MARK LEVINE
NEW YORK CITY COMPTROLLER

NEW YORK BY THE NUMBERS

Monthly Economic and Fiscal Outlook

By New York City Comptroller Mark Levine
Francesco Brindisi, Executive Deputy Comptroller for Budget and Finance
Krista Olson, Deputy Comptroller for Budget
Jonathan Siegel, Chief Economist
Jason Bram, Director of Economic Research

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1 Centre Street, New York, NY 10007
(212) 669-3916
www.comptroller.nyc.gov/EconomicNewsletter

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A Message from the Comptroller

Dear New Yorkers,

As summer winds down, New York City remains somewhat shielded from the sluggish economy taking hold throughout the rest of the United States.

While the stock market continues its surge, private sector employment in the U.S. grew by just 30K in July, falling short of forecasts, and gains in both May and June were revised down. As a result, the three-month average gain fell to 40K and the employment to population ratio fell to a five and a half year low.

Here in New York City, the story is a little more nuanced. The city's "low hire, low fire" economy continued with little job creation outside of the health care sector but also relatively few layoffs, as measured by new jobless claims. On a positive note, the employment-population ratio has remained near a record high throughout the first half of 2026 – in stark contrast with the country as a whole. And that strong stock market means New York City's five pension systems had their highest average return since 2021.

Tourism also picked up markedly in the second half of July, buoyed in part by the World Cup final in MetLife Stadium. Hotel occupancy rates surged above 90% and Broadway theater attendance surpassed last year's levels, after both started the summer on a weak note. Manhattan's office market has also continued to improve, reflecting both solid demand and a gradual reduction in the supply of lower-end properties.

Consumer confidence in NY State continued its see-saw pattern, but the three-month moving average, which smooths out these swings, has been running well above the nationwide average since last autumn. This, despite inflation jumping to 4.6% locally, 1.2% points above the national average.

As the city heads back to school and approaches the major holiday season, we'll continue to track the trends shaping NYC's economy – and what they mean for New Yorkers.

Sincerely,

Mark D. Levine
New York City Comptroller

Highlights

- The U.S. unemployment rate edged down 0.1 point to 4.1% in July, as yet another drop in labor force participation more than offset a modest decline in the number of people employed. Private-sector payroll employment rose by 30K in July, and gains in earlier months were again revised down. Both in July and over the past year, there has been almost no job growth outside Health & Social Assistance.
- U.S. GDP grew at a 1.5% annual rate in Q2—down from 2.1% in Q1 but close to expectations. Solid growth in consumer spending and business investment was largely offset by inventory drawdown and a widening trade deficit.
- Inflation re-accelerated in July, with the 12-month change rising from 4.1% to 4.6% locally but falling from 3.5% to 3.4% nationwide.
- In NYC, as well as nationwide, initial weekly jobless claims have remained subdued in recent weeks.
- Consumer confidence in NY State continued its see-saw pattern, surging in July, after dropping in June. The 3-month moving average, which smooths out these swings, has been running well above the nationwide average since last autumn.
- Profits at NY Stock Exchange member firms conducting business with the public reached $24.8 billion in the Q2 of 2026. This represents an 18% increase from Q1 and a stunning 66% increase from the already lofty levels in the second quarter of 2025.
- NYC's office market continues to improve, reflecting both solid demand and a gradual reduction in the supply of lower-end properties. Weekday subway ridership has been edging up but remains well below pre-pandemic levels. Weekday office attendance rose in July and is close to its pre-pandemic level.
- Home selling prices remain mostly flat. While stabilized rents are being frozen for the year ahead, market rents continue to rise.
- Tourism picked up markedly in the 2nd half of July, likely fueled at least partly by the July 19th World Cup finals at MetLife Stadium: hotel occupancy rates surged above 90% and Broadway theater attendance bounced back above 2025 levels.
- The Comptroller presented this Office's analysis of NYC's FY 2027 Adopted Budget at the annual meeting of the NY State Financial Control Board last week.
- As of August 10, 2026, the City's cash balance stood at $15.7 billion, compared to $10.7 billion the year prior. The higher balance primarily reflects the delayed disbursement of $3.7 billion to the Retiree Health Benefits Trust (RHBT) for FY 2026 pay-as-you-go retiree health and welfare benefits.

