MARK LEVINE
NEW YORK CITY COMPTROLLER

BUREAU OF BUDGET

Comments on New York City's Fiscal Year 2027 Adopted Budget

August 12, 2026

CITY OF NEW YORK

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I. Executive Summary

The New York City Adopted Budget for Fiscal Year (FY) 2027 relies on the continued strength of a Wall Street-powered economy but leaves unresolved a structural gap that the City will be forced to address in the years ahead.

In many ways New York City begins FY 2027 with a much more transparent budget than those adopted in recent years. Over the course of its first budget cycle, the Mamdani administration recognized billions in well-known costs that had been blatantly understated or omitted by the prior administration. Strong tax revenues in FY 2026—largely the result of better-than-expected stock market gains, rapid growth in Wall Street profits, and a robust bonus season—as well as the enactment of a new surcharge on non-primary residences (the "pied-a-terre tax") which goes into effect this fiscal year, help to fund these now recognized costs.

The Adopted Budget for FY 2027 totals $125.84 billion, a $1.14 billion increase compared to the Executive Budget released in May. It addresses several important needs. These include the creation of a new rental assistance program that settles the longstanding litigation to expand CityFHEPS, an expansion of the Fair Fares program, and additional support for cultural institutions and the City University of New York. The FY 2027 Adopted Budget and June Financial Plan, however, fail to resolve the underlying fiscal challenge facing the City—that recurring spending continues to outpace recurring revenues.

Even with the higher-than-expected tax revenues and the new property surcharge, the Mamdani administration relied on $6.07 billion in temporary measures announced over the course of the budget cycle to close its projected budget gaps in FY 2026 and FY 2027. These one-time or short-term savings include the re-amortization of the unfunded accrued liability of four of the City's five pension funds (including savings effectively captured from the City's public hospital system and the Metropolitan Transportation Authority); favorable State actions, such as the passage of legislation to slow the implementation of the class-size reduction mandate and a one-time infusion of unrestricted State aid; as well as a historic write-down of prior-year accrued expenses in FY 2026, and, for the first time, a prospective write-down of prior-year expenses during FY 2027.

These measures replace other, more problematic solutions proposed by the Mamdani administration in the Preliminary Budget, and subsequently reversed in the Executive Budget, including a highly inequitable property tax increase and $1.21 billion in planned withdrawals from the City's long-term reserves. While the administration reversed the drawdown of *long-term* reserves, a $1 billion reduction to *in-year* reserves announced in the Preliminary Budget remains. This leaves just $450 million in the budget this year for unexpected costs.

The growing imbalance between the City's revenues and spending is clearly evidenced by the drop in the City's prepayment of the upcoming year's expenditures, falling from $3.79 billion in FY 2025 to $1.96 billion in FY 2026. Although the final FY 2026 prepayment is $896 million higher than the amount included in the Executive Budget, this is the fourth consecutive year of decline in the prepayment and the largest annual drop among the four.

The administration has made progress over the course of the year in taking a critical look at City spending. First, a citywide savings initiative announced as part of the Preliminary Budget and allocated in the subsequent Executive Budget resulted in budgeted savings of $1.77 billion over FY 2026 and FY 2027. Planned savings through this initiative in FY 2028 through FY 2030 average $1.09 billion, although an average of $131 million in each outyear remains unallocated to specific costs. The Executive Budget also added "cost containment" initiatives to reduce budgeted spending on CityFHEPS rental assistance, shelter costs, and special education Due Process cases. These initiatives, if successful, are projected to reduce costs by $668 million in FY 2027 and an average of $433 million in the outyears compared with previously planned amounts.

Following budget adoption, the administration announced, in late July, 2.5 percent annual savings targets for City agencies in FY 2027 through FY 2030. Savings programs are to be reflected in the Mayor's November Financial Plan update. This Office preliminarily estimates such a reduction in City-funded spending could save approximately $1.50 billion annually with the actual impact dependent upon exemptions and if savings targets are applied to centralized costs. This is a critical and positive step in addressing the City's fiscal imbalance, allowing agencies the time to find real efficiencies and recurring savings. However, the administration must also be clear about the success of all the savings initiatives announced thus far.

To build on the administration's progress in improving budget transparency, the Mayor's Office of Management and Budget (OMB) should resume regular joint reviews of savings initiatives with our Office and other fiscal monitors. These reviews, similar to those conducted in the past, should assess whether planned savings are achievable and on track, and identify initiatives that have failed to produce their budgeted savings.

The success of these savings initiatives is particularly crucial as the City is facing large outyear gaps. In each year of the financial plan period this Office forecasts higher City-funded revenues, but also higher City-funded expenditures than OMB. In FY 2027 and FY 2028, these higher expenditure projections more than offset higher revenue estimates, resulting in *higher* gaps than the administration: $743 million in FY 2027 and $7.25 billion in FY 2028. Conversely, in FY 2029 and FY 2030, this Office's higher revenue estimates more than offset the higher expenditure projections, resulting in somewhat *lower* gap estimates than OMB's: $7.87 billion and $6.84 billion, respectively.

These estimates, however, assume the success of several savings initiatives already announced that at present lack sufficient detail to be fully evaluated as achievable. If any of these actions are not realized as planned, gaps could increase. As previously mentioned, the Mamdani administration has still not provided any details on a portion of the citywide savings announced in the Preliminary Budget, including $179 million planned in FY 2028, $124 million in FY 2029, and $89 million in FY 2030. The administration has also provided only cursory descriptions of plans to achieve its cost-containment initiatives. Until detailed plans are released and/or there is evidence of savings, these initiatives pose risks to the financial plan. In total, risks from cost-containment initiatives and unallocated savings could increase this Office's gap estimates by $668 million in FY 2027, $586 million in FY 2028, $559 million in FY 2029, and $547 million in FY 2030.

Although not included in this Office's gap estimates, uncertainty around collectively bargained wage increases for municipal workers also presents a risk to the financial plan. Contracts for several major unions have already expired, including the Police Benevolent Association (PBA) and the Uniformed

Firefighters Association (UFA). The contract for District Council 37, the City's largest municipal labor union, expires in November. According to OMB, the labor reserve holds sufficient funds for 1.25 percent annual wage increases and any raises above this amount would require additional funding.

Other risks not incorporated into the Financial Plan or this Office's re-estimates include broader uncertainty surrounding New York City's economic outlook. The ongoing war in Iran has already led to a steep rise in oil and gas prices and could be a catalyst for a downturn in the near term. Another set of risks pertains to developments in Artificial Intelligence (AI). On one end of the spectrum is the risk that AI adoption replaces many jobs and causes widespread dislocation in the labor market. At the other end, is the risk that the AI boom ends, causing a downturn in the financial markets and losses in wealth and profits, along with layoffs in crucial high-wage industries—similar to the burst of the dot-com bubble in the early 2000s.

This uncertainty underscores the need for the City to adopt a clear rainy-day fund policy. The Comptroller's Office has repeatedly advocated for such a policy, including proposing a City Charter amendment that would do so.

The Charter Revision Commission appointed by Mayor Mamdani has advanced a proposal that sets a target rainy-day fund balance of 12 percent of the prior years' tax revenues. Funds to be included in the target include the Revenue Stabilization Fund (RSF), the City's true rainy-day fund, and "any other reserve fund maintained by the city," including but potentially not limited to the Retiree Health Benefit Trust (RHBT). The RHBT is not a true rainy-day fund, although it historically has been used as such. The RHBT balance of $5.2 billion at the end of FY 2025 is instead counted against the approximately $100 billion long-term liability from retiree health care benefits. The Commission's proposal also sets a deadline for publishing a methodology to calculate deposits, and some weak rules for withdrawals that replicate those already set in State law. The methodology to determine a deposit formula and what reserves to count against the 12 percent target is to be developed in consultation with this Office. FY 2028 would be first year when the deposit formula is in effect.

The Commission's proposal marks progress but contains several weaknesses, including the commingling of other to-be-determined reserves in its target; excessive discretion in the deposit formula due to the consideration of the current year's prepayment of future year costs and "any other factors deemed relevant for the purpose of ensuring sound fiscal management"; and the lack of more stringent withdrawal rules.

As outlined in its recent report, Strengthening the City's Rainy-Day Fund, this Office has proposed a formula for deposits and detailed rules for withdrawals. According to this formula, the City should have made a $1.73 billion deposit in FY 2026 based on this Office's revenue forecast. Based on OMB's forecast, the deposit should have been $1.41 billion. No deposit took place in FY 2026.

By more accurately reflecting City spending and introducing multiple savings programs, the Mamdani administration has made critical progress in creating a more honest and responsible budget. However, there is still considerable work to be done. Short-term measures and one-shots are not the solution to the City's current fiscal imbalance—something that will take long-term and strategic planning to resolve. Well-funded reserves, with clear deposit and withdrawal rules, are an essential component of this work to ensure that vital City services can continue in an economic downturn—when New Yorkers need them most.

Table 1. FY 2027 – FY 2030 June Financial Plan

					Change FYs 2027 –2030	
($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Dollar	Percent
Revenues						
Taxes:						
General Property Tax	$37,300	$37,975	$39,144	$40,522	$3,222	8.6%
Other Taxes	50,445	51,524	51,862	53,090	2,645	5.2%
Tax Audit Revenues	929	879	879	879	(50)	(5.4%)
Subtotal: Taxes	**$88,674**	**$90,378**	**$91,885**	**$94,491**	**$5,817**	**6.6%**
Miscellaneous	8,570	8,426	8,474	8,515	(55)	(0.6%)
Unrestricted Intergovernmental Aid	651	161	161	161	(490)	(75.3%)
Less: Intra-City Revenues	(2,184)	(2,127)	(2,119)	(2,116)	68	(3.1%)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	0	0.0%
Subtotal: City-Funds	**$95,696**	**$96,823**	**$98,386**	**$101,036**	**$5,340**	**5.6%**
Other Categorical	1,138	874	871	868	(270)	(23.7%)
Inter-Fund Revenues	821	810	812	813	(8)	(1.0%)
Federal Categorical Grants	7,374	7,231	7,101	7,088	(286)	(3.9%)
State Categorical Grants	20,813	21,086	20,651	20,723	(90)	(0.4%)
Total Revenues	**$125,842**	**$126,824**	**$127,821**	**$130,528**	**$4,686**	**3.7%**
Expenditures						
Personal Service (PS):						
Salaries and Wages	$36,188	$37,505	$38,676	$39,752	$3,564	9.8%
Pensions	8,819	9,610	8,846	7,962	(857)	(9.7%)
Fringe Benefits	15,745	16,430	17,188	17,992	2,247	14.3%
Subtotal: PS	**$60,752**	**$63,545**	**$64,710**	**$65,706**	**$4,954**	**8.2%**
Other Than Personal Service (OTPS):						
Medical Assistance	$6,790	$6,940	$7,090	$7,240	$450	6.6%
Public Assistance	2,708	2,707	2,707	2,707	(1)	(0.0%)
All Other	49,957	50,240	50,523	51,568	1,611	3.2%
Subtotal: OTPS	**$59,455**	**$59,887**	**$60,320**	**$61,515**	**$2,060**	**3.5%**
Debt Service	**$9,328**	**$10,509**	**$11,667**	**$12,489**	**$3,161**	**33.9%**
FY 2025 BSA	$0	$0	$0	$0	$0	N/A
FY 2026 BSA	($1,959)	$0	$0	$0	$1,959	(100.0%)
Capital Stabilization Reserve	$0	$250	$250	$250	$250	N/A
General Reserve	$450	$1,200	$1,200	$1,200	$750	166.7%
Less: Intra-City	(2,184)	(2,127)	(2,119)	(2,116)	$68	(3.1%)
Total Expenditures	$125,842	$133,264	$136,028	$139,044	$13,202	10.5%
Gap to be Closed	**$0**	**($6,440)**	**($8,207)**	**($8,516)**	**($8,516)**	**N/A**

Source: Mayor’s Office of Management and Budget

Note: Numbers may not add to totals due to rounding. The proposed property tax increase and the property tax portion of the tax programs are included in the General Property Tax line. The Debt Service line excludes TSASC Inc. debt service, which is paid with tobacco settlement revenues, as well as TFA Building Aid Revenue Bonds (BARBS) and a portion of TFA Future Tax Secured debt service, which are both paid using State Building Aid that is included in the City’s Miscellaneous budget spending (098).

Table 2. Plan -to- Plan Changes, June 2026 Plan vs. May 2026 Plan

($ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues					
Taxes:					
General Property Tax	($150)	$1	$1	$1	$1
Other Taxes	1,237	299	299	299	299
Tax Audit Revenues	90	0	0	0	0
Subtotal: Taxes	**$1,177**	**$300**	**$300**	**$300**	**$300**
Miscellaneous Revenues	176	5	(28)	(19)	(2)
Unrestricted Intergovernmental Aid	(500)	490	0	0	0
Less: Intra-City Revenues	(34)	11	10	10	11
Disallowances Against Categorical Grants	0	0	0	0	0
Subtotal: City-Funds	**$819**	**$806**	**$282**	**$291**	**$309**
Other Categorical Grants	64	7	7	7	4
Inter-Fund Revenues	(5)	7	0	(1)	(1)
Federal Categorical Grants	(37)	93	110	5	5
State Categorical Grants	(134)	229	103	39	41
Total Revenues	**$707**	**$1,142**	**$502**	**$341**	**$358**
Expenditures					
Personal Service (PS):					
Salaries and Wages	($329)	$242	($76)	($79)	($81)
Pensions	(29)	60	(231)	(557)	(860)
Fringe Benefits	180	(261)	(363)	(338)	(379)
Subtotal: PS	**($178)**	**$41**	**($670)**	**($974)**	**($1,320)**
Other Than Personal Service (OTPS):					
Medical Assistance	$1	$0	$0	$0	$0
Public Assistance	0	0	0	0	0
All Other	(6)	1,843	652	488	484
Subtotal: OTPS	**($5)**	**$1,843**	**$652**	**$488**	**$484**
Debt Service	**$28**	**($207)**	**($123)**	**($53)**	**($53)**
FY 2025 BSA	$0	$0	$0	$0	$0
FY 2026 BSA	$896	($896)	$0	$0	$0
Capital Stabilization Reserve	$0	$0	$0	$0	$0
General Reserve	$0	$350	$0	$0	$0
Less: Intra-City Expenses	($34)	$11	$10	$10	$11
Total Expenditures	$707	$1,142	($131)	($529)	($878)
Gap to be Closed	**$0**	**$0**	**$633**	**$870**	**$1,236**

Source: Mayor's Office of Management and Budget

Note: Numbers may not add to totals due to rounding.

Table 3. Plan -to- Plan Changes, June 2026 Plan vs. Adopted 2025 Plan

($ in millions)	FY 2026	FY 2027	FY 2028	FY 2029
Revenues				
Taxes:				
General Property Tax	$225	$673	$271	$328
Other Taxes	3,710	5,022	4,527	3,156
Tax Audit Revenues	340	150	100	100
Subtotal: Taxes	**$4,275**	**$5,845**	**$4,898**	**$3,584**
Miscellaneous Revenues	1,126	635	469	463
Unrestricted Intergovernmental Aid	119	651	161	161
Less: Intra-City Revenues	(535)	(328)	(280)	(272)
Disallowances Against Categorical Grants	0	0	0	0
Subtotal: City-Funds	**$4,985**	**$6,803**	**$5,248**	**$3,936**
Other Categorical Grants	131	18	(242)	(243)
Inter-Fund Revenues	(5)	26	14	13
Federal Categorical Grants	2,393	137	(53)	(243)
State Categorical Grants	1,690	1,954	2,093	1,506
Total Revenues	**$9,194**	**$8,938**	**$7,060**	**$4,969**
Expenditures				
Personal Service (PS):				
Salaries and Wages	$124	$658	$1,034	$1,410
Pensions	(660)	(2,262)	(2,263)	(2,667)
Fringe Benefits	746	299	372	489
Subtotal: PS	**$210**	**($1,305)**	**($857)**	**($768)**
Other Than Personal Service (OTPS):				
Medical Assistance	$180	$57	$57	$57
Public Assistance	1,112	708	244	(198)
All Other	8,069	7,939	8,242	8,120
Subtotal: OTPS	**$9,361**	**$8,704**	**$8,543**	**$7,979**
Debt Service	**($351)**	**($218)**	**($9)**	**$273**
FY 2025 BSA	$0	$0	$0	$0
FY 2026 BSA	$1,959	($1,959)	$0	$0
Capital Stabilization Reserve	($250)	($250)	$0	$0
General Reserve	($1,200)	($750)	$0	$0
Less: Intra-City Expenses	($535)	($328)	($280)	($272)
Total Expenditures	**$9,194**	**$3,894**	**$7,397**	**$7,212**
Gap to be Closed	**$0**	**$5,044**	**($337)**	**($2,243)**

Source: Mayor's Office of Management and Budget

Note: Numbers may not add to totals due to rounding.

Table 4. Comptroller's Office's Restated Gaps and Surpluses

Positive numbers decrease the gap and negative numbers increase the gap

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030
City Stated Gap	**$0**	**($6,440)**	**($8,207)**	**($8,516)**
Revenues Differences				
Tax Revenues:	**$485**	**$431**	**$1,838**	**$2,963**
Property Tax	(181)	185	401	648
Personal Income Tax/PTET	346	(54)	436	992
Business Income Taxes	278	323	910	945
Sales Tax	(12)	(52)	(6)	140
Real Estate-Transaction Taxes	39	(53)	(7)	122
All Other Taxes and Audits	15	81	104	116
Non-Tax Revenue Differences	**148**	**54**	**60**	**59**
Unrestricted State Revenue	**(161)**	**(161)**	**(161)**	**(161)**
Subtotal Revenues	***$472***	***$324***	***$1,737***	***$2,861***
Expenditure Differences				
Underbudgeting:	**($802)**	**($553)**	**($616)**	**($672)**
Overtime	(589)	(511)	(511)	(547)
Contributions to MTA	(213)	(42)	(105)	(125)
Early Childhood Education - 2K	**0**	**0**	**(425)**	**(425)**
Child Care Vouchers	**0**	**(490)**	**(608)**	**(608)**
DOE Paraprofessional Payments	**(350)**	**0**	**0**	**0**
Asylum Seekers Expenses	**139**	**(238)**	**(31)**	**117**
Federal SNAP Administration Funding Cut	**(75)**	**(100)**	**(100)**	**(100)**
Immigration Legal Services	**0**	**(63)**	**(63)**	**(63)**
Pension Investment Returns	**0**	**65**	**200**	**329**
Pension Bills	**(76)**	**(60)**	**(60)**	**(62)**
Temporary and Professional Services	**(50)**	**(95)**	**(95)**	**(100)**
Prior Year Payable Adjustment	**0**	**400**	**400**	**400**
Subtotal Expenditures	***($1,214)***	***($1,134)***	***($1,398)***	***($1,184)***
Total Comptroller Re-estimates	**($743)**	**($810)**	**$339**	**$1,677**
Restated (Gap)/Surplus	**($743)**	**($7,250)**	**($7,868)**	**($6,839)**
Risk from Unsubstantiated Savings	(668)	(586)	(559)	(547)
Restated (Gap) with Risk from Unsubstantiated Savings	**($1,411)**	**($7,836)**	**($8,427)**	**($7,386)**

Source: Office of the New York City Comptroller

Note: Numbers may not add to totals due to rounding.

II. Summary of Economic Conditions

The U.S. economy continued to expand modestly in the first two quarters of 2026, despite low consumer confidence and the constraining effects of the oil supply shock, a partial government shutdown, and ongoing restrictions on immigration and international trade. The job market has been mixed, with initial jobless claims remaining quite subdued but new hiring persistently sluggish—illustrative of the “low-hire, low-fire” economic narrative. The springtime surge in energy prices, driven by the war with Iran, has driven up inflation somewhat, though it has not broadened out significantly to other goods and services thus far. Financial markets have shown resilience in the face of elevated inflation and rising interest rates. Economic forecasters remain cautious about the near-term outlook, generally expecting a continuation of modest growth and elevated but steady inflation.

The Trump administration’s restrictive trade and immigration policies, along with budget cuts and immigration enforcement have likely constrained U.S. economic growth, which has been held up almost exclusively by the artificial intelligence (AI)-related investment boom.

