includes an expectation of *next year's write-downs*.

The analysis shows that, in general, the actual and budgeted amounts for the write-downs bear little resemblance to each other (in other words, the budgeted amounts are more akin to generic estimates). This year, however, OMB specifically pointed to the write-down of labor costs accrued in FY 2023 for \$1.209 billion. The use of three decimal points seems appropriate: the Preliminary Budget proposed the drawdown of the City's long-term reserves

by the exact same amount. The accounting change does not alter the City's spending nor improves its cash position, but it avoids the budgeted reserves drawdowns. Our office has not yet received the breakdown of and justification for what components of the FY 2023 costs will be written down.

8. **Assessment of PS Budget Misalignment & Vacancy Reduction Program.** This updates our Office's recent fiscal note [“The Phantom of the Opera”-ting Budget](#), which highlighted the misalignment of the City's authorized headcount (how many employees agencies are allowed to hire, compared to how many positions the City's personnel services budget can support. The misalignment persists in the May Plan in for FY 2026, but to a lesser extent in FY 2027. This means that phantom savings can still result—allowing for unrealistic expectations of easily achievable savings.
9. **The Re-Amortization of the Pension Systems' Unfunded Accrued Liability.** The single largest gap-closing measure legislated as part of the FY 2027 State budget is the re-amortization of the City's pension funds' unfunded accrued liability (UAL). The re-amortization is subject to the approval of the pension funds' boards within 30 days of the legislation's enactment. The Mayor has assumed that four of the five pension funds will participate and as of the time of writing two of the four have agreed to it.

The re-amortization takes the outstanding UAL as of FY 2027 (using the FY 2026 amortization schedule and adding the June 2026 pension contribution payment, which is canceled for participating funds) and spreads it over eleven years on a level schedule. The full amortization of the UAL is pushed from FY 2032 to FY 2037. Lower pension contributions from FY 2026 through FY 2032 come at the cost of higher contributions from FY 2033 to FY 2037.

The City is projecting \$2.3 billion in lower pension contributions over FY 2026 and FY 2027 (\$7.2 billion over the entire Financial Plan). In addition, the City is requiring debt service payments from H+H for \$455 million over FY 2026 and FY 2027. The amount of these H+H payments equals the savings that will accrue to H+H from the re-amortization (as an obligor of the NYC Employees' Retirement System).

FY 2027 Property Tax Final Roll

- The NYC Department of Finance (DOF) released the FY 2027 property tax roll on May 26, 2026. The final roll reflects updates to the tentative roll from January 2026, primarily due to reassessments following property owners' petitions and the approval or recording of additional tax exemptions. It also includes final NY State valuations for some Class 3 utility properties, which had been estimated by the NYC Comptroller's Office in the tentative roll but not yet finalized.

- Table 2 highlights differences between tentative and final roll values, as well as year-over-year changes from the Final FY 2026 roll. Overall, total market value was revised downward by 0.1% from the tentative roll. Taxable Billable Assessed Value (TBAV) also declined by 0.6%, falling from \$325.76 billion to \$323.97 billion. Compared to the Final FY 2026 roll, however, total market value grew 5.3% and billable assessed value grew 5.0%, reflecting broad-based appreciation across all property classes.
- Tax Class 3 utility properties stood out as the sole category revised upward from tentative to final, with both market value and TBAV rising 2.8%. On a year-over-year basis, Class 3 market and assessed values each grew 5.9% over Final FY 2026, continuing the trend of strong utility property valuation growth.
- Tax Class 1 (one-, two-, and three-family homes) market value edged down by just 0.1% and TBAV fell 1.1% from tentative to final. Year-over-year, however, Class 1 posted solid gains, with market value up 5.2% and assessed value up 3.5% over Final FY 2026.
- Tax Class 2 (multi-family residential properties) decreased by 0.3% in market value and 1.3% in TBAV. On a year-over-year basis, Class 2 saw meaningful growth, with market value up 6.7% and assessed value up 4.9% compared to Final FY 2026; the strongest year-over-year gains of any tax class.
- Tax Class 4 (commercial properties) saw both market and TBAV drop by 0.5% from tentative to final. Year-over-year, Class 4 market value grew 3.8% and assessed value grew 5.2% over Final FY 2026.
- The Comptroller's Office had anticipated a smaller decline in overall valuations. This updated FY 2027 data results in a downward adjustment of about \$11.6 million in projected property tax revenue compared to the [Comptroller's Executive Budget Report](#).