The U.S. Economy

- National GDP grew at an annualized rate of 1.5% in Q2 2026, down from 2.1% growth in Q1 but only slightly below forecast. Underlying this sluggish growth rate, a pickup in consumer spending on goods and continued brisk growth in business investment were largely offset by drawdown in inventories, a widening trade deficit, and a deceleration in government spending.
- Private sector employment grew by just 30K in July, falling short of forecasts, and gains in both May and June were revised down. As a result, the three-month average gain fell to 40K. Surprisingly, employment in Leisure & Hospitality fell by 40K, on top of a similar drop in June, despite an anticipated boost from the World Cup matches.
- The U.S. unemployment rate edged down from 4.2% in June to 4.1% in July. But the decline was entirely driven by falling labor force participation, which fell to a 5 ½ year low. The employment-population ratio continued to decline, reaching a multi-year low of 58.9%, continuing the trend of a “low-hire, low-fire” economy.
- The Conference Board’s Consumer Confidence Index edged down in July, while University of Michigan’s Index of Consumer Sentiment rose. Both these measures are down from 2025 levels and well below their pre-pandemic levels.
- The Purchasing Managers’ Index (PMI) surveys through July point to continued moderate growth in the service sector and a pickup in growth in the manufacturing sector.
- Inflation resumed in July, following a dip in prices in June. The CPI (Consumer Price Index) rose 0.1% from June, driven by a rebound in energy prices. Over the 12 months ending in July, the U.S. CPI is up 3.4%, versus 3.5% in June. Core inflation (excluding food & energy) has remained fairly tame, up 2.5 % over the past 12 months, but still slightly above the Fed’s target of 2%.

New York City Economy

Payroll Employment Trends

- As shown in Table 1, Private-Sector employment was little changed in June, edging down by 500, following an outsized gain of 16K in May. It is up by 15K over the past 3 months and by 42K over the past 12 months.
- Employment in the city's three key sectors—Finance, Professional & Business Services, and Information—declined moderately in June but was still up from a year earlier. Employment in both Retail Trade and Leisure & Hospitality (largely restaurants, bars, and hotels) has been essentially flat in recent months.