The U.S. and NYC Economies

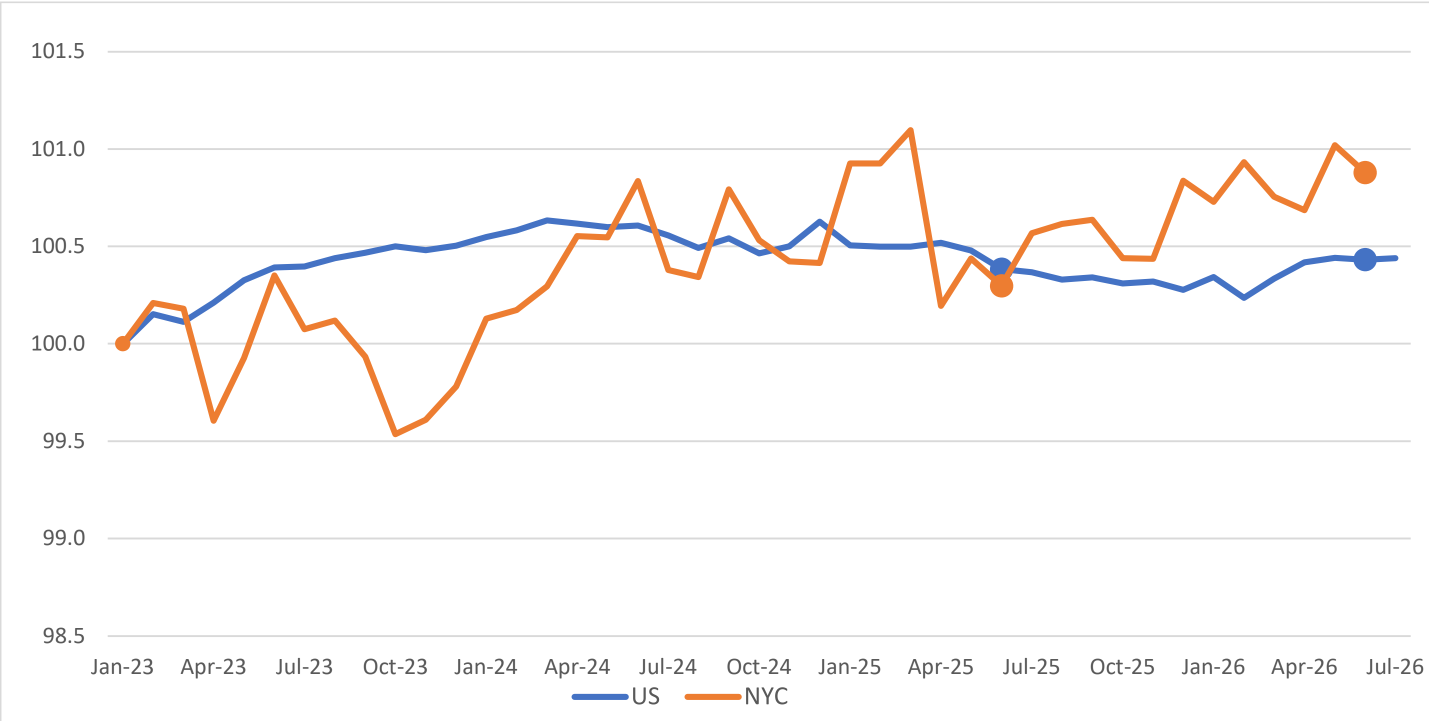
Due to rapidly evolving technology, as well as volatility in Federal fiscal policy and the geopolitical climate, there is more uncertainty than usual about the near-term outlook for the U.S. and NYC economies. The risk of a recession over the next 12 months is considered fairly low but the most likely catalysts would be a persistent energy (oil) supply shock and/or a collapse in AI investment. Because AI is energy intensive, the risks associated with each of these are not independent of one another.

New York City’s economy has, in many ways, shown more resilience than the nation’s as a whole. Trends in employment, commercial real estate, and consumer confidence, though far from stellar, have been somewhat more positive locally than nationally. Local job growth has been subdued over the past year but considerably above the nationwide pace. Moreover, throughout 2026 thus far, local labor force participation has surpassed the national rate for the first time on record (going back a half century). The city’s office market, which was hit particularly hard during the pandemic, has rebounded far more strongly than in other major cities, and new leasing activity has been brisk, driven partly by large AI firms looking to expand their footprint here.

NYC Employment Trends

Employment grew modestly over the first half of 2026. From mid-2025 to mid-2026, overall employment was up 1.4 percent in New York City, versus 0.2 percent for the U.S. as a whole. Healthcare & Social Assistance has continued to be a primary contributor to overall job creation, both locally and nationally. But even excluding that sector, as well as Government, New York City’s job growth was 0.9 percent, again well above the U.S. growth of less than 0.1 percent, as shown in Chart 1 below.

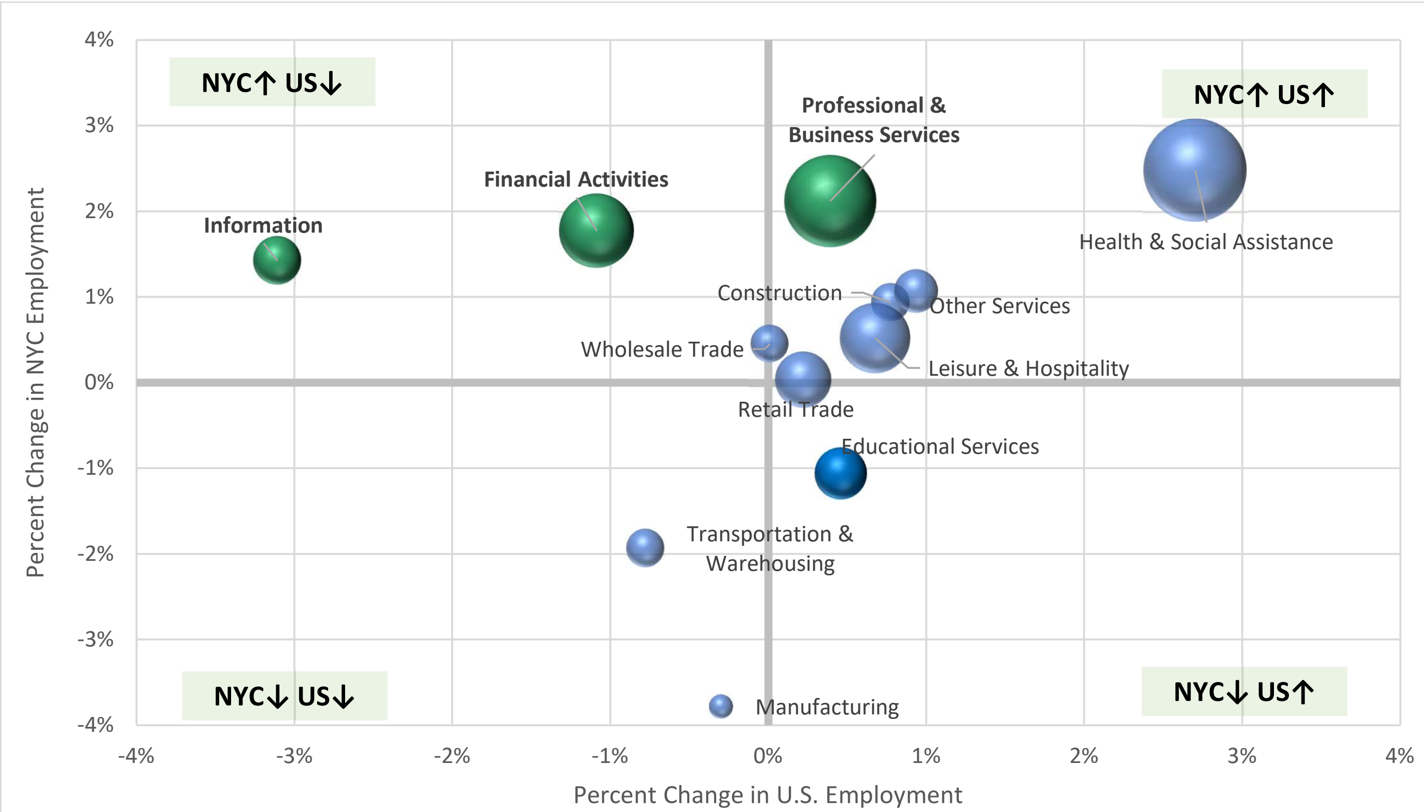
Chart 1. Private Ex-Healthcare Jobs, U.S. & NYC, Indexed to Jan 2023



Sources: Mayor's Office of Management & Budget; Bureau of Labor Statistics, Moody's economy.com; Office of the New York City Comptroller

Yet not all industry sectors have seen job gains. Employment in Manufacturing, Transportation & Warehousing, Restaurants, and Employment Services declined from June 2025 to June 2026, and Retail Trade employment was virtually unchanged. However, most industries added jobs: Chart 2 below provides a profile of employment changes over the past year across various industry sectors, in both New York City and the nation as a whole. Each industry is represented by a "bubble", the size of which is proportional to the number of people employed locally. Those industries above the horizontal axis added jobs in New York City, and those to the right of the vertical axis added jobs nationwide. As shown by the green "bubbles", New York City's key Finance, Professional & Business Services, and Information sectors—which also tend to lease office space and pay high salaries—have seen job gains in New York City. Nationwide, of these sectors, only Professional & Business Services, has added jobs … and only barely. As is also apparent in Chart 2, Health & Social Assistance has seen the strongest job growth, both locally and nationally. The modest growth in overall payroll employment in the first half of calendar 2026 is tracking somewhat short of this Office's June forecast of a net gain of 64,000 jobs from Q4 2025 to Q4 2026.

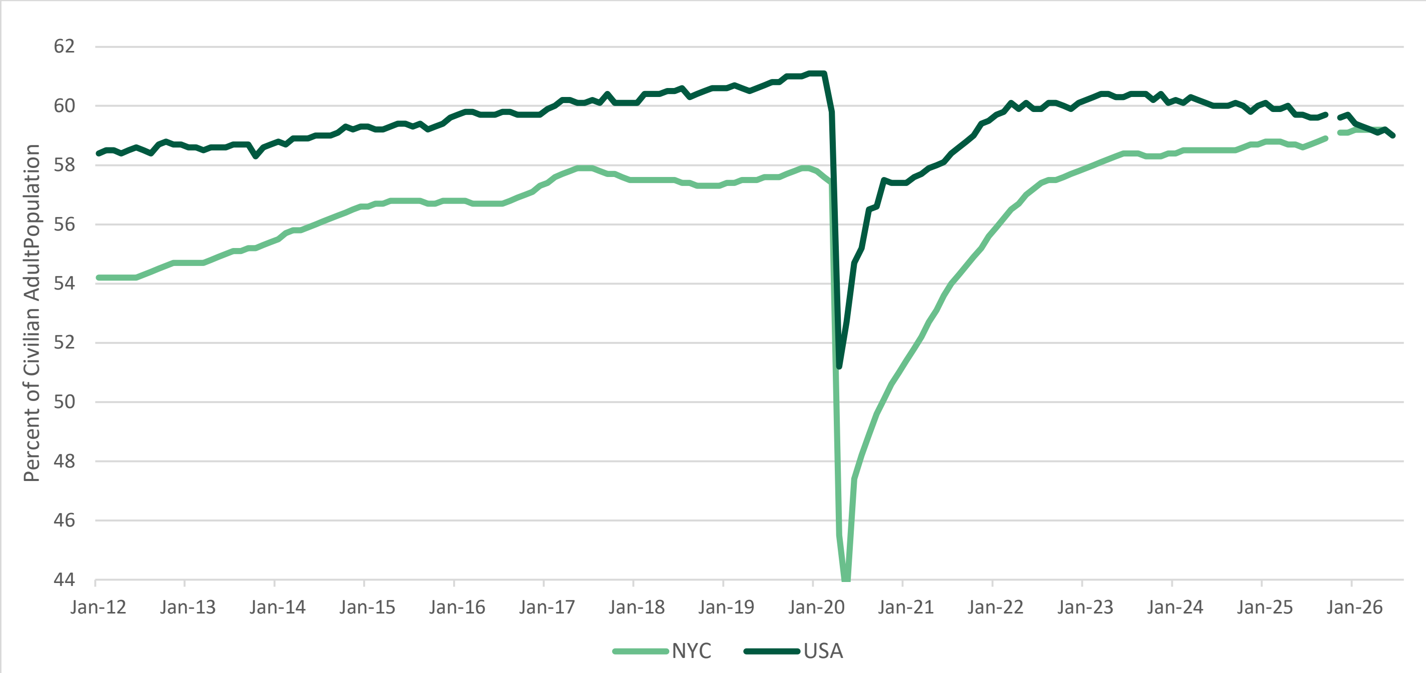
Chart 2. Percent Change in Employment by Sector, June 2025-June 2026, US (X-axis) vs NYC (Y-axis)



Sources: NY State Department of Labor, U.S. Bureau of Labor Statistics, Moody's economy.com
Note: size of bubble is proportional to # of jobs in NYC; green bubbles represent NYC's key (and office-using) sectors.

The household survey of labor force status, which is based on place of residence rather than place of work, suggests that New Yorkers have seen relatively favorable labor market conditions. While the city's unemployment rate, at 5.3 percent in June, has been running about a point above the national average, both labor force participation and the employment-population ratio have been hovering at or near record highs throughout the first half of 2026. This is particularly striking given that, at the national level, both these metrics have trended down and are at multi-year lows. In fact, for the first time on record, NYC's employment-population ratio, plotted in Chart 3 below, is above the nationwide average. Yet, as emphasized in a recent Spotlight and Newsletters, recent graduates have faced an increasingly challenging job market, as the "low-hire, low-fire" economy has been far more auspicious for experienced workers than for new entrants.

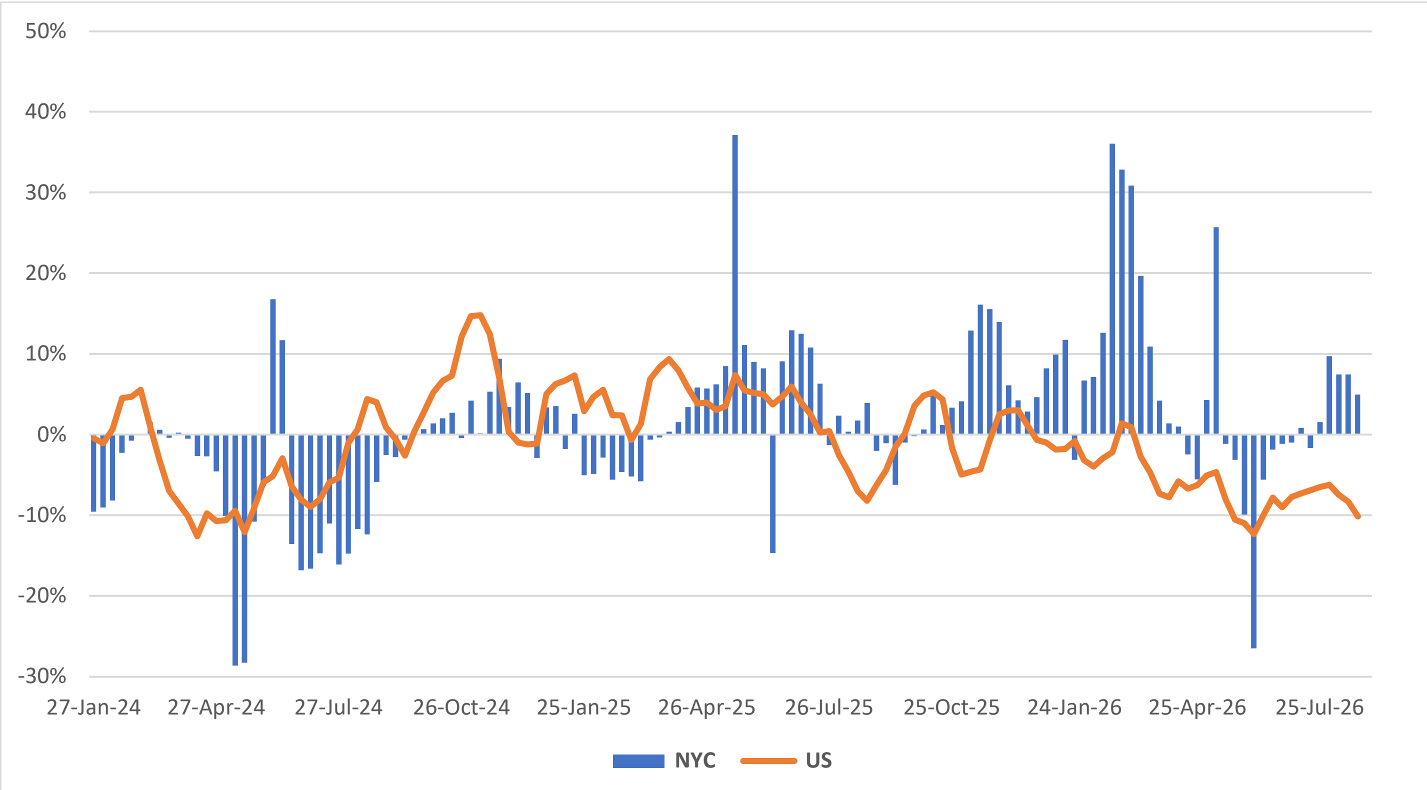
Chart 3. Employment-Population Ratio, NYC vs USA



Sources: NY State Department of Labor, U.S. Bureau of Labor Statistics, Moody's economy.com

Looking ahead, initial weekly jobless claims—a fairly reliable leading indicator of near-term trends in employment—have remained reassuringly subdued, as shown in Chart 4. Recent brisk office leasing activity (discussed in a later section) also offers a hopeful sign for the job outlook—at least in the city's key sectors—as businesses tend to secure space prior to hiring workers to fill that space. For other industry sectors, the job outlook will depend largely on the performance of the national economy overall.

Chart 4. Initial Jobless Claims, Percent Change from Year Earlier (based on 4-week moving average)



Sources: NY State Department of Labor, U.S. Department of Labor

Wall Street revenues and profits remained strong in FY 2026

Wall Street firms (NY Stock Exchange member firms dealing with the public) posted profits of $21.1 billion in the first quarter of 2026, up 37 percent from a year earlier. If the earnings of big banks are any indication, second quarter profits are likely to have continued on the same trajectory.

Investment banking pretax earnings at the five big banks headquartered in New York City (Bank of America, Citigroup, Goldman Sachs, JP Morgan Chase, and Morgan Stanley) were $42.5 billion, growth of nearly 13 percent over the first quarter and 51 percent year over year. Pretax earnings in the first half of 2026 were roughly 36 percent higher than in 2025.

Equity trading was the standout, surging 71.2 percent year-over-year to $25.7 billion, while investment banking fees rose 45.9 percent to $12.7 billion on stronger M&A and underwriting activity. Fixed Income, Currency, and Commodities (FICC) revenues grew a more modest 12.5 percent.

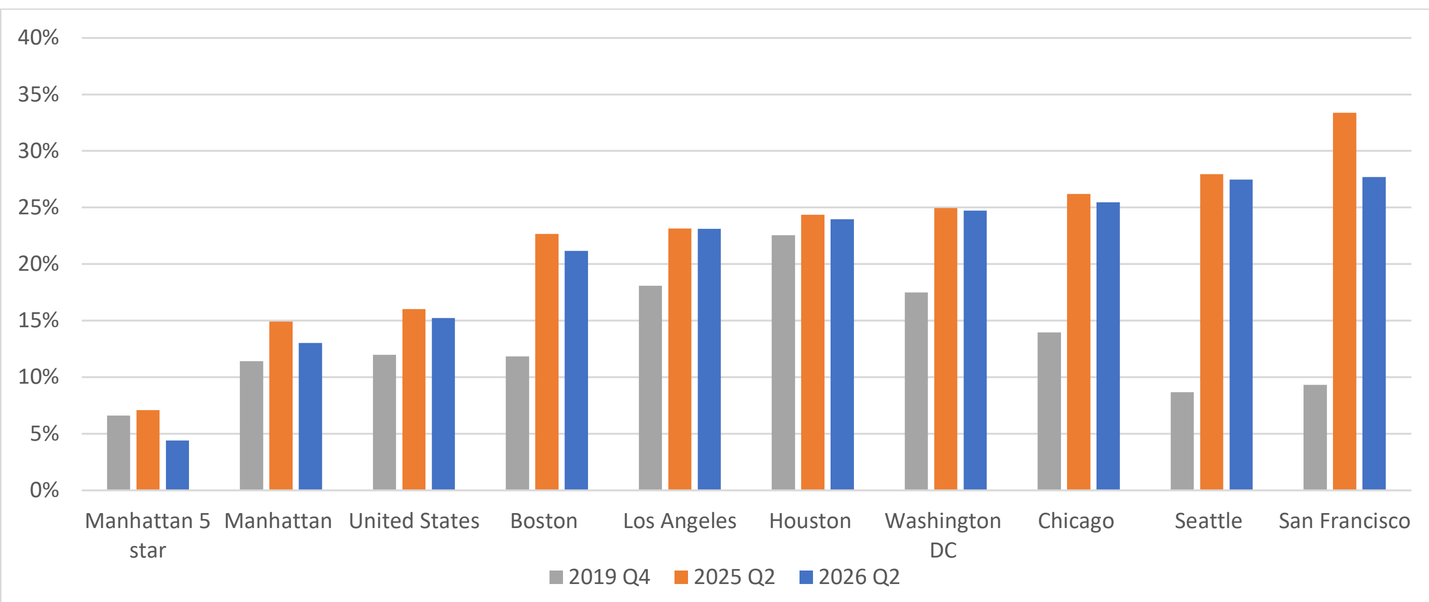
Financial markets have shown volatility amidst recently renewed threats to the flow of crude oil through the Middle East and the Trump Administration's efforts to renew expiring tariffs. While market performance results are always difficult to predict, the median expectation is for both equity market growth and financial sector profitability to cool off markedly.

Commercial real estate

New York City's office market continued to strengthen over the past year, and the improvement has been more broad-based than in recent years. The city's office market, which was devastated by COVID-19 and the sudden shift to remote work, began to recover meaningfully in 2024. Still, the backlog of vacant and unleased space was extensive, and rents remained depressed, well below pre-pandemic levels. However, this backlog has receded, due to growing demand for space, combined with a gradual reduction in supply, as less desirable office buildings get renovated or converted to residential.

Chart 5 shows office availability rates—a barometer of the degree of slack in the market—for selected cities' CBDs (Central Business Districts) at mid-year compared with a year earlier and at the end of 2019, just before the pandemic. While the office availability rate for Manhattan (below 59th Street) is still somewhat above its pre-pandemic level, it has come down over the past year and is considerably lower than in other central cities and also lower than the nationwide rate. Among top-tier (5-star) buildings within Manhattan, shown in the first set of bars, the availability rate is exceptionally low and well below its pre-COVID level. This is particularly striking, as the total supply of office space in this category has expanded substantially: Two Manhattan West (in Hudson Yards) adding nearly 2 million square feet (SF), One Madison Avenue (1.4 million SF) and 270 Park Avenue (2.5 million SF) are a few major examples. Yet even availability rates for lower-tier buildings, which account for a majority of the overall market, have come down, driven by a combination of a gradually declining supply and modestly increasing demand for more affordable space.