Table 2: Tentative & Final Roll Values by Property Class, FY2027

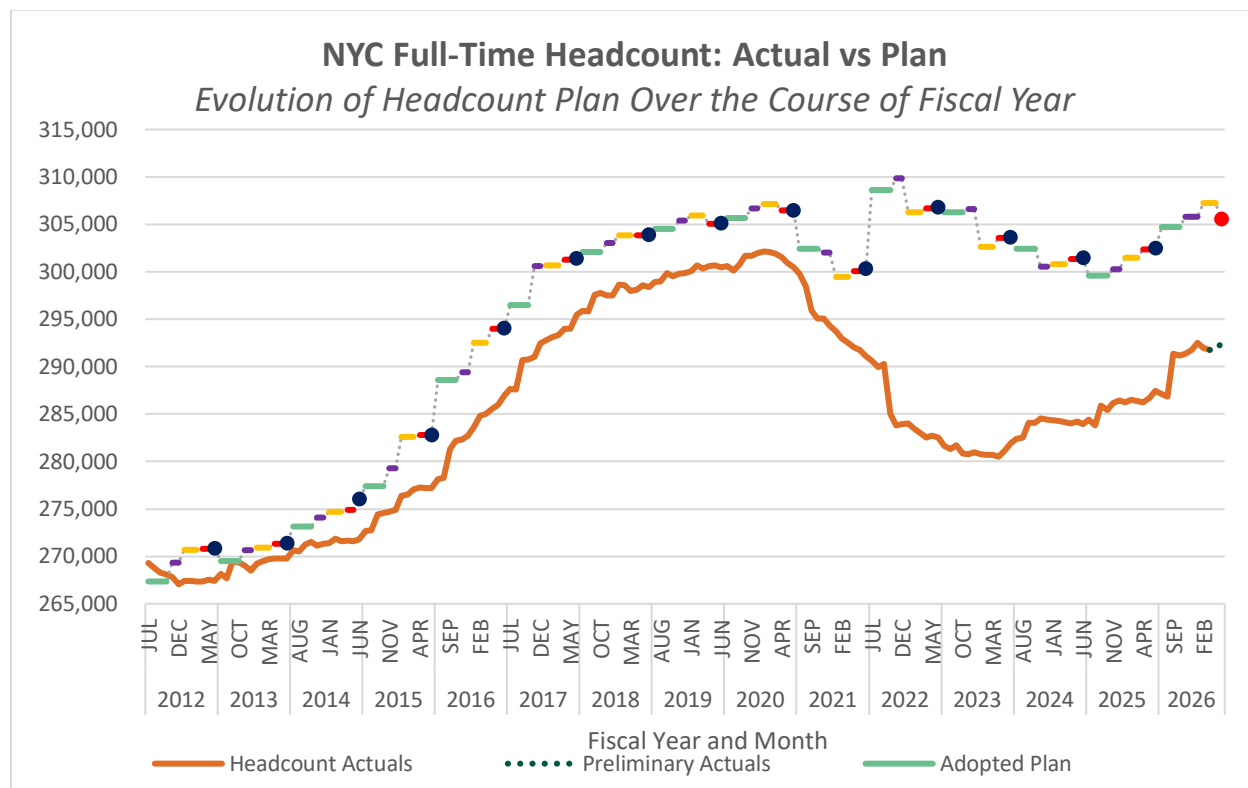
Tax Class	DOF Tentative Roll		DOF Final Roll		% Change: Tentative to Final Roll		% Change: FY2026 to FY2027	
	DOF Market Value	Billable Assessed Value	DOF Market Value	Billable Assessed Value	DOF Market Value	Billable Assessed Value	DOF Market Value	Billable Assessed Value
1	822,195	28,211	821,633	27,899	-0.1%	-1.1%	5.2%	3.5%
2	422,421	126,703	421,336	125,094	-0.3%	-1.3%	6.7%	4.9%
3	65,068	29,167	66,900	29,991	2.8%	2.8%	5.9%	5.9%
4	349,200	141,680	347,515	140,982	-0.5%	-0.5%	3.8%	5.2%
Total	1,658,883	325,761	1,657,383	323,966	-0.1%	-0.6%	5.3%	5.0%

Source: NYC Department of Finance Tentative and Final Roll.