Table 1. Seasonally Adjusted NYC Employment, by Industry

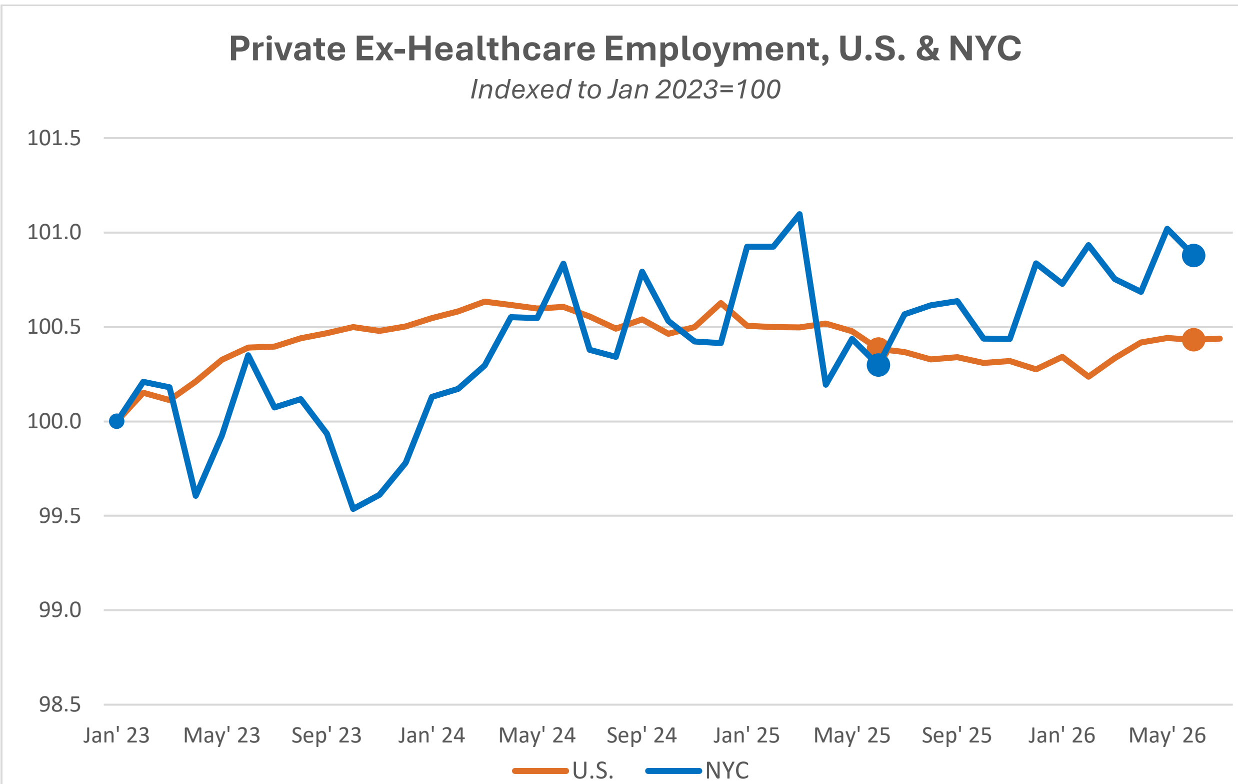
(1,000s)	Seasonally Adjusted NYC Employment					June 2026 Change over		
Industry:	June '25	Mar. '26	Apr. '26	May '26	June '26	12 Months	3 Months	1 Month
Total Non-farm	4,802.63	4,844.62	4,838.44	4,855.29	4,857.74	55.11	19.30	2.44
Total Private	4,189.56	4,221.73	4,216.29	4,232.31	4,231.79	42.23	15.49	(0.52)
Government	613.07	622.89	622.14	622.98	625.95	12.88	3.81	2.97
Financial Activities	513.79	520.11	521.33	522.46	521.87	8.08	0.54	(0.59)
Securities	206.43	212.08	212.80	213.80	212.58	6.15	(0.21)	(1.22)
Information	217.19	221.97	220.00	220.88	219.78	2.59	(0.22)	(1.10)
Prof. and Bus. Services	791.85	801.12	799.31	808.44	804.58	12.73	5.27	(3.86)
Educational Services	264.42	268.17	267.37	266.37	264.40	(0.02)	(2.96)	(1.96)
Health & Social Assist.	1,003.27	1,020.94	1,017.68	1,023.10	1,027.06	23.79	9.38	3.96
Leisure and Hospitality	450.89	447.56	449.65	448.36	449.07	(1.82)	(0.58)	0.71
Arts, Ent., and Rec.	90.70	88.71	88.94	88.64	90.00	(0.70)	1.07	1.37
Accomm. & Food Svc.	360.19	358.85	360.71	359.72	359.07	(1.13)	(1.64)	(0.65)
Retail Trade	298.65	298.19	298.65	298.97	298.44	(0.21)	(0.20)	(0.53)
Wholesale Trade	131.79	131.42	132.29	132.66	132.34	0.55	0.05	(0.32)
Trans. & Warehousing	134.38	133.38	129.99	130.04	131.71	(2.67)	1.72	1.67
Construction	136.65	138.33	137.69	136.64	136.53	(0.12)	(1.16)	(0.11)
Manufacturing	50.74	50.17	50.90	50.75	50.45	(0.29)	(0.45)	(0.30)

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

- While job growth in the Health & Social Assistance sector has slowed from the brisk pace of recent years, it still accounted for a majority of overall job creation over the past year. Because that sector, along with government, tends not to be reflective of market forces, we continue to focus on Private-Sector employment excluding Health & Social Assistance as a barometer of the job market.