Chart 5. Office Availability Rates for Major U.S. Cities' CBDs & U.S.



Source: CoStar

Note: Manhattan 5 star is Manhattan CBD (south of 59th Street). "Manhattan" data includes CBD for all property classes.

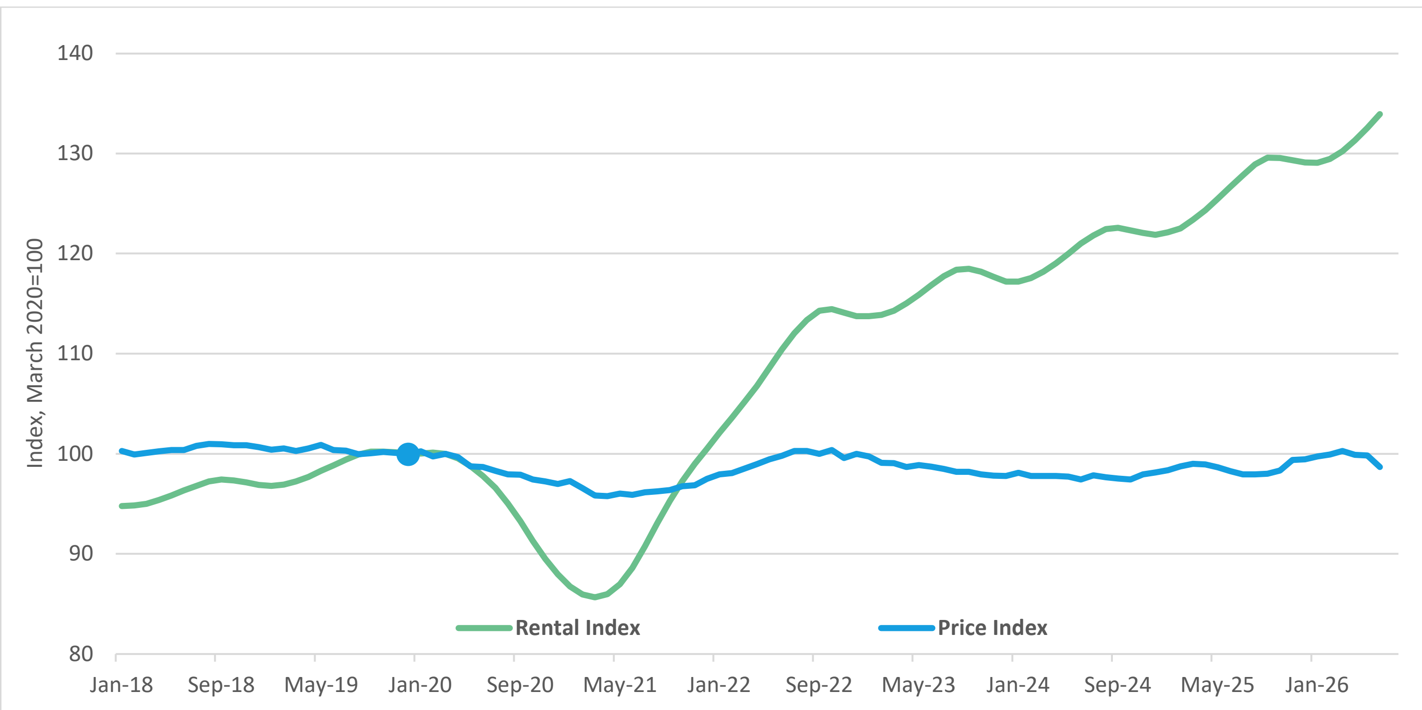
Placer.ai, which tracks office visits based on cell phone locations, estimates that average weekday office attendance came in at just 5 percent below comparable pre-pandemic levels in June, versus a nationwide shortfall of roughly 27 percent. This represents a strong rebound in NYC's "return to office" metric. New York continues to outpace almost all of the other major cities tracked by Placer.ai in terms of the office attendance rebound.

Residential real estate

The housing market has been mixed. The rental market has been exceedingly tight, with low inventories and persistent escalation in market rents. StreetEasy estimates that market rents in June were up almost 6 percent from a year earlier, with a somewhat steeper gain of 7 percent in Manhattan and somewhat milder increases of about 4.5 percent in Brooklyn and Queens. Rents on stabilized units, which account for somewhat over 40 percent of the rental stock, increased by a maximum of 3 percent this past year but will be frozen on leases that renew from October 2026 to September 2027. A large and growing number of rent-stabilized apartments, estimated at around 57,000 citywide, were vacant in 2025[12].

The sales market has been essentially flat: StreetEasy data, based on repeat sales, show sales prices at mid-2026 up only marginally from a year earlier and still down marginally from pre-pandemic levels. By borough, trends in sales prices have been slightly more positive in Queens and slightly more negative in Manhattan.

Chart 6. Indexes of NYC Home Prices & Rents, March 2020=100

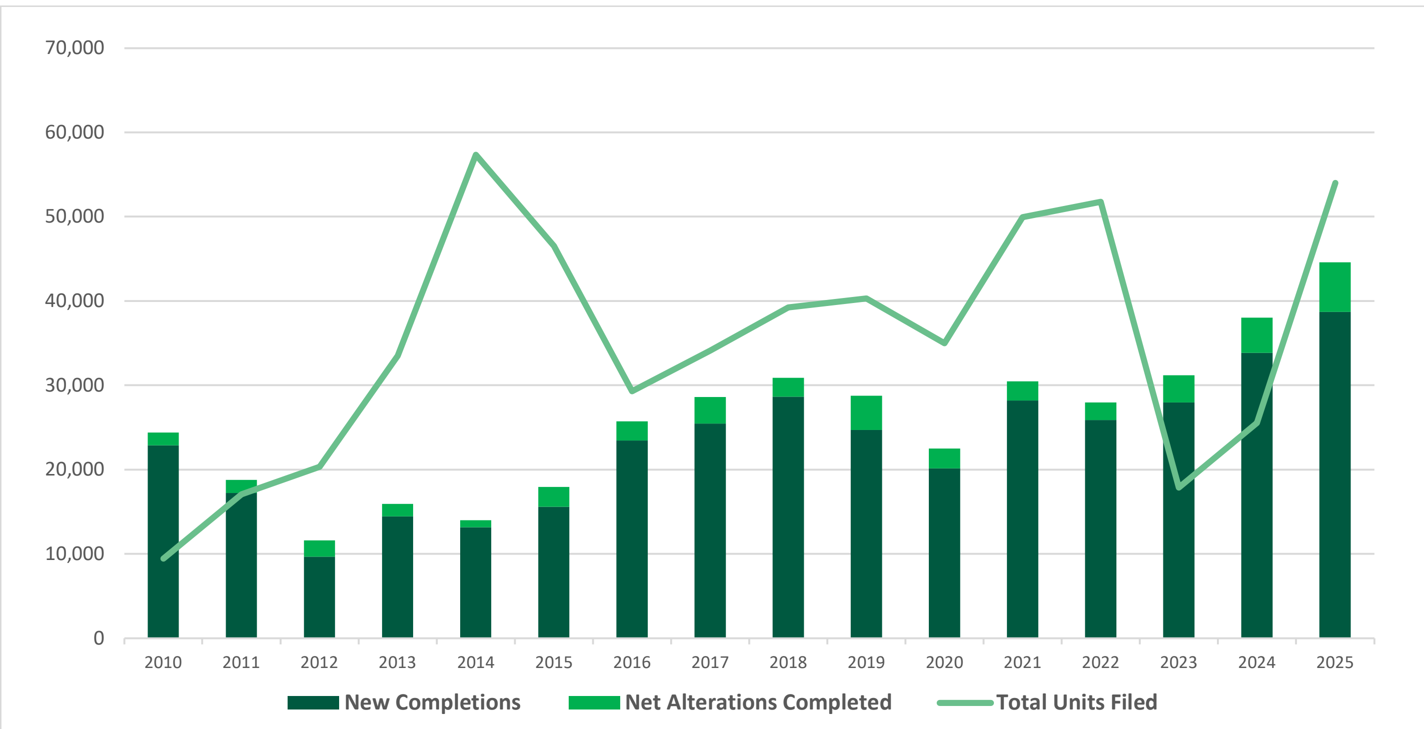


Source: StreetEasy

[1] Rate of Vacant Stabilized Apartments on the Rise After Pandemic-Era Spike | The City Reporter — NYC News

The housing supply remains a major issue of concern. The city's housing stock has not expanded rapidly enough, in recent decades, to keep up with demand, and the chronic shortage of housing has driven up market rents and made the city increasingly unaffordable. It has also evidently been a constraint on the city's economic growth. In an encouraging sign, as illustrated in Chart 7 below, 2025 saw nearly 40,000 new housing units completed and another 6,000 added from net alterations (mostly commercial-to-residential conversions)—on both fronts, the most housing units created citywide in decades.[3] Of those, an estimated 13,600 were affordable (i.e. non market-rate) units.[4] Looking ahead, the pipeline for future construction also looks encouraging: developers filed applications for permits adding up to nearly 54,000 new housing units, an 11-year high; and preliminary data for 2026 indicate that nearly 17,000 new units were filed for in the first quarter alone.[5] These statistics suggest that growth in the housing stock is, thus far, exceeding the City of Yes projection of adding 82,000 housing units over 15 years, though there is still a long way to go in resolving the city's housing shortage.

Chart 7. Housing Units Filed & Units Completed, Including Net Alterations



Source: NYC Department of City Planning (DCP)

[3] See Chart 6A in New York by the Numbers Monthly Economic and Fiscal Outlook No. 112 – April 2026 - Office of the New York City Comptroller Mark Levine

[4] New York Housing Conference's annual Housing Tracker report for 2026: https://tracker.thenyhc.org/wp-content/uploads/2026/06/NYHC-Tracker-2026_Digital.pdf

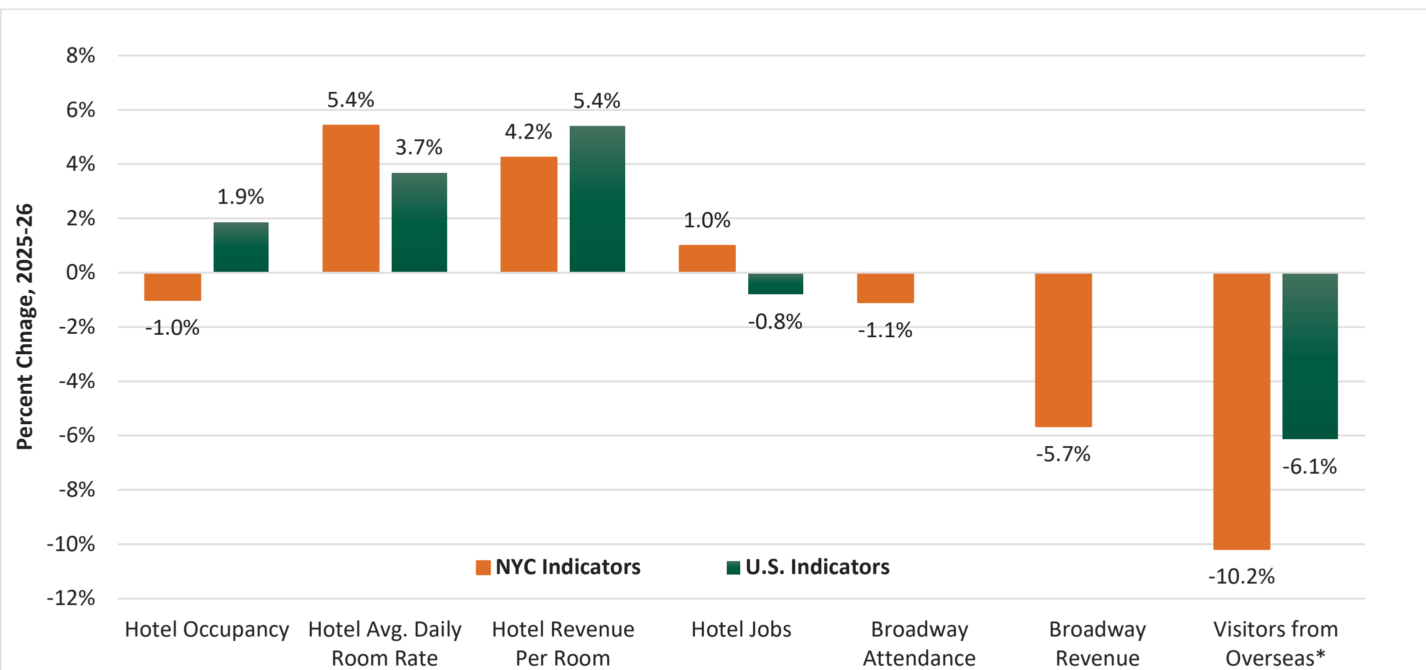
[5] REBNY Q1 2026 report https://www.rebny.com/press-release/q1-2026-report-shows-increase-in-proposed-construction-activity-as-multifamily-unit-production-exceed-historical-averages/

Tourism has shown resilience but has fallen short of projections

Tourism in New York City was little changed in calendar 2025, according to NYC Tourism & Conventions, with an estimated 65.0 million visitations—up less than 1 percent from 64.5 million in 2024. A 1.6 percent increase in domestic visitors was largely offset by a 3.1 percent dip in visitations from abroad, largely driven by a steep (19 percent) drop in visitors from Canada. International visitations were expected to turn up this year, led by a moderate rebound in Canadian visitors. The number of domestic visitations is expected to continue its upward trend, rising by nearly 2 percent and finally surpassing its 2019 (pre-pandemic) level.

However, there are indications that tourism, especially from abroad, may have fallen short of expectations. As shown in Chart 8 below, year-to-date, both hotel occupancy and Broadway theatre attendance have been running slightly below 2025 levels. The drop in visitors from overseas, however, has been considerably steeper, though it may be somewhat overstated. While these data count arrivals of international visitors into NYC airports as points of entry, New York City may not be their ultimate or primary destination; conversely, visitors may come into the U.S. at other points of entry and wind up in New York City. Also, much of the weakness year-to-date occurred in April, when TSA was understaffed and overworked. Still, in June alone, the number of foreign visitors entering through NYC-area airports was still down 5 percent from a year earlier, despite eight World Cup matches at MetLife stadium starting on June 13th. Anecdotally, many hotels, both in New York City and elsewhere across North America, were counting on a boost in occupancy that never really materialized as of mid-2026. On a more hopeful note, NYC hotels did register an incipient pickup in both occupancy and daily room rates in the second half of July, likely buoyed by the World Cup final match.

Chart 8. Tourism Indicators, Percent Change, YTD 2025 vs. YTD 2026



Sources: Costar; Broadway League; International Trade Administration; Office of the New York City Comptroller
*Foreign visitors from overseas (i.e. excluding Canada & Mexico) entering the U.S. at NYC-area airports or ports.

Local Inflation Remains Elevated Raising Long-Term Rates

Inflation across the New York City metro area has receded somewhat since our June report, but it remains elevated and above the nationwide average. The CPI (Consumer Price Index) did decline modestly in June, both locally and nationally, thanks to a dip in energy prices, driven mainly by a pullback in gasoline prices. However, on a 12-month basis, CPI is still up 3.5 percent nationwide and up 4.1 percent locally—far less than in May but still high. Despite the monthly dip, energy prices are still up roughly 16 percent over the past 12 months, both locally and nationally, led by gasoline prices. More important, as of this writing, oil prices have rebounded sharply in the commodity spot and futures markets, making it likely that both national and local inflation will re-accelerate during the summer. Meanwhile, escalating rents are also nudging up inflation locally, and more so than nationally. As of late July, yields on 10- and 30-year Treasuries, which largely determine mortgage rates, were approaching 20-year highs.

Risks to the NYC Economy

Downside risks to the local economy essentially stem from risks to the U.S. economy. Historically, most U.S. recessions have been preceded by a supply shock—more often than not, involving oil supply and prices. Thus, the ongoing war with Iran, which has already led to a steep rise in oil and gasoline prices, appears to be the most likely catalyst for a downturn. In such a case, New York City would clearly be affected, though to a lesser extent than the nation as a whole for a number of reasons. First, because local residents tend to drive considerably less, they spend much less on gasoline than the typical American. Second, because the typical New York City home has a relatively small footprint, it is less costly to heat and cool than homes across most of the nation. Third, because per capita income tends to be relatively high in New York City, energy costs—for gasoline, heating oil, and electricity—generally account for a smaller share of the typical household budget. However, with long-term interest rates already approaching multi-year highs, New York City's economy could be quite vulnerable to corresponding downturns in the credit and equity markets.

Another set of risks pertains to the evolution of AI (artificial intelligence). Earlier this year, this Office published a report looking at the economic outlook under an array of scenarios involving the evolution of AI and its impact on the economy and workforce. In the most optimistic scenario, AI adoption proceeds at a fairly brisk pace, spurring both productivity and economic growth, making workers more productive rather than replacing workers. Other scenarios do not bode all that well for the city (or the nation) but are not disastrous: one scenario sees widespread adoption, but displacing more than complementing existing workers, while another sees a slowing in adoption and a steep pullback in AI investment, which has been the prime pillar of economic growth lately. A more bleak but less likely scenario involves a more severe labor market disruption concentrated in high-paying white-collar jobs which subsequently drives losses in consumption and slower GDP growth.

Beyond those, there are ongoing economic risks from Federal restrictions on trade and immigration, as well as various budget cuts and contractionary fiscal policies—all of which have been described in more detail in this Office's prior reports.

III. FY 2027 Adopted Budget and June Financial Plan for FY 2026-FY 2030

Overview of the FY 2027 Adopted Budget

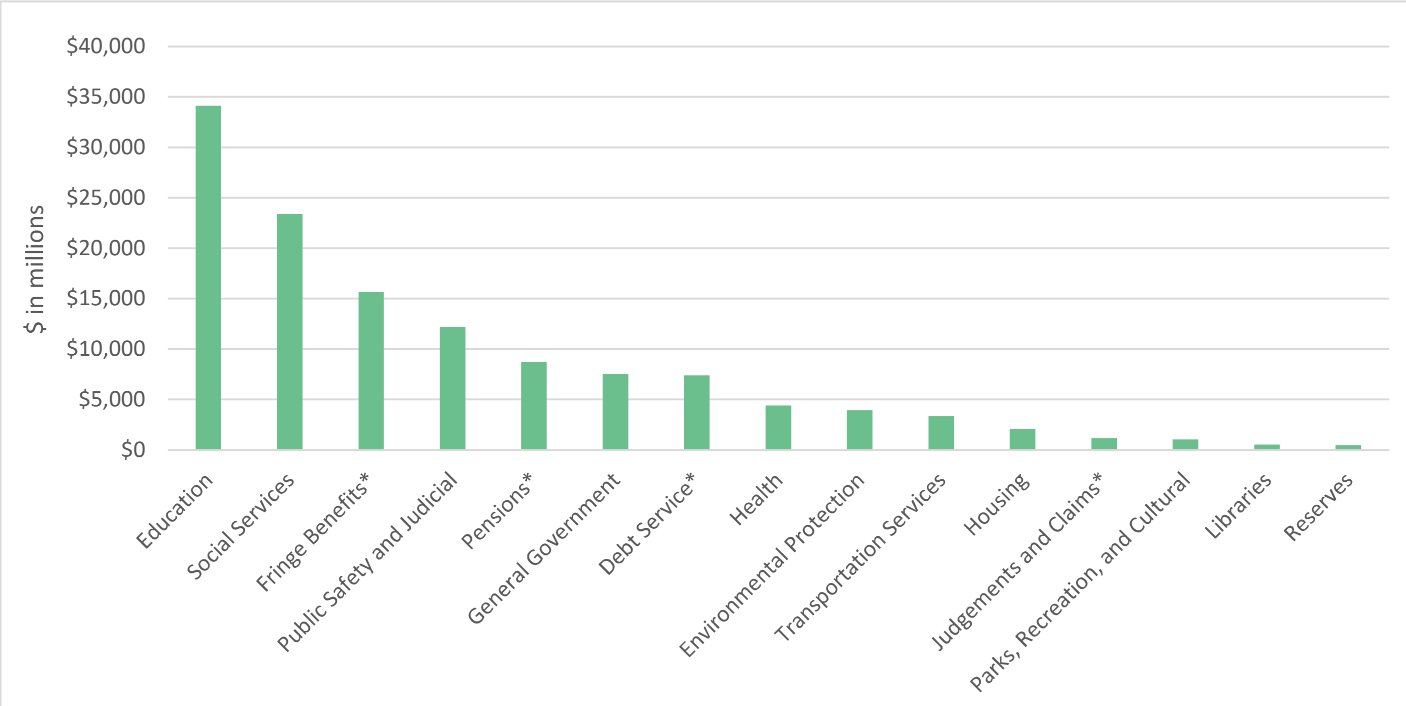
The Adopted Budget for FY 2027 totals $125.84 billion. Just over a quarter of the total budget ($34.11 billion or 27.1 percent) is allocated for education spending, which includes funding the Department of Education (DOE) and the City University of New York (CUNY), followed by $23.37 billion for the City's social service agencies (18.6 percent).[6] Other agency spending comprises $35.03 billion (27.8 percent of the budget). Spending on fringe benefits and pensions for City employees and retirees account for another $24.36 billion (19.4 percent of the budget). Debt service costs to pay for the City's capital program account for $7.37 billion (5.9 percent). Budgeted payments for judgments and claims comprise $1.15 billion (0.9 percent).