New York City's Workforce

- Full-time authorized headcount in the May Plan totals 305,589 for FY 2026, a decrease of 1,658 positions compared to the February Plan. Agencies reduced their civilian vacancies as part of the Citywide Savings Plan included in the February Plan. In exchange, the City has now lifted the 2-for-1 hiring restriction, allowing city agencies to hire staff up to their personnel services budgets.
- As of the end of May, total full-time actual headcount was 292,483, resulting in a citywide vacancy rate of 4.3%. While the City's Financial Plans set authorized headcount levels by agency, these headcount levels are not fully budgeted in the financial plan. For more details on this see the Comptroller's [Executive Budget report](#).
- Since February 2026, the City's actual full-time workforce increased by 540 staff. During this period, the DOE saw the largest portion of the increase, netting an additional 527 full-time pedagogical staff and 47 civilian staff. This was followed by the NYPD, which netted an additional 444 uniform officers. These gains were offset by net decreases in civilian staff at NYPD (-223) and FDNY (-195) and in uniform officers at the Department of Correction (-152).
- For more details on headcount, please see the Comptroller's [NYC Agency Staffing Dashboard](#).

Chart 9



Source: Office of the New York City Comptroller, Mayor’s Office of Management and Budget

Note: Plan values are assigned to specific months—July through October are assigned the Adopted Plan value, November and December are the November Plan value, January through March are the Preliminary Budget value, April through May are the Executive Budget value, and June is the final June Plan value. Data on actual full-time employment are preliminary for January through May of FY 2026; they are derived from initial payroll results and have not yet been published by OMB.

Federal Funding Update

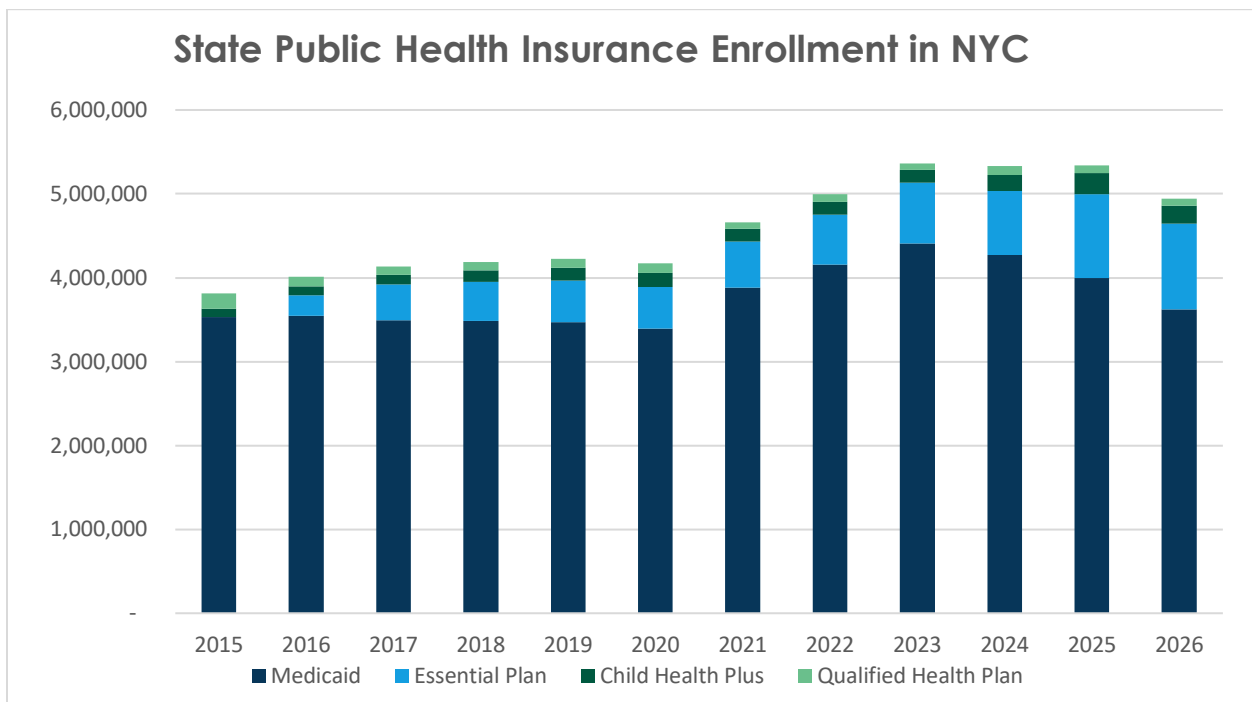
Essential Plan Coverage

- As shown in Chart 10, enrollment in publicly funded health insurance programs in New York City grew substantially during and after the pandemic when coverage was made continuous. Medicaid enrollment began to decline once recertification processes resumed.
- The Essential Plan absorbed much of this decline as eligibility for the program was expanded.
- Beginning July 1, however, New York State will reverse the most recent expansion for individuals with incomes between 200% and 250% of the Federal Poverty Level

(FPL). Approximately 435,000 New Yorkers statewide, including nearly 215,000 New York City residents, will lose access to no-cost coverage.