- Chart 1 below shows recent trends in this metric, alongside the nationwide counterpart. While this measure of employment has risen by just 0.6% locally over the past year, that still far exceeds the nationwide growth of 0.1%.

Chart 1



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

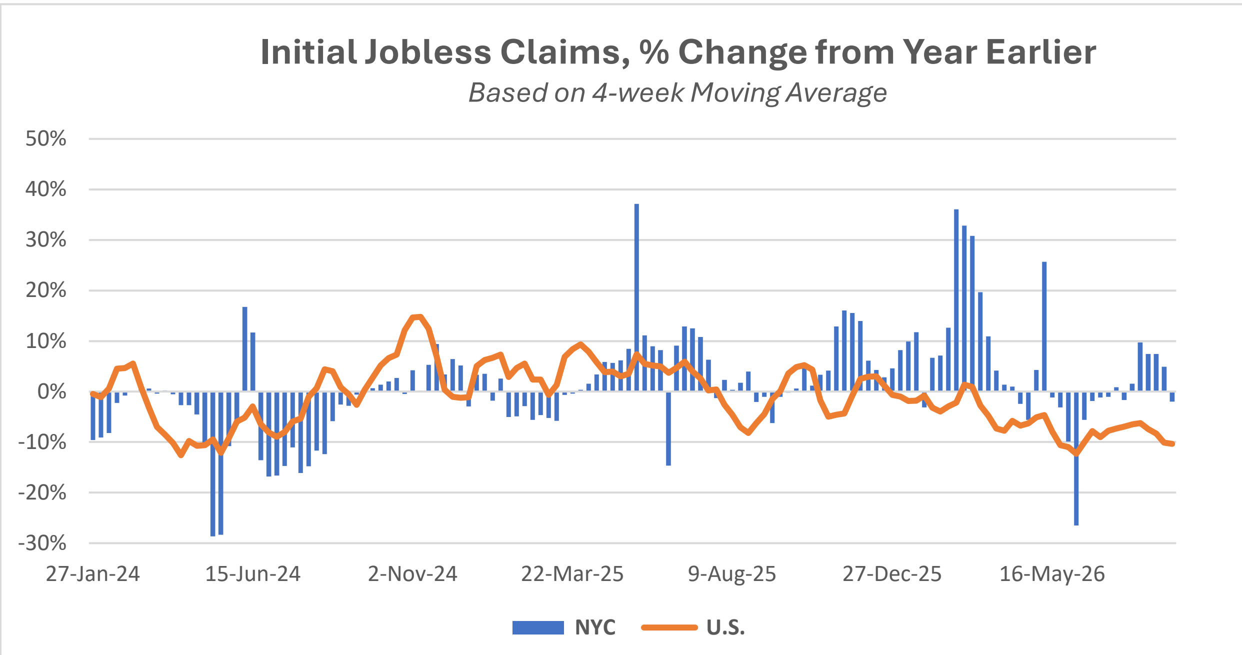
Labor Market Indicators

- Based on the monthly household survey, which is based on place of residence, NYC's unemployment rate fell another 0.1 point to 5.3% in June—a one-year low.
- While the latest decline was due to a dip in labor force participation rather than a rise in employment, local labor force participation remains just 0.3 points below its record high of 62.8% reached in the first quarter of this year.
- NYC's employment-population ratio, which had been steady at a record high of 59.2% throughout the first five months of 2026, edged down to 59.1% in June. This

contrasts starkly from the nationwide rate, which has trended down sharply this year, reaching a 5-year low in June (and declining further in July).

- In recent weeks, initial jobless claims have been running roughly on par with 2025 levels in NYC and well below a year earlier nationwide as shown in Chart 2.
- The persistently low level of jobless claims during a period of lethargic net job creation is illustrative of the "low-hire, low-fire" economy.