The Adopted Budget also includes a general reserve of $450 million, which accounts for 0.4 percent of the budget. This "in-year" reserve for unforeseen contingencies is typically spent down as the fiscal year progresses. In the Preliminary Budget released in February, the administration lowered the FY 2027 General Reserve from $1.2 billion to its statutory minimum of $100 million. The FY 2027 Capital Stabilization Reserve (another in-year reserve) budgeted for $250 million was eliminated. After the $350 million partial restoration of the General Reserve, FY 2027 in-year reserves stand $1.0 billion below the $1.45 billion amount typically available at the start of the fiscal year.

Chart 9 shows the allocation of the FY 2027 budget by service areas and centrally budgeted expenditures, such as fringe benefits, debt service, and pension contributions.

[6] Spending on DOE and CUNY fringe benefits, which are typically reflected within each agencies' respective budget have been included in the fringe benefits category. Social services agencies include the departments of Social Services, Homeless Services, Aging, and the Administration of Children's Services. All totals are net intracity funding.

Chart 9. FY 2027 Adopted Budget by Service Area & Centrally Budgeted Expenditures



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

Note: *Denotes centrally budgeted expenditures. Spending on Department of Education and City University of New York fringe benefits, which are reflected within each agencies' respective budgets, have been included in the fringe benefits category.

Most spending (76.0 percent) is supported by City-funded revenues. Tax revenues, which the Mayor's Office of Management and Budget (OMB) forecasts to total $88.67 billion, account for the bulk of City-generated revenues, as shown in Chart 10. Real property taxes and personal income taxes account for nearly two-thirds of projected tax revenues, with the property tax totaling $37.30 billion[7] (42.1 percent of tax revenues), followed by $20.76 billion in Personal Income Tax (PIT) and Pass Through Entity Tax or PTET (23.4 percent of revenues).[8] Non-tax City revenues—including interest income, charges for services, and revenues from licenses, permits, and franchises, as well as unrestricted governmental aid—are projected to comprise 5.6 percent ($7.02 billion) of total FY 2027 revenues (net intracity transfers). The Comptroller's Office provides its own—slightly higher—estimates of FY 2027 City-funded revenues in the Comptroller's Office's Restated Gaps and Surpluses section of this report.

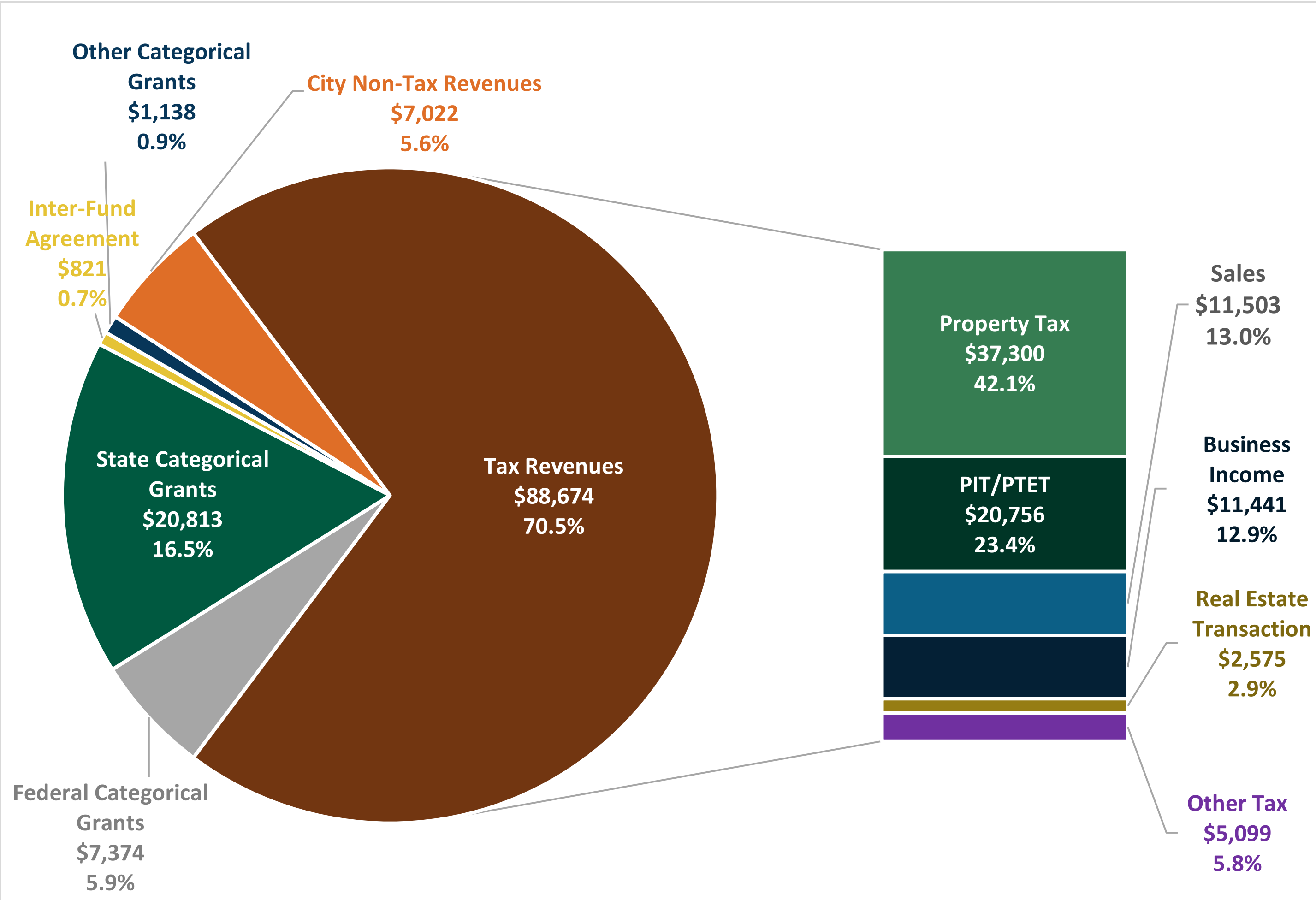
State categorical grants are forecast to be $20.81 billion, or 16.5 percent of total FY 2027 projected revenues. Federal grants account for another $7.37 billion, or 5.9 percent, of FY 2027 projected revenues. Other categorical (OC) grants and inter-fund agreement (IFA) revenues comprise the remaining City revenues (about 1 percent each). IFA revenues are reimbursements from the Capital

[7] Property tax revenues are inclusive of the NY State reimbursement of STAR exemptions.

[8] In response to limits put on deductions of State and Local Taxes (SALT) payments in the 2017 Tax Cuts and Jobs Act, the State enacted legislation that allows partnerships and S corporations (known as pass-through entities) to pay City and State entity-level taxes. PTETs are optional taxes that do not replace the pre-existing income taxes (the General Corporation Tax on S corporations and the Unincorporated Business Tax). Unlike state and local PIT, PTET payments can be fully deducted from the federal individual income tax.

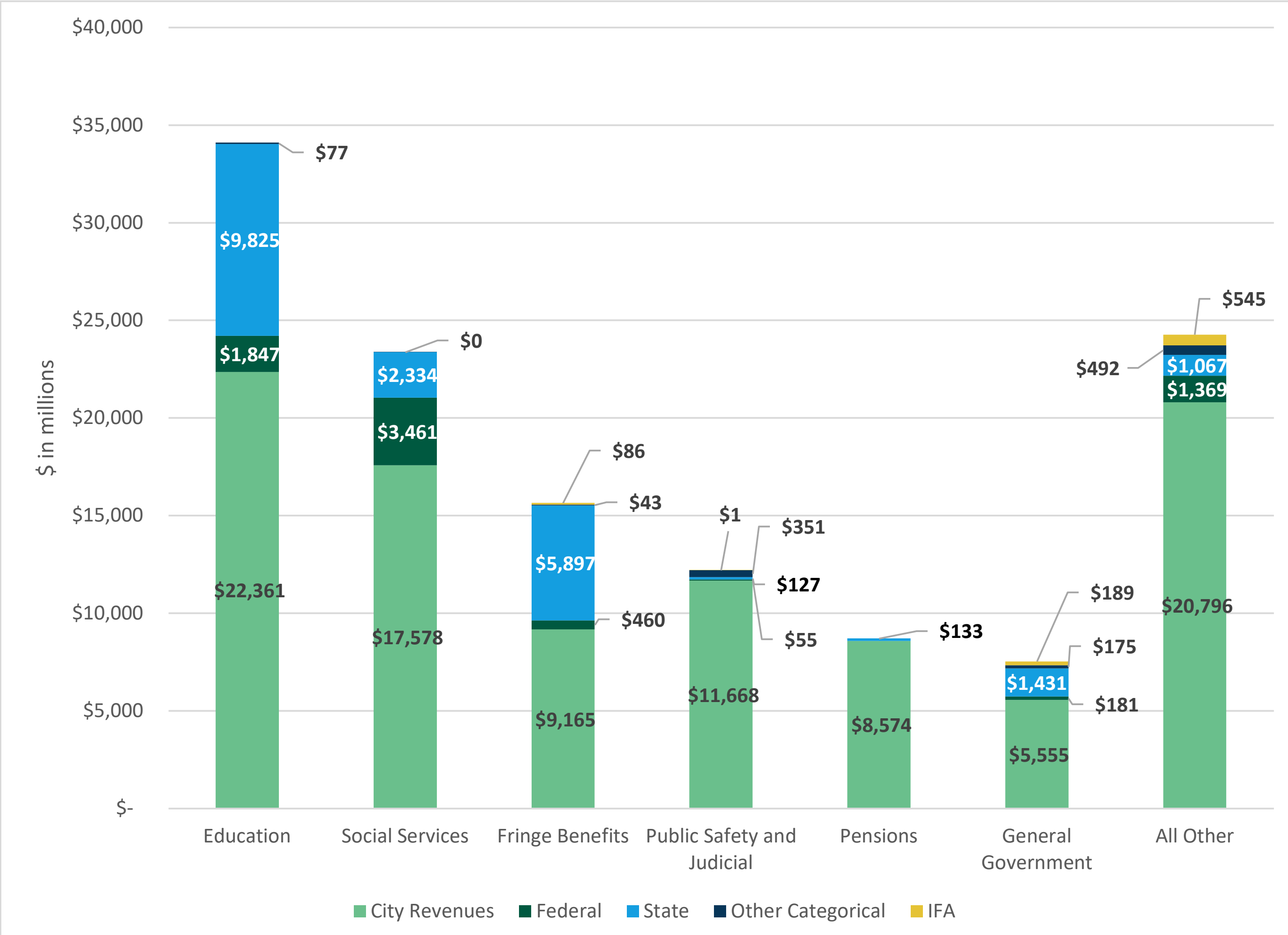
Projects Fund to the General Fund for costs related to the execution of capital projects. Chart 11 shows the funding allocation among the different service areas of the budget.

Chart 10. Funding Sources, FY 2027 Adopted Budget, in Millions



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

Chart 11. Funding Allocation by Service Area and Centrally Budgeted Expenditures for FY 2027



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

Changes from the FY 2027 Executive Budget and May Financial Plan

The $125.84 billion FY 2027 Adopted Budget is a $1.14 billion increase over the Executive Budget released in May. City-funded revenue estimates increased by $807 million. OMB raised its tax forecast by $300 million. In addition, OMB moved $490 million in unrestricted State aid previously planned for FY 2026 into FY 2027. These unrestricted funds are also counted as City-funded revenue. Projections of other non-tax City-funded revenues increased by $17 million. The higher tax revenue forecast is primarily due to higher projected business income taxes (a $300 million increase, baselined).

State categorical aid increased by $229 million, largely driven by a $117 million increase in State building aid and $68 million added for the State's Rental Supplement Program. Budgeted Federal aid increased by $93 million compared to the Executive Budget.

In the June Financial Plan, released with the FY 2027 Adopted Budget, OMB increased its FY 2026 revenue projections by $707 million compared to the May Plan. The largest increase was to tax revenues ($1.18 billion), with most of the difference due to higher business income tax revenues ($861 million), followed by a $291 million increase in PIT/PTET. Non-tax City-funded revenues increased by $142 million, while unrestricted State aid decreased by $500 million due to the aforementioned roll of funds into FY 2027. Estimates of State Categorical grants declined by $133 million and Federal Categorical grants declined by $37 million. The increase in City-funded revenues in FY 2026, along with some expense savings, allowed the City to increase its prepayment of FY 2026 debt service by $896 million, freeing up FY 2027 resources for other expenditures.

As to expenditures, City-funded spending for FY 2027 reflects an increase of $1.70 billion compared with the Executive Budget, as shown in Table 5 and as described in more detail in the following sections. Revisions to agency expenditures for FY 2027 total $1.41 billion. City Council Initiatives account for another $706 million of the increase, along with a $60 million increase in pension costs, and a $350 million addition to the general reserve. These additions are partially offset by a reduction in fringe benefit costs ($360 million), a reduction of funds in the City's labor reserve ($260 million), as well as savings on projected debt service ($207 million).

Changes to FY 2027 City-Funded Agency Expenditures

The largest additions to City-funded agency expenditures in the Adopted Budget for FY 2027 compared to the Executive Budget are to the DOE, where City-funded expenditures increased by $606 million. (Unless mentioned, all totals in this section exclude City Council Initiatives, which are described in more detail in the following section.) The additional funding includes: $383 million in "hold harmless" funding for schools that would otherwise see budget cuts because of projected reduced enrollment in FY 2027 (see insert for details); $133 million for custodial costs (baselined at $135 million in the outyears); $18 million for Individual Education Services Plan support (baselined); and $18 million for costs relating to L.V. litigation orders[9] (baselined at $19 million in the outyears). In addition, the DOE's City-funded costs increased due to swapping costs previously planned to be paid for with State funding to City funding. These include Summer Rising ($26 million), teacher recruitment ($17 million), NYC Reads and Solves ($17 million), and Every Child and Family is Known ($4 million). Conversely, $10 million of annual funding for class size previously projected to be paid with City funds will now be paid with State funding. All the funding swaps are baselined. OMB also added $122 million in State education funding beginning in FY 2027 (baselined through FY 2030) to help fund the City's class size reduction mandate. This brings the total funding added during the Mamdani administration to implement the mandate to $914 million in FY 2030, the first year of full implementation in the revised timeline signed into law in June of this year. Based on the most the recent DOE Class Size Report and the School Construction Authority's enrollment

[9] A settlement in L,V. v. NYC Department of Education ordered the NYC DOE to improve the management of DOE's special education administrative orders. See: L.V. v. NYC Department of Education - Advocates for Children of New York and Comments on New York City's Preliminary Budget for Fiscal Year 2025 and Financial Plan for Fiscal Years 2024 – 2028 - Office of the New York City Comptroller Mark Levine for more details.

projections, this Office estimates the amount currently budgeted to implement the class size mandate to be sufficient at this time.

Table 5. Changes to City-Funded Estimates from the May 2026 Plan

($ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Gap to be Closed - May Plan	**$0**	**$0**	**($7,073)**	**($9,077)**	**($9,752)**
Revenues:					
Tax Revenues	1,087	300	300	300	300
Tax Audits	90	0	0	0	0
Non-Tax Revenues	142	17	(19)	(8)	9
Unrestricted Aid	(500)	490	0	0	0
Total Revenue Changes	**$819**	**$807**	**$281**	**$292**	**$309**
Expenditures:					
Agency Expense Changes	$253	$1,414	$626	$632	$627
City Council Initiatives	0	706	0	0	0
FY 2026 Agency Savings	(141)				
Fringe Re-estimate	0	(360)	(364)	(340)	(381)
Labor Reserve Re-estimate	(180)	(260)	(260)	(260)	(260)
General Reserve		350			
Pension	(37)	60	(231)	(557)	(860)
Debt Service	28	(207)	(123)	(53)	(53)
Total Expenditure Changes	**($77)**	**$1,703**	**($352)**	**($578)**	**($927)**
Gap to be Closed Before Prepayments	**$896**	**($896)**	**($6,440)**	**($8,207)**	**($8,516)**
FY 2026 Prepayment	**(896)**	**896**	**0**	**0**	**0**
Gap to be Closed – June 2026 Financial Plan	**$0**	**$0**	**($6,440)**	**($8,207)**	**($8,516)**

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

Hold Harmless Funding for Schools Continues in FY 2027

General education public schools in New York City are funded largely on a per-pupil basis. This means that changes in student enrollment have a direct impact on school budgets. The largest funding stream provided directly to schools is a per-pupil allocation known as Fair Student Funding (FSF). In FY 2026, FSF accounted for 60 percent of overall school funding.

In 2021 school enrollment declined dramatically as a result of the COVID-19 pandemic, and the DOE utilized federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) aid along with City funding to restore funding to schools that would have otherwise seen their budgets reduced due to enrollment declines. This "register relief" funding was first instituted at the mid-year of FY 2021 when the DOE allocated CRRSA and City funding equivalent to 100 percent of schools' enrollment loss against projections. In FY 2022 the initial City funding was allocated at 25 percent of schools' enrollment loss against projections and increased to 100 percent at the mid-year adjustment – once again utilizing CRRSA funds. In FY 2023, CRRSA funding equivalent to 50 percent of schools' enrollment loss against projections was allocated through initial register relief. This funding was transitioned to federal American Rescue Plan Act (ARPA) funding at the mid-year point and raised again to 100 percent of enrollment loss against projections.

Beginning in FY 2024 the DOE began a new form of funding maintenance known as "hold harmless," which ensured that schools start the year at a funding level no lower than the prior year inclusive of most categories of funding, including FSF. The DOE has continued to hold schools harmless at the initial funding point every year since. Furthermore, since FY 2025 the DOE has also provided schools with register relief at the mid-year adjustment (MYA) funding point, when actual school enrollment (as of the end of October) is compared to the projections made before the school year began and any funding loss is replaced as register relief.

Hold harmless was extended to special education (District 75) programs in FY 2024, not provided to those programs in FY 2025, but continued in FY 2026 and FY 2027. Table 6 shows the total funding allocated throughout the register relief and hold harmless programs, up to the initial hold harmless allocation made for the upcoming FY 2027 school year in the Adopted Budget.

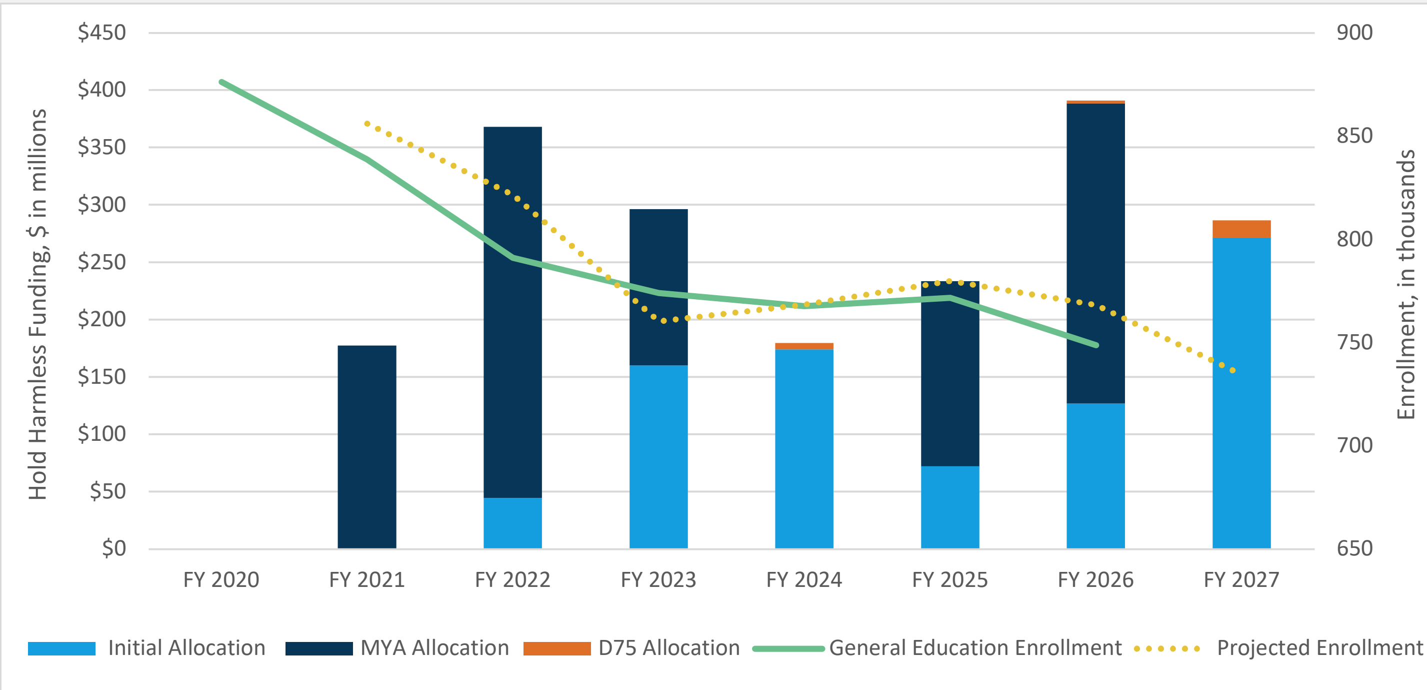
Table 6. Register Relief (RR) and Hold Harmless (HH) Total Allocations by Year

FY	Allocation Timing (Initial/Mid-Year Adjustment) and Type (Hold Harmless/ Register Relief)	Funding Source	General Education Allocation ($ in millions)	Special Education Allocation ($ in millions)	Total Allocation ($ in millions)
2021	MYA (RR)	City and CRRSA	$177	$-	**$177**
2022	Initial (RR) and MYA (RR)	City and CRRSA	368		**368**
2023	Initial (RR) and MYA (RR)	CRRSA and ARPA	296		**296**
2024	Initial (HH)	City and ARPA	174	6	**180**
2025	Initial (HH) and MYA (RR)	City	234		**234**
2026	Initial (HH) and MYA (RR)	City	389	2	**391**
2027	Initial (HH)	City	271	15	**286**
Total			**$1,909**	**$23**	**$1,932**

Source: New York City Department of Education School Allocation Memos (SAMs).
Note: Hold harmless funding shown *excludes* centrally budgeted fringe costs.