- As described in previous newsletters and the Comptroller’s Executive Budget report, the change allows the State to access reserve funds to provide coverage for lower-income enrollees affected by Federal eligibility changes enacted in the One Big Beautiful Bill Act (OBBBA), and to maintain higher reimbursement rates for hospitals and providers.
- Individuals losing Essential Plan eligibility will need to obtain coverage through the Affordable Care Act Marketplace or become uninsured.
- Additional federal Medicaid changes, particularly new work requirements, go into effect in January 2027, and will likely result in additional coverage losses.

Chart 10



Sources: [NYS Medicaid Enrollment Databook](#); [Enrollment Data | NY State of Health](#); [Child Health Plus Program Enrollment](#)

Note: Although Qualified Health Plans are not public insurance programs, they are included here because federal and state subsidies play a significant role in making coverage affordable for many enrollees. For 2026, Medicaid reflects March; EP, QHP, and Child Health Plus reflect April enrollment.

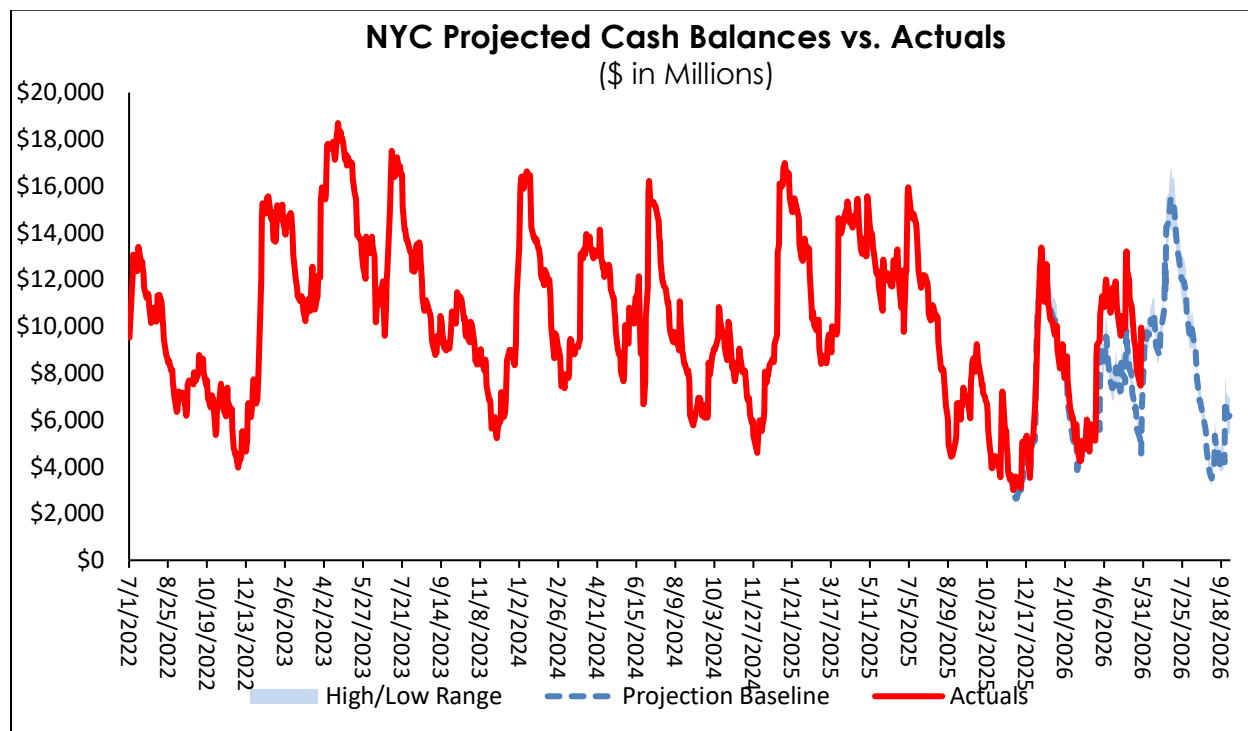
Proposed Federal Funding Rule

- On May 29th, the U.S. Office of Management and Budget (OMB) proposed sweeping revisions to the federal grant rules that govern most federal funding awarded to states, local governments, and nonprofit organizations. The [proposed rule](#) politicizes Federal grant funding and could severely impact Federal grants to New York City. The new rule would transform what has historically been guidance into binding government-wide regulations.
- Ostensibly, OMB frames the changes around three stated objectives: (1) improving “transparency, accountability, and oversight”; (2) clarifying that the 2 Code of Federal Regulations (CFR) Part 200 text is a binding regulation; and (3) reducing recipient burden. The preamble repeatedly characterizes 2021-2024 federal grantmaking as having promoted a “woke” agenda and “unlawful” DEI,” and it cites a series of Trump Administration executive orders, particularly [E.O. 14322](#), “Improving Oversight of Federal Grantmaking” August 7, 2025), as the basis for the change.
- The proposed rule has three main pillars:
 - It changes guidance into binding regulation (the “Uniform Grants Regulation” or UGR) which centralizes future changes at OMB to take effect *government-wide* on a single date.
 - It codifies a series of 2025 Presidential executive orders into the grant rules: political appointees would personally review and sign off on every discretionary award before it is issued, and awards could not be used to “fund, promote, encourage, subsidize, or facilitate” DEI programs, “[disparate-impact liability](#)”, or “gender ideology.”
 - It broadens agencies’ power to terminate or suspend awards already in progress, including for “discretionary reasons” and shifting “national interest” priorities, with limited procedural protections.