FY 2027 initial hold harmless allocations were released on June 15, 2026, with general education schools receiving $271 million in total City funding. This relatively high initial allocation is the result of a projected decline of 14,199 general education students in FY 2027 compared to actual enrollment in FY 2026. District 75 schools were held harmless for $15 million in funding for a total of $286 million to schools. In addition, $97 million was allocated centrally in fringe benefits for teachers paid through hold harmless funding. Together these sums result in the $383 million FY 2027 hold harmless additions in the Adopted Budget. Further funding could be added at the mid-year funding point if enrollment declines beyond projections and the administration continues funding this policy.

Chart 12. Hold Harmless/Register Relief Funding and General Education Enrollment



Source: New York City Department of Education

Note: Hold harmless funding shown excludes centrally budgeted fringe costs. Enrollment shown only includes general education K-12 students in NYCPS schools.

As shown in Chart 12, the relationship between enrollment and hold harmless/register relief funding is not always direct. Policy and funding changes, and the accuracy of enrollment projections, also impact how much relief was allocated each year. The funding restored by register relief in the initial allocations in FY 2022 and FY 2023 described earlier was more directly related to changes in enrollment and projected enrollment. The change from register relief to hold harmless expanded the scope of funding included in the formula to maintain budget allocations across years. While register relief is purely a replacement of per-pupil Fair Student Funding, the hold harmless formula compares the entire school funding of the prior year (with a few exceptions, such as for Pre-K and Summer Rising), and ensures the school is funded to the same level in the next year, regardless of how its enrollment is projected to change.

Following the DOE, City-funded expenditures at the Department of Social Services (DSS) increased by $201 million in the Adopted Budget. This includes $63 million added for immigrant legal services (for FY 2027 only). The Council also added $75 million for these services for a total of $138 million. The Adopted Budget included $54 million for an expansion of the Fair Fares program (with the addition baselined) administered by DSS. The expansion increases eligible households from those making 150 percent of the Federal Poverty Level to 200 percent—for a single person the eligibility cut off will go from $23,000 to $32,000. In addition, $39 million was added for services for people living with HIV/AIDS (baselined), and $8.6 million in FY 2027 ($6.6 million in the out-years) for a new CityFHEPS Career and Education Bridge program that is intended to assist households receiving rental assistance through the program with the goal of increasing household incomes.

City-funded spending at the Department of Housing Preservation and Development (HPD) increased by $197 million in FY 2027. This is largely due to the addition of $175 million in funding for the new City Housing Assistance Program (CHAP). The program was created through City Council legislation passed along with the Adopted Budget. The legislation settles litigation between the Adams and, subsequently, Mamdani administrations and plaintiffs, joined by the City Council, over the implementation of a package of laws passed by the City Council in 2023 that would have expanded the existing CityFHEPS program. For the most part, these laws were never implemented.[10] As described in more detail in the section below, CHAP is separate from CityFHEPS and is intended to provide rental assistance to some, but not all, of the population targeted by the original package of legislation. The new program will have a capped number of vouchers based on its appropriation in the budget. For FY 2027, $175 million has been budgeted, with $125 million budgeted annually from FY 2028 through FY 2030.

Other notable additional expenditures funded by the City only in FY 2027 include $53 million for NYC Kids Rise to provide $1,000 college savings accounts for every public school kindergartner, $30 million for the Returnable Grant Fund to provide interest-free bridge loans through the Fund for New York City to non-profits that have contracts with the City, $21 million to fund various programs at CUNY, and $20 million to support cultural institutions in the community (an additional $10 million was baselined beginning in FY 2027 for a Cultural Stability Fund to assist cultural institutions facing emergencies or financial difficulties).

In addition to the agency expenditures, as previously mentioned, the administration increased the amount budgeted to the general reserve in FY 2027 by $350 million.

New Rental Assistance Program Passed with Adopted Budget

Funding for a new rental assistance program that will provide housing subsidies to households not eligible for CityFHEPS was added in the FY 2027 Adopted Budget. The City Housing Assistance Program (CHAP) represents a settlement between the administration and plaintiffs, joined by the City Council, after the Mayor refused to implement an expansion of the CityFHEPS program passed by the Council in 2023. The new program will provide vouchers to households that are ineligible for CityFHEPS but with somewhat narrower eligibility criteria than the 2023 expansion and with a fixed funding level. See Table 7 for a comparison of eligibility criteria among the current CityFHEPS program, the legislated but never implemented 2023 expansion, and CHAP.

Under the new program, households earning up to 50 percent of the area median income (currently $76,350 for a three-person household) will be eligible for assistance if they are a named respondent in a pending eviction proceeding for nonpayment in housing court <u>and</u> live in a rent-stabilized apartment. In addition, households earning up to 50 percent of the area median income and living in shelters that are

[10] The package of legislation also eliminated the shelter 90-day rule, which the Adams administration implemented in June 2023.

ineligible for CityFHEPS (such as emergency shelters operated by HPD, the Department of Youth and Community Development, and the Mayor's Office of Criminal Justice) will also be eligible for CHAP.[11] Households in DSS and NYC Human Resources Administration (HRA) shelters will also be eligible for the new program if they do not meet CityFHEPS requirements. These include households that have incomes above 200 percent of the Federal Poverty Level (the income eligibility requirement for CityFHEPS, currently $54,640 for a three-person household), or that do not meet CityFHEPS work requirements.[12] According to the legislation creating the program, 50 percent of available funding should be used for qualifying households at risk of eviction in rent stabilized apartments and 50 percent should be used for qualifying households in shelter.

Like CityFHEPS, households will pay 30 percent of their income in rent with the voucher covering the difference. CityFHEPS requires households eligible for public assistance to apply for it. This is not a requirement in the CHAP legislation.

The City Council and the Mamdani administration have provided differing estimates for how many vouchers will be issued within the appropriation amounts. The administration said it expects the new vouchers will serve approximately 5,600 households, or 14,000 people, while the Council estimated it could cover as many as 9,600 households, or 30,000 individuals.[13] The difference between the two projections likely has to do with different estimates of subsidy and tenant contribution amounts, which will depend on the income and rents of the households served by the new program. Given that this is an appropriation-based program, the administration reported it used more conservative (i.e. higher voucher cost) estimates to ensure there is adequate funding for enrolled households for its initial assessment.

According to the legislation that created the program, the number of households who receive rental assistance is limited by the amount of funding appropriated — $175 million in FY 2027 falling to $125 million in FY 2028 and the outyears. When depleted, the City may place eligible households on a waiting list. The legislation states that the application process for the program must begin within 180 days of enactment, with eligibility determinations beginning no later than 240 days from enactment. Given the short ramp-up phase, it is unclear whether the program will be able to allocate a number of vouchers sufficient to exhaust the FY 2027 appropriation of $175 million. If it does, then the program is immediately under-budgeted in FY 2028 because vouchers represent an ongoing expense. The administration is required to provide annual data beginning on August 1, 2027 on the number of enrolled and wait-listed households, and average rental assistance.

In addition, the drop-off may well mean that program funding could be a sticking point in next year's budget adoption too. The fact that funding of CHAP is going to be a recurring part of future budget negotiations is underscored by the legislation itself, which states: "Each year, during the budget

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[11] The Department of Youth and Community Development provides emergency shelter services for young people between the ages of 16 through 24; as of the end of May 2026 provided shelter to 793 individuals. HPD provides emergency shelter to households displaced from their homes due to fire or City-issued vacate orders due to other dangerous conditions. As of the end of May HPD shelters housed 1,930 individuals. The Mayor's Office of Criminal Justice provides short-term reentry housing to 650 individuals, as of the end of May. See the Local Law 79 report for details.

[12] Households in shelter must also include a household member that either meets works requirements (10 hours per week for last 30 days), has a disability, is 60 or older, lives in a DHS shelter about to close or has served in the U.S. Armed Forces.

[13] City To Expand Housing Vouchers in Budget: What You Need To Know - City Limits

adoption process for the next fiscal year, the mayor and the council shall consider whether eligibility for the rental assistance voucher program established pursuant to this chapter shall be expanded to additional categories of households."[14]

Table 7. Eligibility Criteria for CityFHEPS, CityFHEPS 2023 Expansion, City Housing Assistance Program

	CityFHEPS	CityFHEPS 2023 Expansion	City Housing Assistance Program
Income Eligibility	200% FPL (currently $54,640 for a three-person household)	50% of AMI (currently $76,350 for a three-person household)	50% of AMI (currently $76,350 for a three-person household)
Community Eligibility	Income eligible households at risk of homelessness and: include a veteran; been evicted in the last 12 months or been subject to an eviction proceeding (i.e. facing eviction) and include a recipient of Adult Protective Services; be facing eviction and use the voucher to preserve a rent-controlled apartment; be facing eviction and have previously resided in a DHS shelter; or be referred to CityFHEPS qualifying program.	Income-eligible households at risk of eviction, defined as tenants who have received a written demand for rent letter from their landlord or have active cases in housing court.	Income eligible tenants named as a respondent in a pending eviction case for nonpayment of rent in rent stabilized units. Households shall not use vouchers to move to a new apartment except: if needed for a reasonable accommodation of a disability; enable household to leave domestic violence situation; or for health and safety reasons outlined by the HPD commissioner.
Shelter Eligibility	DSS or HRA shelter, or street homeless	No shelter requirement	Any income eligible household in a non DSS or HRA shelter is eligible. DSS and HRA shelter residents with income that exceeds 200% FPL or does not meet CityFHEPS work requirements.
Public Assistance Enrollment	If eligible for public assistance, households must apply for it and the public assistance shelter grant can be used for a	If eligible for public assistance, households must apply for it and the public assistance shelter grant can be used for a	None

[14] Intro 996 of 2026.

	CityFHEPS	CityFHEPS 2023 Expansion	City Housing Assistance Program
	household's tenant contribution	household's tenant contribution	
Work Requirements	Households in shelter must also include a household member that either meets works requirements (10 hours per week for last 30 days), has a disability, is 60 or older, lives in a DHS shelter about to close or has served in the U.S. Armed Forces.	None	None

Source: Office of the New York City Comptroller; The Rules of the City of New York Section 10-02 Administration of the CityFHEPS Programs. Local Law 99 of 2023; Local Law 100 of 2023; Local Law 101 of 2023; Local Law 102 of 2023, Intro 996 of 2026.

City Council Initiatives

The Adopted Budget includes $706 million in new City-funding through City Council Initiatives. Through discretionary funding the Council supports non-profit organizations to meet a variety of local needs. Of the funds added (all for FY 2027 only), $206 million flows through the Department of Youth and Community Development's (DYCD) budget, followed by $113 million through DSS, $86 million through the Department of Health and Mental Hygiene (DOHMH), $54 million through the Department of Cultural Affairs (DCLA), $45 million through the Department for the Aging (DFTA), and $44 million for CUNY programs, with the remainder split among other agencies.

Fringe Benefit Re-estimate

Centrally budgeted City-funding for fringe benefits for City employees was reduced by $360 million in FY 2027, with similar reductions in the outyears.[15] For FY 2027, the reduction encompasses lower than previously budgeted amounts for health insurance ($105 million reduction), FICA costs ($134 million reduction), and supplemental welfare benefits ($120 million reduction). According to OMB, the reductions result from aligning the fringe budget with expected headcount amounts.

Certain fringe costs, including FICA and supplemental welfare benefits have been overbudgeted in the financial plan as this Office reported in its Comments on the FY 2027 Executive Budget. However, those funds, along with overbudgeting for full-time staff, can be required to fill gaps in other personnel service costs, such as differential and bonus payments, and unsalaried costs, as described in more detail in the Assessment of the PS Budget Misalignment in the FY 2027 Adopted Budget section.

[15] Excludes impact of funding add for fringe costs included in the hold harmless changes.

Labor Reserve

The administration reduced funding held in the City's labor reserve for FY 2027 by $260 million in the Adopted Budget, for a total of $343 million now budgeted. The re-estimate is due to lower than budgeted headcount and fewer than anticipated prevailing wage settlements, according to OMB. The administration baselined the $260 million reduction in the outyears. The labor reserve totals $1.52 billion in FY 2028, $2.14 billion in FY 2029, and $2.92 billion in FY 2030, respectively.

The funding held in the labor reserve is usually estimated based on headcount levels at a certain date. For example, funding estimated for the 2021-2026 collective bargaining round was based on headcount data as of December 31, 2020. After an agreement is negotiated and ratified, the City then transfers funding to the agencies impacted based on the terms of the contract and current actual headcount. Funds previously reserved may be lower or higher than the actual cost of the contract. For example, since June 2024 OMB has reduced the balances in the labor reserve by $740 million for FY 2026 and by $760 million for FY 2027, including the re-estimate in the June Plan noted above, mainly due to lower headcount and fewer than anticipated prevailing wage settlements. In addition, OMB estimated that $1.21 billion in a prior-year labor costs accrued to FY 2023 will be written down by the close of FY 2026 (see the Comments on the FY 2027 Executive Budget for more details).

Contracts for three unions representing the City workforce have already expired, as shown in Table 8, including the Police Benevolent Association (PBA) and the Uniformed Firefighters Association (UFA), which expired on July 31, 2025. On June 15, the PBA filed a "declaration of impasse" request with the state's Public Employment Relations Board (PERB) that stated that the City had refused to present an offer for salary increases for officers represented by the union. On July 15, the PBA reported that PERB had approved its request for an impasse. As a result, two mediators from PERB will facilitate the negotiations.[16]

The contract for District Council 37, the City's largest municipal labor union, expires in November 2026 (FY 2027). According to OMB, the labor reserve holds funds for 1.25 percent annual increases. The Comptroller's Office estimates that it would cost between $550 million to $600 million in City funds for a 1 percent increase when fully phased in for all municipal employees.

Table 8. Major Unions Contract Expiration Dates

Union	Date
Uniformed Firefighters Association	7/31/2025
Police Benevolent Association	7/31/2025
Uniformed Fire Officers Association	7/30/2026
District Council 37	11/6/2026
Sergeants Benevolent Association	12/9/2026
Organization of Staff Analysts	3/5/2027

[16] POLITICO Pro | Article | State takes over contract talks between Mamdani administration and NYPD's largest union.

Union	Date
Lieutenants Benevolent Association	4/15/2027
Correction Officers' Benevolent Association	4/30/2027
Detectives' Endowment Association	5/31/2027
Captains Endowment Association	9/30/2027
United Federation of Teachers	11/28/2027
Correction Captains' Association	1/29/2028
Uniformed Sanitationmen's Association	2/27/2028
Uniformed Sanitation Chiefs Association	2/29/2028
Council of School Supervisors & Administrators	3/29/2028
Sanitation Officers Association	8/24/2028

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

Pension Changes

Pension projections in the June Plan were revised downward to reflect estimated FY 2026 asset gains of 12 percent and to account for lower costs resulting from the final valuation update for FY 2026.[17] To this Office's knowledge, this is the first time that the financial plan incorporates an estimate of pension returns before obtaining final numbers from the City's Actuary. Offsetting the reductions for FY 2028 through FY 2030 were additional costs associated with pension reforms and benefit enhancements recently enacted in the FY 2027 State Budget, such as reducing TIER 6 employee contributions rates for certain New York City Employees Retirement System (NYCERS) and Board of Education Retirement System (BERS) members and lowering the retirement age for Teacher Retirement System (TRS) members with 30 years of service from 63 to 58 years. The City had previously included $110 million beginning in FY 2027 in the May Plan for these changes. (See this Office's Comments on New York City's Executive Budget for more details and discussion on the reforms and benefit enhancements).

As shown in Table 9, the net impact of these changes resulted in a reduction of $29 million in FY 2026, an increase of $60 million in FY 2027, and reductions of $231 million in FY 2028, $557 million in FY 2029 and $860 million in FY 2030.

Table 9. FY 2026 – FY 2030 City Pension Contributions

($ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Pension Expense, May Plan	$9,736	$8,647	$9,729	$9,281	$8,710
FY 2026 Asset Gains (under OMB's 12% return assumption)	0	0	(304)	(641)	(958)

[17] Returns above or below the Actuarial Interest Rate (AIR) for a given fiscal year are phased into the Actuarial Asset Value over a five-year period in accordance with the Actuary's Actuarial Asset Valuation Methodology (AAVM).

($ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Additional Cost of Pension Reform	0	60	73	84	98
Valuation Update & Other	(29)	0	0	0	0
Total Pension Expense, June Plan	**$9,707**	**$8,707**	**$9,497**	**$8,734**	**$7,851**

Source: Office of the New York City Comptroller, Mayor's Office of Management and Budget
Note: Numbers may not add due to rounding. Totals are net Intra-City adjustments.

The pension investment earnings for FY 2026 will impact pension contributions beginning in FY 2028. The pension projections included in the financial plan originally assumed an Actuarial Interest Rate (AIR) of 7 percent, 5 percent lower than currently assumed in the June Plan.[18] Audited figures indicate that pension investments have earned 13.0 percent for the fiscal year. The Comptroller's Office estimates that this will result in savings above what was included in the financial plan of approximately $65 million in FY 2028, growing to $329 million by FY 2030.

Debt Service Changes

Projected debt service costs, adjusted for the debt service prepayment, decreased by $207 million in FY 2027, $123 million in FY 2028, and $53 million in FY 2029 and FY 2030 in the Adopted Budget. These changes are driven by revisions to Transitional Finance Authority (TFA) debt service projections. TFA's debt service is forecast to decrease by $288 million in FY 2027, $137 million in FY 2028, and $78 million in FY 2029 and FY 2030. Due to changes in total State Building Aid revenue the City anticipates receiving, the City is forecast to retain $18 million less in state building aid to pay TFA debt service and $117 million and $62 million more in FY 2027 and FY 2028 respectively. Greater state building aid retained for TFA debt service results in fewer City funds required to service TFA debt. Projected TFA debt service is further reduced by a $500 million decrease in expected TFA borrowing in FY 2027.

Changes to Authorized Headcount

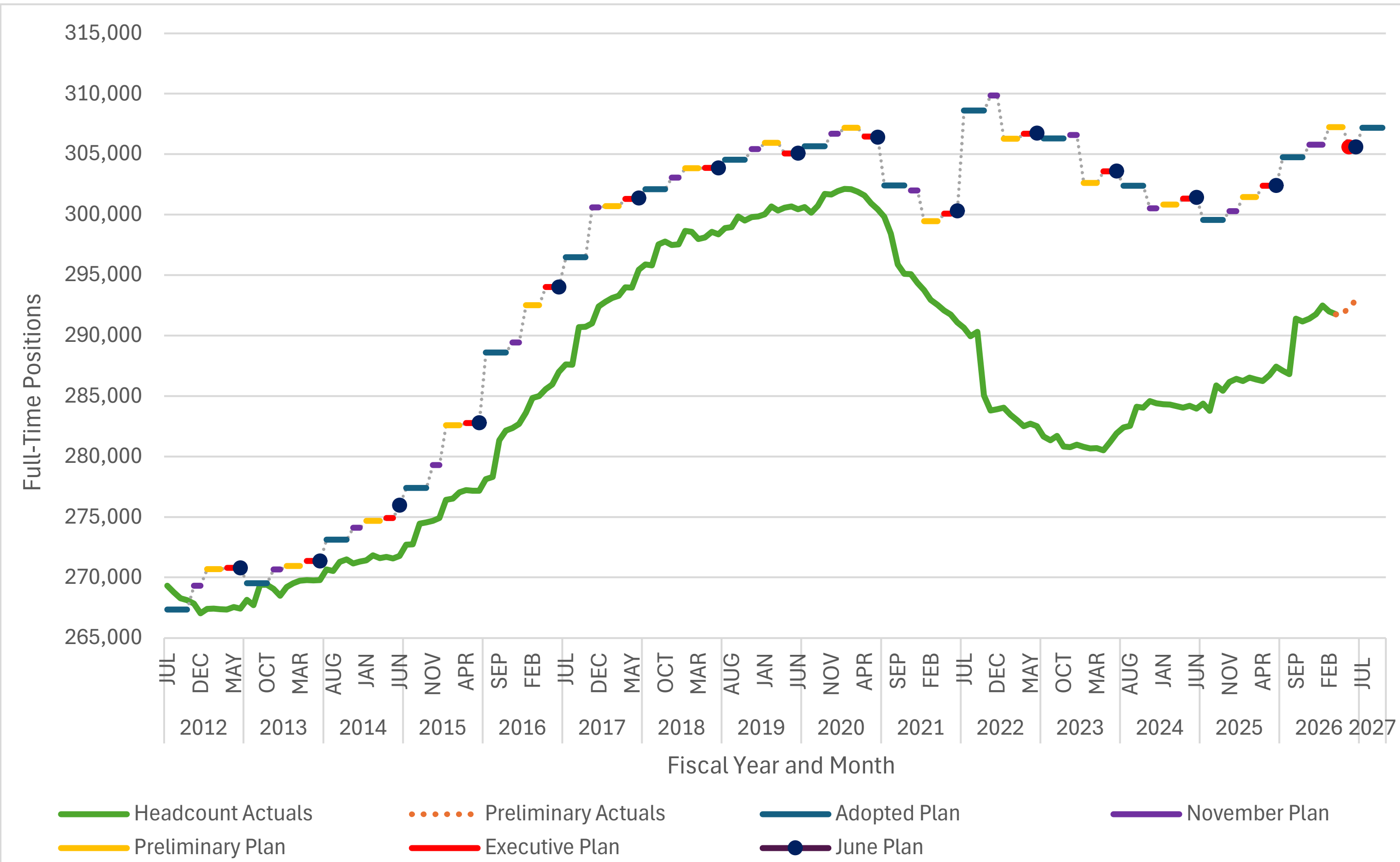
Full-time authorized headcount for FY 2027 totals 307,199 in the Adopted Budget with the number of authorized positions increasing slightly (0.1 percent) to 307,599 by FY 2030. Compared to the Executive Budget, the authorized full-time headcount in the Adopted Plan increased by a net 28 positions for FY 2027, but there were major swings by employee group.

The Adopted Budget removed 395 uniformed positions in NYPD. This was offset by a net increase of 414 civilian positions citywide, primarily at the Department of Parks and Recreation (117 positions) for Park Enforcement Patrol (PEP) officers and other adjustments, at the District Attorney Offices (77 positions), and at DSS to staff a variety of initiatives including the administration of NYC Benefits, gun-based violence prevention, CityFHEPS Career and Education Bridge program, and Fair Fares (66 positions). There was no additional authorized pedagogical headcount added, despite additional PS

[18] The AIR of 7 percent is the current statutory AIR used to value the pension liabilities. Following the end of the fiscal year, the City's Office of the Actuary measures the investment returns earned by the pension funds and compares them to the returns that would have been generated if investment earnings had equaled the AIR.

funding added for hold harmless. The City's full-time workforce stood at 292,858 as of June 2026, resulting in a vacancy rate of 4.2 percent when compared against the 305,618 FY 2026 authorized level included in the June Plan. In May, the Mamdani administration lifted the 2-for-1 hiring freeze put in place by the Adams administration. Since then, the City's full-time workforce has increased by a net 1,141 employees. For additional information on the City 's authorized headcount compared to its salary and wage budget see the section below.

Chart 13. Full-Time Headcount, Actual vs Plan, FY 2012 — FY 2027



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 Plan value, April through May are the Executive Plan value, and June is the final June Plan value. Data on actual full-time employment are preliminary for April through June of FY 2026; they are derived from initial payroll results and have not yet been published by OMB.

Assessment of the PS Budget Misalignment in the FY 2027 Adopted Budget

In its fiscal note [“The Phantom of the Opera”-ting Budget](), released shortly before the release of the City’s FY 2027 Executive Budget and May Financial Plan for FY 2026-2030, the Comptroller’s Office detailed the structural misalignment between the City’s authorized full-time headcount and its full-time salary budget for FY 2026. This misalignment created the perception of greater savings from full-time vacancies in FY 2026 than existed because not all authorized vacancies were funded. The Fiscal Note also outlined that any savings that did exist were required to cover other areas underbudgeted in the PS budget.

In its Comments on the FY 2027 Executive Budget, the Comptroller’s Office found that the Executive Budget for FY 2027 better aligned authorized headcount to the full-time salary budget, in that it:

- Reduced funding for full-time pedagogical costs for the class size mandate. This funding was added in the Preliminary Budget without increasing the associated authorized headcount (likely because the authorized headcount for the DOE had already been somewhat higher than its funding level).
- Added funding for civilian full-time costs, where most authorized vacancies lie.

However, structural issues remained. Both uniformed and civilian employee groups had insufficient salary budgets to hire up to their authorized headcount and were therefore underfunded compared to their authorized headcount (see Table 10). In addition, the financial plan continued to overbudget for certain fringe benefit costs (such as FICA and supplemental welfare benefits[19]) and inadequately budget for unsalaried and other wage costs (such as bonus payments, wage differentials, per-session wages for DOE employees, and holiday pay, among others)[20]. This Office advised that any potential full-time savings and savings for certain other fringe costs in the next fiscal year must also be examined with the need for potential additional funds in these areas. Changes to rectify these imbalances, however, were largely not made in the City’s Adopted Budget for FY 2027.

Pedagogical and Uniform Misalignment

The FY 2027 Adopted Budget reverses progress on pedagogical salary budget and headcount alignment, adding $414 million to the full-time salary pedagogical budget in DOE with no associated headcount changes, primarily as part of its hold harmless funding increase. The result is an overfunded pedagogical employee group relative to its authorized headcount, as shown in Table 10.

In addition, the Adopted Budget does not address the existing gap between uniformed salaries and authorized headcount, which stands at 97.6 percent funded in Table 10. This Office estimates that this could leave over 1,400 uniformed positions unfunded, and potentially vacant if these agencies were limited to hiring just up to their full-time salary budget.

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[19] Other fringe benefits include FICA, supplemental welfare benefits, disability and unemployment insurance, uniform allowances. They exclude health insurance and pension costs.

[20] Excludes overtime costs, which this Office estimates separately.

Table 10. FY 2027 Full-Time Staff Vacancy Indicators

	Authorized Headcount	Estimated Funded Headcount	Funded vs Authorized
	(A)	(B)	(C)=(B/A)
May Plan	**307,171**	**305,087**	**99.3%**
Civilian	*113,148*	*111,998*	*99.0%*
Pedagogical	*132,805*	*133,344*	*100.4%*
Uniform	*61,218*	*59,745*	*97.6%*
Adopted Plan	**307,199**	**310,112**	**100.9%**
Civilian	*113,562*	*112,893*	*99.4%*
Pedagogical	*132,805*	*137,870*	*103.8%*
Uniform	*60,832*	*59,349*	*97.6%*

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

Note: To estimate the funded headcount, this Office takes the budgeted amount for full-time salaries for each agency (Object Codes 001 and 053 for civilians, 004 for uniformed employees, and 005 for pedagogical employees) and divides the total by an estimate of the agency's average actual salary to derive a fully funded headcount. This calculation is sensitive to increases or declines in the actual headcount. Estimated funded headcount varies by agency.

Funding Levels for Other Fringe, Unsalaried, and Other Wage Costs

While the Adopted Budget reduced funding for certain fringe benefit costs, particularly FICA and supplemental welfare benefits, that this Office had identified as being overbudgeted, the FY 2027 Adopted Budget did not increase funds at all for unsalaried staff and other wage costs (such as bonus payments, wage differentials, per-session wages for DOE employees, and holiday pay, among others).[21] In fact, budgeted costs for unsalaried staff and these other wage costs in FY 2027 decrease by a net $70 million compared to FY 2026. The Comptroller's Office forecasts total FY 2026 actual costs for other fringe, unsalaried/other salaried, and other wage costs to be $8.97 billion, approximately $411 million higher than currently budgeted for FY 2026. As shown in table 11, if this projection is accurate, this results in a net $661 million difference between FY 2026 projected actuals and the Adopted Budget for FY 2027.

Table 11. Other Fringe, Unsalaried and Other Wage Costs, Budget FY 2026 vs Adopted Budget FY 2027

($ in millions)	Budget FY 2026	Adopted Budget FY 2027	Adopted FY 2027 vs Budget FY 2026	Comptroller's Office FY 2026 Projected	Difference Projected FY 2026 vs Adopted FY 2027
Other Fringe Costs	$4,996	$4,816	($181)	$4,600	($216)
Unsalaried/ Other Salaried	1,534	1,548	14	1,863	314

[21] Fringe benefit costs exclude health insurance and pension costs. Other wage costs exclude overtime costs, which are estimated separately by this Office. See the Comptroller's Restated Gaps and Surpluses section of this report for details on overtime. Other wage costs also exclude the labor reserve for collective bargaining.

($ in millions)	Budget FY 2026	Adopted Budget FY 2027	Adopted FY 2027 vs Budget FY 2026	Comptroller's Office FY 2026 Projected	Difference Projected FY 2026 vs Adopted FY 2027
Other Wage Costs	2,030	1,945	(84)	2,508	562
Total	**$8,560**	**$8,310**	**($250)**	**$8,971**	**$661**

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

Note: Totals reflect all funding sources, including intra-city transfers. Other fringe costs exclude health insurance and pension costs. Other wage costs exclude overtime and the labor reserve for collective bargaining.

FY 2027 PS Budget Accrual

With the hiring freeze now lifted, actual full-time staffing levels have moderately increased as of May (+1,141 employees), and they are expected to continue to rise. It is too early to determine the pace at which agencies will hire, and how those costs will compare to the current budgeted amounts. However, if agencies are successful in spending their full-time salary budget within this fiscal year, additional funds will likely be required to fund the other costs for unsalaried, other salaried and the previously mentioned other wage costs.

FY 2027 Adopted Budget Compared with FY 2026 Final Budget

As shown in Table 12, total revenues in the FY 2027 Adopted Budget are $741 million (0.6 percent) more than the final modified budget for FY 2026 released in the June Plan. (Final FY 2026 actual revenues and expenditures will be available in October when this Office publishes the City's financial statements.) The growth is largely due to higher forecasted tax revenues (+$3.08 billion or 3.6 percent growth), partially offset by lower budgeted Federal revenues (-$2.49 billion or 25.2 percent decline). While reductions in Federal aid are possible given actions by the Trump Administration and Congress, the City typically does not fully recognize grant revenue in the budget at the onset of the fiscal year, which accounts for much of the year-over-year decline currently reflected in the budget.

The growth in OMB's forecasted tax revenues compared to the last fiscal year is largely driven by higher forecasted property tax receipts, the introduction of the new surcharge on non-primary residences, greater sales tax revenues, and higher projected business income taxes receipts. OMB forecasts property tax revenue will grow by $1.81 billion (5.1 percent), sales tax revenues by $487 million (4.4 percent), and business income taxes revenue by $417 million (3.8 percent). The new surcharge on non-primary residences is projected to result in $500 million in revenues in FY 2027, its first year of implementation.

Table 12. FY 2027 Adopted Revenues Compared with FY 2026 Final Budget

($ in millions)	FY 2026	FY 2027	Change	Percent Change
General Property Tax	$35,491	$37,300	$1,809	5.1%
Non-Property Tax	50,107	51,374	1,267	2.5%
Subtotal Tax Revenues	**$85,598**	**$88,674**	**$3,076**	**3.6%**
Non-Tax Revenues	6,914	7,022	108	1.6%
Subtotal City-Funds	**$92,512**	**$95,696**	**$3,184**	**3.4%**
Federal Categorical Grants	$9,863	$7,374	($2,489)	(25.2%)
State Categorical Grants	20,670	20,813	143	0.7%
Other Categorical Grants	1,256	1,138	(118)	(9.4%)
Inter-Fund Agreements	800	821	21	2.6%
Subtotal Non-City Funds	**$32,589**	**$30,146**	**($2,443)**	**(7.5%)**
Total	**$125,101**	**$125,842**	**$741**	**0.6%**

Source: Office of the New York City Comptroller

Note: Totals may not add due to rounding.

Expenditures in FY 2026 and FY 2027—as presented in the June Plan—reflect the impact of prepayments, which shift spending between fiscal years; spending in both years is also reduced by re-estimates of prior-year payables, which lowers current-year expenses based on revisions of spending accrued to past years.

The prepayment of FY 2027 expenses in FY 2026 totals $1.96 billion. This is less than last year's prepayment of $3.79 billion, however. By this measure the City is projecting that *expenditures for FY 2026 will exceed revenues by approximately $1.83 billion*. The $1.96 billion FY 2026 surplus used to prepay FY 2027 expenses is largely attributable to $1.71 billion in budgeted write-downs of prior-year accrued expense. Of the $1.71 billion, $1.21 billion is from an FY 2023 accrual to the labor reserve that was intended to pay for then-current and previous collective bargaining rounds. The remaining $500 million remains to be identified.

As shown in Table 13, after netting out the impact of prepayments and prior year payables, as well as budgeted reserves, total expenditures for FY 2027 are budgeted to total $127.75 billion, a decrease of $887 million or 0.7 percent compared with the similarly adjusted FY 2026 total expenditures. This decline is due to a $2.47 billion budgeted reduction in other than personnel services (OTPS spending), offset by a $561 million increase in personnel services (PS) spending, and a $1.02 billion or 12.2 percent increase in debt service costs. As previously described, Federal grant funding is added during the fiscal year and will likely increase funds budgeted for FY 2027 OTPS costs as the fiscal year progresses.

The decline in OTPS costs includes a $966 million drop-off in child care voucher spending, although this Office estimate an additional $1.20 billion in Federal and State funding will be added during the fiscal year for these costs. It also includes a nearly $300 million decline in OTPS costs for budgeted services to asylum seekers, and a $148 million decline in funds budgeted for non-asylum seeker shelter service OTPS costs, the latter decline reflects the City cost containment plan for DHS costs. (See the Cost Containment Measures Pose Potential Risks to Financial Plan section for more details). Spending on due process cases is also projected to decline compared to FY 2026, by $148 million as part of the administration's cost containment. (See the section for more details.)

PS costs are budgeted to increase by $561 million (0.9 percent). This reflects growth in salaries and wages and health insurance, partially offset by a $1.00 billion (10.3 percent) decline in pension costs and a $181 million decline in funds budgeted for other fringe benefit costs.

The year-over-year decline in pension costs is largely due to the re-amortization of the pension unfunded accrued liability (UAL) included in the Enacted State FY 2027 budget and approved by four of the five City's pension funds. These include the New York City Employee Retirement System (NYCERS), the Teachers Retirement System of The City of New York (TRS), New York City Fire Pension Fund (FIRE), and Board of Education Retirement System (BERS). The New York City Police Pension Fund did not approve the change. Under the restructuring, the pension funds were not required to contribute the June 2026 payment of the FY 2026 amortization schedule. The FY 2026 payment was further reduced by the other components of the June pension contributions being unpaid (normal cost, administrative expenses, and others). The remaining UAL is amortized over 11 level annual payments from FY 2027 to FY 2037, with lower payments than previously projected through FY 2032 and higher payments from FY 2033 to FY 2037. See this Office's Comments on the FY 2027 Executive Budget for more details.

The year-over-year reduction in budgeted other fringe benefit costs is largely the result of declines in budgeted spending for FICA and supplemental welfare benefits. As described in the Assessment of the PS Budget Misalignment in the FY 2027 Adopted Budget section, these are two areas that are over-budgeted and this Office estimates FY 2026 spending will close the year $300 million below budget. However, this Office also estimates that funds will be required for other areas of the salaries and wages budget for a net-neutral impact for FY 2026.

Actual health insurance costs in FY 2026 are also likely to come in below budgeted amounts. As of January 1, 2026, the City replaced the Group Health Incorporated Comprehensive Benefit Plan (GHI-CBP) with the new, fully self-funded New York City Employees PPO or NYCE PPO plan. The City continues to offer its other premium-free plan, the Health Insurance Plan of Greater New York HMO Preferred (HIP-HMO). The NYCE PPO plan was projected to result in budgetary savings of $411 million in FY 2026 compared to the HIP rate, which was reflected in the February Plan. However, spending as of mid-August, but before all final adjustments have been, is about $645 million lower than what was included in the June Plan, just under a quarter of which is attributed to the DOE. Given that FY 2026 represents just the first six months of the implementation of the new health insurance plan, it is unclear whether the underspending may be due to implementation timing and if OMB will set up an accrual for outstanding claims.

Table 13. FY 2027 Expenditures vs. FY 2026 Expenditures Adjusted for Prepayments

($ in millions)	FY 2026	FY 2027	Change	Percent Change
Personal Service				
Salaries and Wages	$34,395	$35,855	$1,460	4.2%
Pensions	9,707	8,707	(1,000)	(10.3%)
Health Insurance	10,581	10,862	281	2.7%
Other Fringe Benefits	4,977	4,797	(181)	(3.6%)
Subtotal-PS	**$59,659**	**$60,220**	**$561**	**0.9%**
Other Than Personal Service				
Medicaid	$6,763	$6,790	$27	0.4%
Public Assistance	2,762	2,708	(55)	(2.0%)
Judgments and Claims	1,266	1,148	(118)	(9.3%)
Contractual Services	30,235	26,731	(3,504)	(11.6%)
Other OTPS	19,642	20,827	1,184	6.0%
Subtotal-OTPS	**$60,668**	**$58,203**	**($2,465)**	**(4.1%)**
Debt Service	**$8,311**	**$9,327**	**$1,017**	**12.2%**
Total Adjusted Expenditures Excluding Reserves	**$128,638**	**$127,751**	**($887)**	**(0.7%)**
RHBT	-	-	-	-
Prior Year Payable Adjustment	(1,709)	(400)	1,309	(76.6%)
BSA and Discretionary Transfers	(1,828)	(1,959)	(131)	7.2%
Rainy Day Fund Deposit	-	-	-	
General Reserve	-	450	450	
Capital Stabilization Reserve	-	-	-	
Total Expenditures	**$125,101**	**$125,842**	**$741**	**0.6%**

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

The Outyears

While the FY 2027 budget is, as required by law, balanced, the June 2026 Plan presents budget gaps of $6.44 billion in FY 2028, $8.21 billion in FY 2029, and $8.52 billion in FY 2030. Gaps as projected by OMB have decreased since the May Financial Plan: by $633 million in FY 2028, $870 million in FY 2029, and $1.24 billion in FY 2030, principally by baselining a reduction in the labor reserve, fringe costs, and by anticipating the impact of the FY 2026 returns on the pension funds' portfolios.

Total revenues are projected to grow at an average annual rate of 1.2 percent from $125.84 billion in FY 2027 to $130.53 billion in FY 2030. Tax revenues are projected by OMB to grow at an average annual rate of 1.8 percent. State categorical aid is budgeted to fall slightly over the plan period at an average annual rate of 0.1 percent from $20.81 billion in FY 2027 to $20.72 billion in FY 2030, while Federal categorical aid is budgeted to decline from $7.37 billion to $7.10 billion (an average annual decrease of 1.3 percent).

Table 14. FY 2027-FY 2030 Revenue Growth

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Growth FYs 27-30	Annual Growth
General Property Tax	$37,300	$37,975	$39,144	$40,522	8.6%	2.8%
Non-Property Tax	51,374	52,403	52,741	53,969	5.1%	1.7%
Subtotal Tax Revenues	**$88,674**	**$90,378**	**$91,885**	**$94,491**	**6.6%**	**2.1%**
Non-Tax Revenues	7,022	6,445	6,501	6,545	(6.8%)	(2.3%)
Subtotal City-Funds	**$95,696**	**$96,823**	**$98,386**	**$101,036**	**5.6%**	**1.8%**
Federal Categorical Grants	$7,374	$7,231	$7,101	$7,088	(3.9%)	(1.3%)
State Categorical Grants	20,813	21,086	20,651	20,723	(0.4%)	(0.1%)
Other Categorical Grants	1,138	874	871	868	(23.7%)	(8.6%)
Inter-Fund Agreements	821	810	812	813	(1.0%)	(0.3%)
Subtotal Non-City Funds	**$30,146**	**$30,001**	**$29,435**	**$29,492**	**(2.2%)**	**(0.7%)**
Total	**$125,842**	**$126,824**	**$127,821**	**$130,528**	**3.7%**	**1.2%**

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

Expenditures, as budgeted, are projected to grow at an annual average rate of 3.4 percent from FY 2027 through FY 2030 to $139.04 billion. As previously discussed, however, FY 2027 expenditures are reduced by pre-payments of debt service and prior-year payable adjustments. After adjusting for this and also excluding the General Reserve and Capital Stabilization Reserve, which are also expenditures, growth is lower at 2.5 percent, although it still outpaces revenue growth. As shown in Table 15, most of the growth in spending over the Plan period comes from PS-related costs, including salaries and wages, pension, and health insurance. PS costs are budgeted to grow at an annual average rate of 2.7 percent while OTPS costs are budgeted to grow by 1.0 percent from FY 2027 to FY 2030. Debt service costs are projected to grow at an annual average rate of 10.2 percent.

Table 15. FY 2027-FY 2030 Expenditure Growth, Adjusted for Prepayments and Reserves

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Growth FYs 2027-2030	Annual Growth
Personal Service						
Salaries and Wages	$35,855	$37,176	$38,349	$39,425	10.0%	3.2%
Pensions	8,707	9,498	8,734	7,851	(9.8%)	(3.4%)
Health Insurance	10,862	11,373	11,917	12,534	15.4%	4.9%
Other Fringe Benefits	4,797	4,972	5,184	5,371	12.0%	3.8%
Subtotal-PS	**$60,220**	**$63,018**	**$64,184**	**$65,181**	**8.2%**	**2.7%**
Other Than Personal Service						
Medicaid	$6,790	$6,940	$7,090	$7,240	6.6%	2.2%
Public Assistance	2,708	2,707	2,707	2,707	(0.0%)	(0.0%)
Judgments and Claims	1,148	1,068	981	998	(13.1%)	(4.6%)
Contractual Services	26,731	25,646	25,501	25,813	(3.4%)	(1.2%)
Other OTPS	20,827	21,926	22,449	23,166	11.2%	3.6%
Subtotal-OTPS	**$58,203**	**$58,287**	**$58,727**	**$59,924**	**3.0%**	**1.0%**
Debt Service	**$9,327**	**$10,509**	**$11,667**	**$12,489**	**33.9%**	**10.2%**
Total Adjusted Expenditures Excluding Reserves	**$127,751**	**$131,814**	**$134,579**	**$137,593**	**7.7%**	**2.5%**
Prior Year Payable Adjustment	($400)	$0	$0	$0		
BSA and Discretionary Transfers	($1,959)	$0	$0	$0		
General Reserve	$450	$1,200	$1,200	$1,200		
Capital Stabilization Reserve	$0	$250	$250	$250		
Total Expenditures	**$125,842**	**$133,264**	**$136,029**	**$139,043**	**10.5%**	**3.4%**

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

Note: Numbers may not add to totals due to rounding.