- A more detailed overview can be found in “[OMB Proposed Revisions to the Uniform Guidance: Key Takeaways](#)” by law firm Ropes & Gray. The comment window is short (45 days, closing July 13, 2026) and the proposed effective date is October 1, 2026. New York City government and other local recipients of federal discretionary grants and their subrecipients could be impacted by this rule. Given the scope of the proposed rule, legal challenges are anticipated.

New York City's Cash Balances

- As of May 29th, the cash balance stood at \$9.46 billion, compared to \$12.34 billion at the same time last year. In prior years, it stood at \$9.55 billion in FY 2024, \$13.85 billion in FY2023, \$7.63 billion in FY 2022, \$10.0 billion in FY 2021, and \$5.56 billion in FY2020.
- Each quarter, the Comptroller's Office releases projections for the following four months. As depicted below, actuals for the last quarter came in mostly above projected values. The General Fund received \$2.2 billion more in inflows than projected. Key contributors to the positive variance were real property tax receipts (+\$763 million), capital transfers (+\$697 million), higher education aid revenues (+\$493 million), cumulative receipts from business taxes (+464 million) and education revenues (+\$419 million).
- The current projection through the end of September shows lower cash balances than in recent years, the result of expenditures outpacing revenues following several years of elevated COVID-related federal aid.
- The projection anticipates that by the end of September cash-on-hand will be lower than usual for that time of the year, which is notable because balances historically continue to decline until early December.
- The Comptroller's Office's review of the City's cash position during the third quarter of FY 2026 and projections through September 30, 2026 are available [here](#). A new projection will be made available shortly after the adoption of the FY 2027 budget.

Chart 11



Contributors

Comptroller Levine thanks the following members of the Bureau of Budget for their contributions to this newsletter: Jonathan Siegel, Chief Economist; Jason Bram, Director of Economic Research; Yaw Owusu-Ansah, Director of Tax Policy and Revenue Analysis; Irina Livshits, Senior Director of Cash Management and Analysis; Aida Farmand, Senior Tax Policy Analyst; Marcia Murphy, Principal Revenue Economist; Stephen Corson, Senior Research Analyst; Aliyah Sahqani, Economic Research Analyst; Amber Born, Economic Development Research Analyst; Jack Kern, Principal Budget & Policy Analyst; Bailey Schweitzer, Sr. Capital Budget Analyst; Elizabeth Brown, Senior Director of Budget Oversight; Krista Olson, Deputy Comptroller; and Francesco Brindisi, Executive Deputy Comptroller. The Comptroller also thanks Archer Hutchinson, Creative Director; Danbin Weng, Multimedia Designer; Angela Chen, Senior Website Developer; and Martina Carrington, Web Developer, for design and layout.





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