IV. Comptroller's Office's Restated Gaps and Surpluses

The Comptroller's Office restates the City's gaps based on its own estimates of City-funded revenues and expenditures. As detailed in the following section, in each year of the financial plan period this Office forecasts higher City-funded revenues and higher City-funded expenditures than OMB. In FY 2027 and FY 2028, these higher revenue projections are more than offset by higher expenditure projections, resulting in higher gaps than the administration of $743 million in FY 2027 and $7.25 billion in FY 2028. In FY 2029 and FY 2030, this Office's higher revenue estimates more than offset the higher expenditure estimates, resulting in somewhat lower gap estimates than OMB, totaling $7.87 billion and $6.84 billion, respectively.

These estimates, however, assume the success of several savings actions that lack sufficient detail to be fully evaluated as achievable. If any of these actions are not realized as planned, gaps could increase. The Mamdani administration has still not provided any details on a portion of the citywide savings announced in February, including $179 million planned in FY 2028, $124 million in FY 2029, and $89 million in FY 2030. The administration has also provided cursory descriptions of plans to achieve its cost-containment initiatives for CityFHEPS, DHS shelter costs, and due process cases (described in more detail below). Until detailed plans are released and/or there is evidence of savings, these initiatives pose risks to the financial plan. In total, risks from cost-containment initiatives and unallocated savings could increase this Office's gap estimates by $668 million in FY 2027, $586 million in FY 2028, $559 million in FY 2029, and $547 million in FY 2030. OMB should resume regular, joint reviews of savings initiatives with this Office and other fiscal monitors. These reviews, similar to those conducted in the past, should assess whether planned savings are achievable and on track, and identify initiatives that have failed to produce their budgeted savings.

Table 16. Comptroller's Office's Restated Gaps and Surpluses

Positive numbers decrease the gap and negative numbers increase the gap

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030
City Stated Gap	**$0**	**($6,440)**	**($8,207)**	**($8,516)**
Revenues Differences				
Tax Revenues:	**$485**	**$431**	**$1,838**	**$2,963**
Property Tax	(181)	185	401	648
Personal Income Tax/PTET	346	(54)	436	992
Business Income Taxes	278	323	910	945
Sales Tax	(12)	(52)	(6)	140
Real Estate-Transaction Taxes	39	(53)	(7)	122
All Other Taxes and Audits	15	81	104	116
Non-Tax Revenue Differences	**148**	**54**	**60**	**59**
Unrestricted State Revenue	**(161)**	**(161)**	**(161)**	**(161)**

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030
Subtotal Revenues	***$472***	***$324***	***$1,737***	***$2,861***
Expenditure Differences				
Underbudgeting:	**($802)**	**($553)**	**($616)**	**($672)**
Overtime	(589)	(511)	(511)	(547)
Contributions to MTA	(213)	(42)	(105)	(125)
Early Childhood Education - 2K	**0**	**0**	**(425)**	**(425)**
Child Care Vouchers	**0**	**(490)**	**(608)**	**(608)**
DOE Paraprofessional Payments	**(350)**	**0**	**0**	**0**
Asylum Seekers Expenses	**139**	**(238)**	**(31)**	**117**
Federal SNAP Administration Funding Cut	**(75)**	**(100)**	**(100)**	**(100)**
Immigration Legal Services	**0**	**(63)**	**(63)**	**(63)**
Pension Investment Returns	**0**	**65**	**200**	**329**
Pension Bills	**(76)**	**(60)**	**(60)**	**(62)**
Temporary and Professional Services	**(50)**	**(95)**	**(95)**	**(100)**
Prior Year Payable Adjustment	**0**	**400**	**400**	**400**
Subtotal Expenditures	***($1,214)***	***($1,134)***	***($1,398)***	***($1,184)***
Total Comptroller Re-estimates	**($743)**	**($810)**	**$339**	**$1,677**
Restated (Gap)/Surplus	**($743)**	**($7,250)**	**($7,868)**	**($6,839)**
Risk from Unsubstantiated Savings	(668)	(586)	(559)	(547)
Restated (Gap) with Risk from Unsubstantiated Savings	**($1,411)**	**($7,836)**	**($8,427)**	**($7,386)**

Source: Office of the New York City Comptroller

Note: Numbers may not add to totals due to rounding.

Cost Containment Measures Pose Potential Risks to Financial Plan

The May Plan introduced three new "cost containment" measures that are also reflected in the June Plan. These are reductions in planned spending on CityFHEPS rental assistance, homeless shelter costs, and special education due process cases. Until detailed plans for these reductions are released or evidence of slowing costs is apparent, these items could pose risks to the financial plan.

CityFHEPS. The largest cumulative savings ($235 million annually, or $940 million across the financial plan period) result from a reduction in budgeted funds for the CityFHEPS rental assistance program. CityFHEPS is the City's predominant local rental assistance program and has been growing rapidly in recent years. As of the end of May 2026, there were a total of 70,796 households utilizing CityFHEPS vouchers.[22] This is 12,073 (20.6 percent) more than the 58,723 households with CityFHEPS vouchers in June 2025.[23] Year-over-year growth in the number of households totaled 32.0 percent from June 2024 to June 2025, and 39.4 percent from June 2023 to June 2024. The growth of the program has fueled

[22] New York City Council FY 2026 Budget Terms and Conditions, https://council.nyc.gov/budget/wp-content/uploads/sites/54/2026/07/Human-Resources-Administration-%E2%80%93-CityFHEPS-Report-Q4.xlsx.

[23] FY 2025 Mayor's Management Report (MMR) - Operations

increased rental assistance spending by DSS, which administers CityFHEPS and several other rental assistance programs.[24] The Comptroller's Office reports on the cost of the DSS-administered rental assistance programs collectively as City funding budgeted to the programs can be reallocated among them depending on the number of vouchers.

From the beginning of FY 2022 through the third quarter of FY 2026, the monthly growth in liquidations for all DSS's rental assistance programs (majority CityFHEPS) has averaged around 3.6 percent. During the first quarter of FY 2026, monthly spending growth was close to this historic rate (3.6 percent), although growth slowed somewhat over the second and third quarters. Through the third quarter, the average monthly growth rate for FY 2026 alone is 2.6 percent. Before any post-closing adjustments, which will not be available until October when the City releases its financial statements, this Office projects spending by DSS rental assistance programs in FY 2026 to total $1.88 billion slightly under the $1.94 billion currently budgeted for FY 2026 by the Mamdani administration.

Subtracting the cost containment initiative and excluding the new voucher program legislated at budget adoption, rental assistance funding at DSS is budgeted for $2.15 billion in FY 2027, $2.51 billion in FY 2028, $2.90 billion in FY 2029, and $3.28 billion in FY 2030. Of these totals, CityFHEPS funding totals $1.92 billion in FY 2027, $2.35 billion in FY 2028, $2.75 billion in FY 2029 and $3.13 billion in FY 2030. The FY 2027 total rental assistance budget is 14 percent more than this Office's FY 2026 projected total costs. This would denote a substantially lower rate of growth. By comparison, FY 2026 estimated costs are 40 percent above FY 2025 levels.

The administration said it will achieve these savings by strengthening administrative oversight and reforms. These include the addition of rent reasonableness reviews for market rate apartments and by comparing actual rent to legal rents allowed in rent-stabilized apartments, both of which DSS has said have already begun. It also plans to reduce the use of broker fees. In addition, the administration generically said it would strengthen efforts to increase income for current voucher holders and reduce long-term usage of CityFHEPS vouchers. As previously mentioned, the Adopted Budget does include $8.6 million in new funding at DSS in FY 2027 ($6.6 million in the outyears) for a CityFHEPS Career and Education Bridge program. It is currently unclear, however, to what extent these efforts will achieve cost containment.

DHS Shelter Costs. Another cost containment measure is to reduce DHS shelter costs by $308 million in FY 2027 ($284 million City funds), $46 million in FY 2028 ($23 million City funds) in FY 2028, $101 million in FY 2029 ($51 million City funds), and $147 million in FY 2030 ($74 million City funds). When netting out asylum seeker-related costs, this results in lower projected DHS spending in FY 2027 ($3.12 billion) than in FY 2026 ($3.28 billion), with budgeted costs going back up to above FY 2026 levels in FY 2028 ($3.46 billion) and averaging $3.49 billion in FY 2029 and FY 2030.

However, the number of households not classified by the City as seeking asylum that are in shelters operated by DHS—which administers most but not all City shelters—has been growing. On average, 34,326 such households were in DHS shelters during the first 11 months of FY 2026 compared to 32,471 during the same period last fiscal year (a 5.7 percent increase). All the growth is in the single adult shelter

[24] In addition to CityFHEPS, DSS administers several other rental assistance programs including the Family Homelessness & Eviction Prevention Supplement (FHEPS B), the Special One-Time Assistance program (SOTA), the City and State-funded Special Housing Resource (SHARE), the State-funded FHEPS program, among others. CityFHEPS is funded exclusively by the City.

population, which is 12.8 percent higher than the average at the same point last year. Conversely, the average number of families in DHS shelter, which includes both families with children and families of related adults, has fallen and is 5.4 percent lower when compared with the same period last year.

The administration has said it will reduce shelter costs by targeting long-term stayers for subsidized exits, increasing front-door diversion efforts to prevent households from entering shelter, and increasing shelter exits that use subsidies and housing options other than CityFHEPS. These initiatives are anticipated by the administration to achieve savings by reducing the need for shelter capacity and allowing DHS to close more of the emergency commercial hotels that were opened to serve households due to the influx of asylum seekers and are more expensive than traditional shelters. For the remaining shelter capacity that is still needed, the administration has said the City will simultaneously be working to replace additional commercial hotels by bringing more traditional shelter sites at a lower cost online.

Based on this Office's estimates, if current trends continue in FY 2027, with the family shelter census declining and adult shelter increasing at similar rates as seen over FY 2026, cost-containment targets would not be achieved. Until evidence of a decline in shelter costs due to these efforts is demonstrated, the reduction of these funds could pose a risk to the financial plan.

Due Process Cases. The third cost containment initiative is for special education due process cases. It reflects the DOE's effort to open more special education services in-house to reduce settlements and claims to parents moving their children out of the public school system due to a lack of adequate services. Savings compared to previously budgeted amounts are projected to total $149 million annually from FY 2027 through FY 2030. While the cost containment initiative was not planned to reduce costs in FY 2026, the June Plan *increased* funding for these costs in that year by $40 million. Overall, the cost containment initiative reduces the FY 2027 budget for due process to $1.41 billion, which is below the $1.55 billion budgeted for FY 2026. Costs for Due Process Cases are budgeted at $1.46 billion in the outyears.

Revenue Differences

The Comptroller's Office estimates that City fund revenues—which include tax revenues, miscellaneous revenues, and unrestricted aid—will be higher than OMB's projections in FY 2027 by $472 million, by $324 million in FY 2028, $1.74 billion in FY 2029, and $2.86 billion in FY 2030.

As shown in Table 17, most of the variance between the Comptroller's Office's projections and OMB's derives from differences in tax revenue estimates. In FY 2027, this Office projects that tax revenues will total $485 million more than OMB. In the outyears, this Office's tax revenue forecast is higher, by $431 million in FY 2028, $1.84 billion in FY 2029, and $2.96 billion in FY 2030. The Comptroller's Office estimates slightly higher miscellaneous revenues in each year of the plan period, by $148 million in FY 2027 and averaging about $58 million more annually in the outyears.

Conversely, the Comptroller's Office estimates lower unrestricted revenues than OMB from FY 2027 through FY 2030, by $161 million dollars annually. This is the result of the exclusion of a proposed tax on all cash transactions above $1 million that was not included in the State's Enacted Budget but is still reflected in the City's financial plan. Until another revenue stream is identified, the Comptroller's Office considers this a risk to the financial plan.

Table 17. Comparison of Tax Revenue Projections

($ in millions)		FY 2027	FY 2028	FY 2029	FY 2030
Property Tax	Comptroller	$37,119	$38,160	$39,545	$41,170
	Mayor	37,300	37,975	39,144	40,522
PIT/PTET	Comptroller	21,102	21,184	21,821	22,846
	Mayor	20,756	21,238	21,385	21,854
Business Taxes	Comptroller	11,719	11,662	11,784	12,021
	Mayor	11,441	11,339	10,874	11,076
Sales Taxes	Comptroller	11,491	11,950	12,488	13,050
	Mayor	11,503	12,002	12,494	12,910
Real Estate Transaction Taxes	Comptroller	2,614	2,634	2,769	2,970
	Mayor	2,575	2,687	2,776	2,848
Other	Comptroller	4,185	4,289	4,387	4,468
	Mayor	4,170	4,258	4,333	4,402
Audits	Comptroller	929	929	929	929
	Mayor	929	879	879	879
Total	**Comptroller**	**$89,159**	**$90,808**	**$93,723**	**$97,454**
	Mayor	**$88,674**	**$90,378**	**$91,885**	**$94,491**

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

Note: Numbers may not add to totals due to rounding.

Property Taxes

For FY 2027, the Comptroller's Office forecasts property tax revenues to rise to $37.12 billion, an increase of 4.6 percent over FY 2026 projected revenues. This estimate is essentially unchanged compared with the Comptroller's May forecast. After incorporating the FY 2027 final assessment roll, the Comptroller's Office decreased its property tax forecast in the outyears compared with May by $50 million, $65 million, and $69 million, respectively. This results in total projected property tax revenues reaching $41.17 billion in FY 2030, an average annual growth rate of 3.5 percent from FY 2027 through FY 2030.

The Comptroller's Office estimates property tax collections will be below OMB's projections by $181 million in FY 2027. In FY 2028 though FY 2030, this Office projects somewhat higher property tax revenues compared to OMB, by $185 million, $401 million, and $648 million, respectively. In FY 2027 the difference is primarily due to variations in reserve estimates, with this Office's estimating higher net cancellations and higher gross delinquencies. In the outyears, the difference is primarily due to differences in assumptions of levy growth. The Comptroller's Office estimates an average growth rate of

2.5 percent from FY 2028 to FY 2030, while OMB estimates a growth rate of 2.1 percent from FY 2028 to FY 2030.

Non-Property Taxes

The Comptroller's Office estimates that non-property taxes will total $52.04 billion in FY 2027, an increase of 2.8 percent over projected FY 2026 revenues. This is a net increase of $1.34 billion compared to its May forecast, primarily the result of higher expected business income tax and PIT/PTET collections.

Continued strong performance in the stock market, the financial sector, and in other business sectors led to higher than previously projected PIT and PTET tax installment revenues in late FY 2026. While this Office projects a slowdown in taxable income growth beginning in the second half of calendar year 2026, the upward revision to FY 2026 carries through to FY 2027 and the outyears. This leads to an average $295 million upward revision to this Office's PIT/PTET forecast annually in FY 2027 through FY 2030, compared to the forecast published in June. This forecast is $346 million higher than OMB's June Plan in FY 2027, $54 million lower in FY 2028, $436 million higher in FY 2029 and $992 million higher in FY 2030. Both Offices' projections expect a near-term slowdown in income growth followed by a return to longer-run trends—with this Office's projected growth somewhat higher than OMB's, resulting in higher forecast revenues in 2029 and 2030.

This Office also raised its business income tax forecast since its report on the FY 2027 Executive Budget. This was largely due to very high June payments, which were 50 percent above the prior year's and significantly altered FY 2026 performance. This unexpected growth, concentrated in the corporate sector, reversed a trend of lagging tax payments that had prevailed during the fiscal year before June. While current available information about this windfall does not provide certainty, it is most likely the result of surging profits in 2025 and early 2026, especially in the financial sector. It is less likely to be a result of the recent decoupling from the OBBBA which, despite its coincident timing, is expected to have its largest effect on revenues beginning in FY 2027. The raised level of collections last fiscal year carries through the forecast period resulting in FY 2027 business income taxes revenues that are $994 million more than previously projected – for a total of $11.72 billion in FY 2027. Outyear projections grew by an average of about $750 million annually compared to this Office's prior forecast, with total collections projected to fall slightly to $11.66 billion in FY 2028, before picking up growth again and reaching $12.02 billion in FY 2030. These projections are higher than OMB's annually resulting in additional resources compared to the June Plan of $278 million in FY 2027, $323 million in FY 2028, $910 million more in FY 2029 and $945 million in FY 2030.

Expenditure Differences

This Office estimates net expenditure needs of $1.21 billion in FY 2027, $1.13 billion in FY 2028, $1.40 billion in FY 2029, and $1.18 billion in FY 2030.

Chronic Underbudgeting

In each year of the financial plan this Office identifies funding needs due to chronically underbudgeted costs. These are costs that can be expected to be incurred and that are tied to ongoing programs with established spending patterns. However, instead of being included in the Financial Plan, the costs are recognized incrementally when budget modifications are presented. While the Mayor funded most of the City's historically underbudgeted costs in the Preliminary Budget released in February, the Comptroller's Office estimates that additional funding is required for overtime and contributions to the MTA in FY 2027 through FY 2030.

For overtime, this Office estimates overtime spending will total $2.59 billion in FY 2027, $589 million more than currently budgeted. This total includes uniformed overtime projections of $1.83 billion ($393 million more than budgeted) and $764 million for civilian overtime ($196 million more than budget). Of the uniformed overtime, this Office projects police costs to be $875 million or $241 million more than included in the Adopted Budget for FY 2027. In each of the outyears, this Office projects that additional funding for overtime costs will be required, totaling $511 million in each of FY 2028 and FY 2029 and $547 million in FY 2030.

As for the MTA, the City contributes annual operating subsidies. This includes support for such services as Access-A-ride paratransit, the MTA Bus Company, and the Staten Island Railway (SIRTOA). These subsidies are intended to cover either a portion or all the difference between the agency's operating expenses and its revenue from fares. The MTA released an update to its financial plan in July 2026, which recognized a one-time $200 million reduction in the City's subsidy for the MTA Bus Company, to be covered by MTA resources effectively recouping pension savings from the City's re-amortization of costs. This reduction was already reflected in the City's FY 2027 budget. The MTA Plan reflects the reduction in its FY 2027 (equivalent to the calendar year). As such, the impact is spread over City fiscal years FY 2027 and FY 2028. Compared to the MTA's Adopted Financial Plan released in February 2026, the City's expected subsidy drops by a net $156 million, and the July Plan also reflects revisions in net operating expenses for the MTA Bus Company. Comparing the City's June Plan to the MTA's July Plan, the Comptroller's Office estimates the City will have to contribute $213 million more than budgeted in FY 2027, $42 million in FY 2028, $105 million in FY 2029 and $125 million in FY 2030.

Early Childhood Education and Child Care

This Office estimates that funding provided by the State (and first included in the February Plan) establishing a new universal 2-K program creates a fiscal cliff beginning in FY 2029 as funding has only been budgeted through FY 2028. This results in a $425 million need to (minimally) maintain the program in FY 2029 and FY 2030, and larger if an expansion is to be implemented.

City funding will also be necessary to sustain child care vouchers administered by the Administration for Children Services (ACS) ($490 million in FY 2028, growing to $608 million in FY 2029 and FY 2030). City funding may be necessary to replace $475 million in one-time state child care assistance program funding included in the State's SFY 2027 Enacted Budget, as well as for a likely market rate increase now anticipated in October 2027 – one year later than this Office previously projected. The costs above do not include funding for the 27,800 children on the City's voucher waitlist as of July 2026.

DOE Paraprofessional Payments

Since the adoption of the FY 2027 budget, the City Council passed Intro. 0692-2026 on July 16, 2026. The legislation provides one-time, non-pensionable payments of $10,000 to every full-time paraprofessional in NYC public schools during the 2026-2027 school year, pro-rated for part-time staff. The legislation specifies that “the requirement would be repealed upon the execution of a collective bargaining agreement that provides for an increase in the total annual compensation for school paraprofessionals equal to or greater than the amount of the workforce stabilization payments.”

City Council estimates that these payments will cost a total of $325 million. The Council estimate is based on FY 2025 staffing data. Based on the growth seen in the number of full-time paraprofessionals in FY 2026, this Office estimates that the actual cost will be somewhat higher totaling around $350 million in FY 2027.

Immigration Legal Services

As previously mentioned, $138 million in City funding for immigration legal services was added in the June Plan for FY 2027 only. This brings projected FY 2027 spending up to $209 million (including funding for ActionNYC operated by the Mayor’s Office of Immigrant Affairs). In FY 2028 and the outyears, funding for these services falls to an average of $68 million annually. In FY 2026 funding for these costs is budgeted at $126 million. Of the funds added at budget adoption, approximately $63 million were Mayoral funds and $75 million were provided through one-year City Council initiatives. This Office anticipates at least another $63 million will be required in each FY 2028 through FY 2030 to, at minimum, sustain these services at current levels.

Asylum Seeker Costs

The Comptroller’s Office estimates that providing shelter and services to asylum seekers will cost $1.02 billion in FY 2027 and $738 million in FY 2028, $531 million in FY 2029, and $383 million in FY 2030. Compared to OMB, the Comptroller’s Office projects a slightly higher average population but a slightly lower per diem rate, reflecting the City’s transition to DHS-managed shelters and the closure of the more expensive emergency sites.[25] As a result, the Comptroller’s Office estimates FY 2027 is overbudgeted by $139 million but there are additional needs of $238 million in FY 2028 and $31 million in FY 2029. FY 2030 is overbudgeted by $117 million. Please see the Comptroller’s Office’s Comments on the New York City FY 2026 Executive Budget for more details on the Comptroller’s Office’s projections.

Federal SNAP Funding Cut

The Federal budget reconciliation legislation passed last July made many changes to the administration and funding of the Supplemental Nutrition Assistance Program (SNAP). These include expanding work requirements for participants and introducing major updates to the program affecting cost-sharing and administrative funding. In Federal FY (FFY) 2028, which start on October 1, 2027, states will be responsible for covering part of SNAP benefit costs for the first time. The level of cost-sharing will depend on a state’s error rate when calculating eligibility and payment amounts. States with error rates of 6 to 7.99 percent will pay 5 percent, growing to 15 percent if the error rate is above 10 percent. New York

[25] https://comptroller.nyc.gov/reports/comparing-per-diem-hotel-and-service-costs- for-shelter-for-asylum-seekers/

State's FFY 2024 error rate was more than 14 percent, and its FFY 2025 rate was 13.18 percent.[26] It remains unknown whether the State will pass any or all of these costs to New York City. However, if passed directly to the City's budget, this Office estimates the maximum fiscal impact of a 15 percent share to be an estimated $700 million, after accounting for the recent declines in caseload. Pending Farm Bill negotiations could modify or delay implementation of these provisions, however.[27]

Because the budget impact of the cost sharing is not yet known, the Comptroller's Office has not yet included it in its restated gaps. However, the State has already announced that a cut to Federal matching for SNAP administrative costs from 50 percent to 25 percent beginning in Federal FY 2027 will directly impact localities.[28] Under the current match, the City receives about $200 million in Federal funding for SNAP administration. The change goes into effect in FFY 2027, three months into the City's FY 2027. The Comptroller's Office estimates the City will need to fund its own spending on program administration by approximately $75 million in FY 2027, increasing to $100 million in FY 2028, the first full City fiscal year with the cut.

Pension Investment Returns

As previously mentioned, pension investment returns above the Actuarial Interest Rate (AIR) of 7 percent included in the Financial Plan allow the City to decrease its contributions to fund pension costs. The combined FY 2026 pension returns averaged 13.0 percent. OMB already included its estimated impact of 12.0 percent investment returns in the Adopted Budget. This Office projects that the 13.0 percent final return will result in additional estimated savings of $65 million in FY 2028, $200 million in FY 2029, and $329 million in FY 2030 above what OMB included in the June Plan.

Pension Bills

The June Plan does not reflect the potential impact of certain pension bills that have been passed by the State legislature but not yet signed into law by the Governor. If such bills are enacted, the cost to the City is estimated to be approximately $76 million in FY 2027, $60 million in FY 2028, $60 million in FY 2029 and $62 million in FY 2030. Included in these estimates are bills that eliminate the retirement benefit reduction for certain uniformed Sanitation and Corrections department employees due to primary social security retirement benefits commencing at age 62, and a bill that increases the duration of special accidental death benefits paid to a deceased member's children, among others.

These estimates, however, do not include the cost of certain other pension enhancement bills passed by the State legislature but not yet signed into law, of which the fiscal impact is more uncertain. These include a bill that would extend the presumptive eligibility period, from 25 years to 35 years, for accidental death benefits for injuries or illnesses related to World Trade Center (WTC) rescue, recovery and clean-up operations. Currently, retirement system members who die within 25 years of retirement may be eligible for accidental death benefits if they participated in WTC rescue, recovery or clean-up

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[26] https://www.fna.usda.gov/sites/default/files/resource-files/snap-qcfy25-per.pdf

[27] Senate Farm Bill Negotiations Are Stuck During McConnell's Absence - NOTUS — News of the United States

[28] https://www.governor.ny.gov/news/governor-hochul-unveils-devastating-impacts-republicans-big-ugly-bill-new-york-state

operations and died from a WTC qualifying condition. Under the legislation, this benefit would be extended to those who die from a WTC qualifying condition within 35 years of retirement.

V. Reserves

As previously mentioned, the FY 2027 Adopted Budget contains $450 million in budgeted reserves, all in the general reserve. This follows the takedown of reserves in the February Plan, when the administration lowered budgeted reserves for FY 2027 from $1.45 billion to the statutory minimum of $100 million – removing $1.10 billion from the General Reserve and the entire $250 million included in the Capital Stabilization Reserve. The administration restored $350 million in the General Reserve in the Adopted Budget. In the outyears, budgeted reserves include $1.20 billion in the General Reserve and $250 million in the Capital Stabilization Reserve.

In addition to the budgeted reserve funds, the City holds long-term reserves in its rainy-day fund, the Revenue Stabilization Fund (RSF), and the Retiree Health Benefit Trust (RHBT). The RSF's current balance is $1.97 billion. The RHBT held a balance of $5.22 billion as of the end of FY 2025. A new financial statement including interest earnings accrued during FY 2026 will be available later on this year. The RHBT is not a true rainy-day fund, although it historically has been used as such; it is intended to cover the long-term liability deriving from retiree health care benefits.

The RSF was established by Mayor's Executive Order 62 dated February 11, 2021. There is no separate fund for the RSF, which, in general terms, is simply the General Fund balance. RSF is combined with the rest of the City's available cash and invested in overnight and short-term assets. The income it earns is included in the General Fund and accounted for as additional miscellaneous revenue and is not retained within RSF. Currently, RSF has no target balance, no rules governing the timing or size of deposits, no replenishment mechanism after use, and only loose guidelines for withdrawals.

The Comptroller's Office has repeatedly advocated for the adoption of a formal rainy-day fund policy with regular reporting requirements, most recently proposing a City Charter amendment that would do so. The Charter Revision Commission appointed by Mayor Mamdani recently advanced a proposal that:

- Sets a target rainy-day fund balance of 12 percent of the prior years' tax revenues. Funds to be included in that target include the RSF and "any other reserve fund maintained by the city", including but potentially not limited to the RHBT;
- Sets a May 1, 2027 deadline for publishing a final methodology to calculate deposits. The methodology is to be developed by OMB in consultation with this Office. The first deposit (should the adopted formula indicate one) would take place in FY 2028. The methodology shall "take into account revenue growth trends, the amount of the city's operating surplus, and any other factor deemed relevant for the purpose of ensuring sound fiscal management"; and
- Enshrines in the City Charter the loose withdrawal limitations that are already in State law. To wit, that no more than 50 percent of RSF may be withdrawn in any fiscal year unless the Mayor has certified that there is a compelling fiscal need. The fiscal need is to be predicated on a "national or regional recession, a reduction in total revenues from the preceding fiscal year as projected in the financial plan, a natural or other disaster, or a declared state of emergency in the city or

state." Even these mild restrictions do not apply to the "other reserves funds maintained by the City" that will be counted against the 12 percent calculus of tax revenues.

The proposal marks meaningful progress but contains several weaknesses, including: 1) the commingling of other to-be-determined reserves in the 12 percent target; 2) excessive discretion in the deposit formula due to the consideration of the level of operating surplus (the prepayment) and "any other factors deemed relevant for the purpose of ensuring sound fiscal management" and; 3) the lack of more stringent withdrawal rules than those currently in State law and do not limit at all the use of the "other reserves" counted towards the 12 percent target.

As outlined in its recent report, Strengthening the City's Rainy-Day Fund, this Office has proposed setting a target balance of 16 percent of tax revenues and a lower bound of 10 percent. In FY 2026 total tax revenues are projected by this Office at approximately $86.12 billion, translating to an RSF target of $13.78 billion at the full 16 percent level, or $8.61 billion at the 10 percent lower bound. In addition, this Office recommended that the City discontinue the use of RHBT as a rainy-day fund and either effectively "transfer" its balance to RSF or use it to fund the OPEB accrued liability.

This Office's prior proposal calls for depositing 20 percent of total tax revenue growth above 3 percent; plus, 40 percent of non-property tax revenues growth above the six-year trailing average (when positive). The deposit formula should apply whenever the RSF balance is below its target of 16 percent of tax revenues. The City should retain interest earnings within RSF to more quickly achieve the target. Once the target is achieved, required deposits would cease until the RSF balance falls again below the threshold**.** According to this formula, the City should have made a $1.73 billion deposit in FY 2026 based on this Office's revenue forecast. Based on OMB's forecast, the deposit should have been $1.41 billion. No deposit took place in FY 2026, and none is planned for FY 2027.

VI. Capital Budget Changes

The FY 2027 Adopted Capital Budget totals $29.10 billion, an increase of $1.29 billion compared to the FY 2027 Executive Budget. Of the increase, $291 million was added for cultural institutions, $272 million for the School Construction Authority (SCA), and $212 million for Parks. The City's Adopted Capital Commitment Plan, typically released in September, will provide additional details on planned capital spending.

VII. Appendix

Table A1. June 2026 Financial Plan Revenue Detail

					Change FYs 2027-2030		Annual Percent Change
($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Dollars	Percent	
Taxes:							
Real Property	$37,300	$37,975	$39,144	$40,522	$3,222	8.6%	2.8%
Personal Income Tax and Pass-Through Entity Tax	20,688	21,169	21,314	21,780	1,092	5.3%	1.7%
General Corporation Tax	7,586	7,397	6,813	6,884	(702)	(9.3%)	(3.2%)
Unincorporated Business Tax	3,855	3,942	4,061	4,192	337	8.7%	2.8%
Sales and Use Tax	11,503	12,002	12,494	12,910	1,407	12.2%	3.9%
Real Property Transfer Tax	1,514	1,583	1,640	1,686	172	11.4%	3.7%
Mortgage Recording Tax	1,061	1,104	1,136	1,162	101	9.5%	3.1%
Commercial Rent	974	989	1,000	1,015	41	4.2%	1.4%
Second Home Surcharge	500	500	500	500	0	0.0%	0.0%
Utility	562	580	599	618	56	10.0%	3.2%
Hotel	843	879	906	932	89	10.6%	3.4%
Cigarette	12	12	12	12	0	0.0%	0.0%
All Other	1,247	1,259	1,275	1,283	36	2.9%	1.0%
Cannabis Tax	32	39	41	42	10	31.3%	9.5%
Tax Audit Revenue	929	879	879	879	(50)	(5.4%)	(1.8%)
City Tax Programs	68	69	71	74	6	8.8%	2.9%
Total Taxes	**$88,674**	**$90,378**	**$91,885**	**$94,491**	**$5,817**	**6.6%**	**2.1%**
Miscellaneous Revenue:							
Licenses, Franchises, etc.	$722	$723	$730	$730	$8	1.1%	0.4%
Interest Income	302	278	272	274	(28)	(9.3%)	(3.2%)
Charges for Services	1,051	1,051	1,052	1,053	2	0.2%	0.1%
Water and Sewer Charges	2,392	2,373	2,405	2,447	55	2.3%	0.8%
Rental Income	283	257	256	256	(27)	(9.5%)	(3.3%)
Fines and Forfeitures	1,335	1,321	1,327	1,326	(9)	(0.7%)	(0.2%)
Miscellaneous	301	296	313	313	12	4.0%	1.3%
Intra-City Revenue	2,184	2,127	2,119	2,116	(68)	(3.1%)	(1.0%)

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Change FYs 2027-2030 Dollars	Change FYs 2027-2030 Percent	Annual Percent Change
Total Miscellaneous Revenue	**$8,570**	**$8,426**	**$8,474**	**$8,515**	**($55)**	**(0.6%)**	**(0.2%)**
Unrestricted Intergovernmental Aid:							
Other Federal and State Aid	$651	$161	$161	$161	($490)	(75.3%)	(37.2%)
Total Unrestricted Intergovernmental Aid	**$651**	**$161**	**$161**	**$161**	**($490)**	**(75.3%)**	**(37.2%)**
Reserve for Disallowance of Categorical Grants	**($15)**	**($15)**	**($15)**	**($15)**	**$0**	**0.0%**	**0.0%**
Less: Intra-City Revenue	**($2,184)**	**($2,127)**	**($2,119)**	**($2,116)**	**$68**	**(3.1%)**	**(1.0%)**
TOTAL CITY-FUNDS	**$95,696**	**$96,823**	**$98,386**	**$101,036**	**$5,340**	**5.6%**	**1.8%**
Other Categorical Grants	**$1,138**	**$874**	**$871**	**$868**	**($270)**	**(23.7%)**	**(8.6%)**
Inter-Fund Agreements	**$821**	**$810**	**$812**	**$813**	**($8)**	**(1.0%)**	**(0.3%)**
Federal Categorical Grants:							
Community Development	$252	$250	$248	$243	($9)	(3.6%)	(1.2%)
Social Services	3,677	3,596	3,587	3,581	(96)	(2.6%)	(0.9%)
Education	1,901	1,901	1,901	1,901	0	0.0%	0.0%
Other	1,544	1,484	1,365	1,363	(181)	(11.7%)	(4.1%)
Total Federal Grants	**$7,374**	**$7,231**	**$7,101**	**$7,088**	**($286)**	**(3.9%)**	**(1.3%)**
State Categorical Grants:							
Social Services	$2,593	$2,523	$2,510	$2,510	($83)	(3.2%)	(1.1%)
Education	15,115	15,465	15,040	15,040	(75)	(0.5%)	(0.2%)
Higher Education	311	311	311	311	0	0.0%	0.0%
Department of Health and Mental Hygiene	753	753	753	753	0	0.0%	0.0%
Other	2,041	2,034	2,037	2,109	68	3.3%	1.1%
Total State Grants	**$20,813**	**$21,086**	**$20,651**	**$20,723**	**($90)**	**(0.4%)**	**(0.1%)**
TOTAL REVENUE	**$125,842**	**$126,824**	**$127,821**	**$130,528**	**$4,686**	**3.7%**	**1.2%**

Note: Numbers may not add due to rounding.

Table A2. June 2026 Financial Plan Expenditure Detail

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Change FYs 2027 - 2030		Annual Percent Change
					Dollars	Percent	
Mayoralty	$191	$189	$187	$187	($4)	(2.3%)	(0.8%)
Board of Elections	212	150	150	150	(62)	(29.4%)	(11.0%)
Campaign Finance Board	104	14	14	14	(90)	(86.5%)	(48.7%)
Office of the Actuary	8	8	8	8	0	0.0%	0.0%
President, Borough of Manhattan	6	6	6	6	(0)	(7.1%)	(2.4%)
President, Borough of Bronx	7	7	7	7	(1)	(9.3%)	(3.2%)
President, Borough of Brooklyn	8	7	7	7	(1)	(11.1%)	(3.8%)
President, Borough of Queens	7	6	6	6	(1)	(12.6%)	(4.4%)
President, Borough of Staten Island	5	5	5	5	(0)	(5.5%)	(1.9%)
Office of the Comptroller	133	134	134	134	0	0.2%	0.1%
Dept. of Emergency Management	47	44	42	40	(7)	(15.4%)	(5.4%)
Office of Administrative Tax Appeals	8	7	7	7	(1)	(7.1%)	(2.4%)
Law Dept.	379	347	347	347	(31)	(8.3%)	(2.8%)
Dept. of City Planning	59	56	54	54	(5)	(8.0%)	(2.7%)
Dept. of Investigation	54	51	50	50	(4)	(7.7%)	(2.6%)
NY Public Library - Research	40	39	39	39	(0)	(0.5%)	(0.2%)
New York Public Library	196	195	195	195	(1)	(0.4%)	(0.1%)
Brooklyn Public Library	148	148	148	148	(1)	(0.3%)	(0.1%)
Queens Borough Public Library	154	153	153	153	(1)	(0.6%)	(0.2%)
Dept. of Education	38,573	39,484	39,855	40,423	1,851	4.8%	1.6%
City University	1,568	1,547	1,568	1,586	18	1.1%	0.4%
Civilian Complaint Review Board	33	33	33	33	0	0.1%	0.0%
Police Dept.	6,273	6,433	6,423	6,424	150	2.4%	0.8%
Fire Dept.	2,717	2,689	2,684	2,687	(30)	(1.1%)	(0.4%)
Office of Community Safety	3	270	270	270	267	8665.6%	344.2%
Dept. of Veterans' Services	7	6	6	6	(1)	(15.9%)	(5.6%)
Admin. for Children Services	3,521	3,545	3,545	3,546	26	0.7%	0.2%
Dept. of Social Services	14,986	15,256	15,775	16,306	1,319	8.8%	2.9%

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Change FYs 2027 - 2030 Dollars	Change FYs 2027 - 2030 Percent	Annual Percent Change
Dept. of Homeless Services	4,233	3,948	3,967	3,997	(236)	(5.6%)	(1.9%)
Dept. of Correction	1,263	1,347	1,346	1,344	81	6.4%	2.1%
Board of Correction	4	4	4	4	(0)	(1.2%)	(0.4%)
Citywide Pension Contributions	8,707	9,498	8,734	7,850	(857)	(9.8%)	(3.4%)
Miscellaneous	14,714	16,770	18,077	19,729	5,016	34.1%	10.3%
G.O. and Lease Debt-Debt Service	5,039	5,609	6,205	6,463	1,424	28.2%	8.6%
T.F.A. Debt Service	4,288	4,900	5,462	6,026	1,738	40.5%	12.0%
FY 2026 BSA	(1,959)	0	0	0	1,959	(100.0%)	(100.0%)
Public Advocate	6	6	6	6	0	0.0%	0.0%
City Council	127	96	96	96	(32)	(24.8%)	(9.1%)
City Clerk	7	6	6	6	(1)	(19.6%)	(7.0%)
Dept. for the Aging	635	587	587	587	(48)	(7.6%)	(2.6%)
Dept. of Cultural Affairs	324	250	250	240	(84)	(26.0%)	(9.5%)
Financial Info. Serv. Agency	125	123	123	123	(2)	(1.6%)	(0.5%)
Office of Criminal Justice	943	857	857	876	(67)	(7.2%)	(2.4%)
Office of Payroll Admin.	17	17	17	17	(0)	(0.2%)	(0.1%)
Independent Budget Office	8	9	8	8	(0)	(2.1%)	(0.7%)
Equal Employment Practices Comm.	2	2	2	2	0	0.0%	0.0%
Civil Service Commission	1	1	1	1	0	0.0%	0.0%
Landmarks Preservation Comm.	8	8	8	8	0	0.0%	0.0%
Taxi & Limousine Commission	70	69	57	57	(12)	(17.7%)	(6.3%)
Office of Racial Equity	7	10	10	10	3	39.8%	11.8%
Commission on Racial Equity	7	4	4	4	(4)	(50.9%)	(21.1%)
Commission on Human Rights	15	15	15	15	0	0.0%	0.0%
Youth & Community Development	1,796	1,498	1,494	1,494	(302)	(16.8%)	(6.0%)
Conflicts of Interest Board	3	3	3	3	0	0.0%	0.0%
Office of Collective Bargaining	3	3	3	3	0	0.0%	0.0%
Community Boards (All)	23	22	22	22	(0)	(1.9%)	(0.6%)
Dept. of Probation	104	104	104	104	0	0.3%	0.1%

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Change FYs 2027 - 2030 Dollars	Change FYs 2027 - 2030 Percent	Annual Percent Change
Dept. Small Business Services	275	232	228	190	(85)	(30.8%)	(11.6%)
Housing Preservation & Development	1,842	1,738	1,628	1,627	(215)	(11.7%)	(4.0%)
Dept. of Buildings	233	211	208	208	(25)	(10.7%)	(3.7%)
Dept. of Health & Mental Hygiene	2,758	2,657	2,672	2,693	(66)	(2.4%)	(0.8%)
Health + Hospitals	1,645	1,694	1,696	1,698	52	3.2%	1.0%
Office of Administrative Trials & Hearings	82	82	82	82	(1)	(1.2%)	(0.4%)
Dept. of Environmental Protection	1,832	1,785	1,780	1,777	(55)	(3.0%)	(1.0%)
Dept. of Sanitation	2,128	2,190	2,225	2,323	195	9.1%	3.0%
Business Integrity Commission	9	9	9	9	(0)	(0.1%)	(0.0%)
Dept. of Finance	375	376	379	380	4	1.1%	0.4%
Dept. of Transportation	1,634	1,647	1,661	1,665	31	1.9%	0.6%
Dept. of Parks and Recreation	708	693	693	691	(17)	(2.4%)	(0.8%)
Dept. of Design & Construction	164	164	164	165	0	0.0%	0.0%
Dept. of Citywide Admin. Services	702	688	688	688	(14)	(2.0%)	(0.7%)
O.T.I.	609	597	599	598	(11)	(1.8%)	(0.6%)
Dept. of Record & Info. Services	17	17	17	17	0	0.2%	0.1%
Dept. of Consumer & Worker Protection	136	85	92	93	(42)	(31.3%)	(11.7%)
District Attorney - N.Y.	184	185	185	185	2	0.9%	0.3%
District Attorney - Bronx	145	147	147	146	2	1.2%	0.4%
District Attorney - Kings	169	174	176	179	10	5.7%	1.9%
District Attorney - Queens	110	110	110	110	(0)	(0.0%)	(0.0%)
District Attorney - Richmond	28	28	28	28	0	0.2%	0.1%
Office of Prosec. & Spec. Narc.	32	32	32	32	0	0.0%	0.0%
Public Administrator - N.Y.	1	1	1	1	0	0.0%	0.0%
Public Administrator - Bronx	1	1	1	1	0	0.0%	0.0%
Public Administrator - Brooklyn	1	1	1	1	0	1.1%	0.4%
Public Administrator - Queens	1	1	1	1	0	0.0%	0.0%

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	Change FYs 2027 - 2030		Annual Percent Change
					Dollars	Percent	
Public Administrator - Richmond	1	1	1	1	0	0.0%	0.0%
Prior Payable Adjustment	(400)	0	0	0	400	(100.0%)	(100.0%)
General Reserve	450	1,200	1,200	1,200	750	166.7%	38.7%
Citywide Savings Initiatives	0	(179)	(124)	(89)	(89)	N/A	N/A
Energy Adjustment	0	(5)	43	83	83	N/A	N/A
Lease Adjustment	0	53	108	165	165	N/A	N/A
OTPS Inflation Adjustment	0	56	111	167	167	N/A	N/A
TOTAL EXPENDITURE	**$125,842**	**$133,264**	**$136,029**	**$139,043**	**$13,202**	**10.5%**	**3.4%**

Note: Numbers may not add due to rounding. Agency expenditures shown above are net of intra-City expenditures.

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CITY OF NEW YORK

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