Chart 2

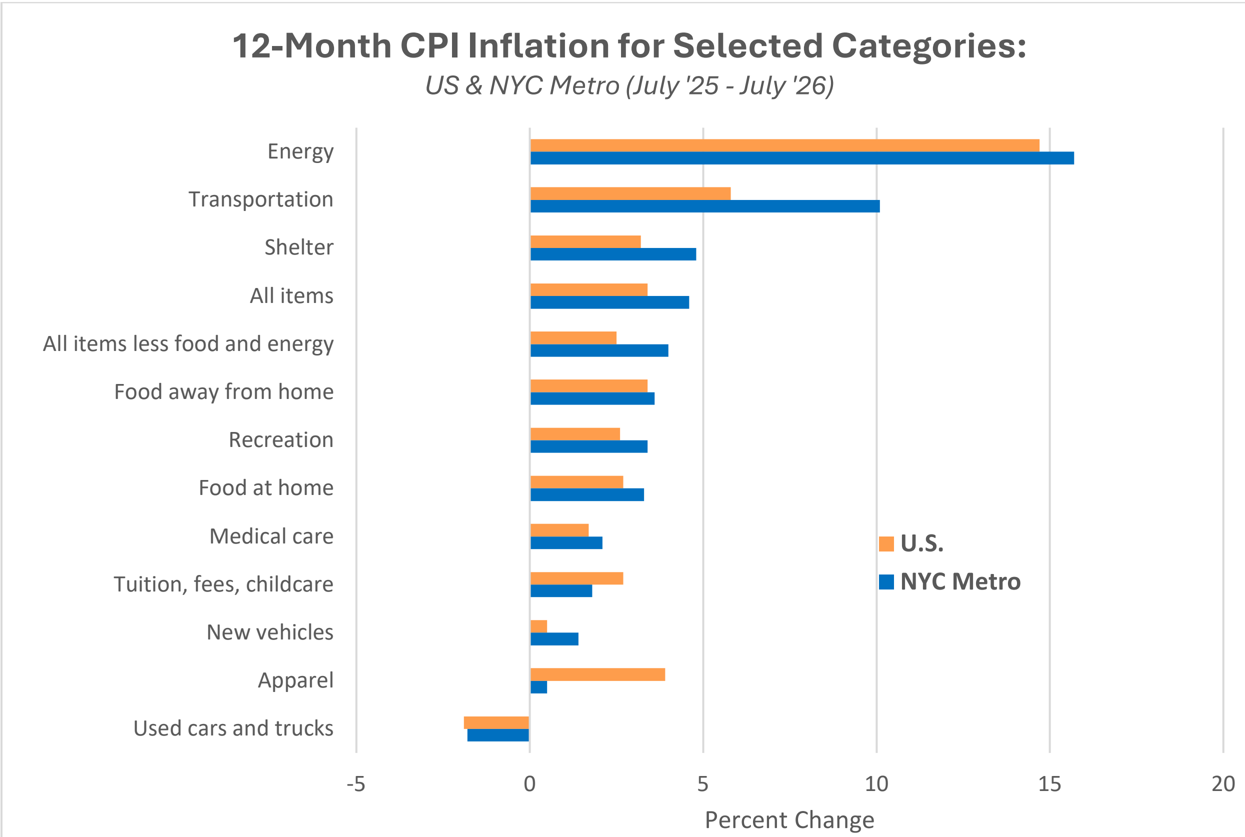


Sources: U.S. Bureau of Labor Statistics; NY Department of Labor

Inflation

- Consumer prices in the New York metro area rebounded in July, driven largely by energy and transportation costs. Following a dip in June to 4.1%, 12-month inflation rose to 4.6% in July. In comparison, the U.S. rate continued to decline, falling to 3.4% last month.
- Transportation costs rose 10.1% in the NYC metro area over the past year, far exceeding the national increase of 5.8%. Public transportation costs appear to have been a major factor. NJ Transit charged $98 for round-trip tickets to MetLife Stadium on match days and also raised general fares by 3% in July.

Chart 3

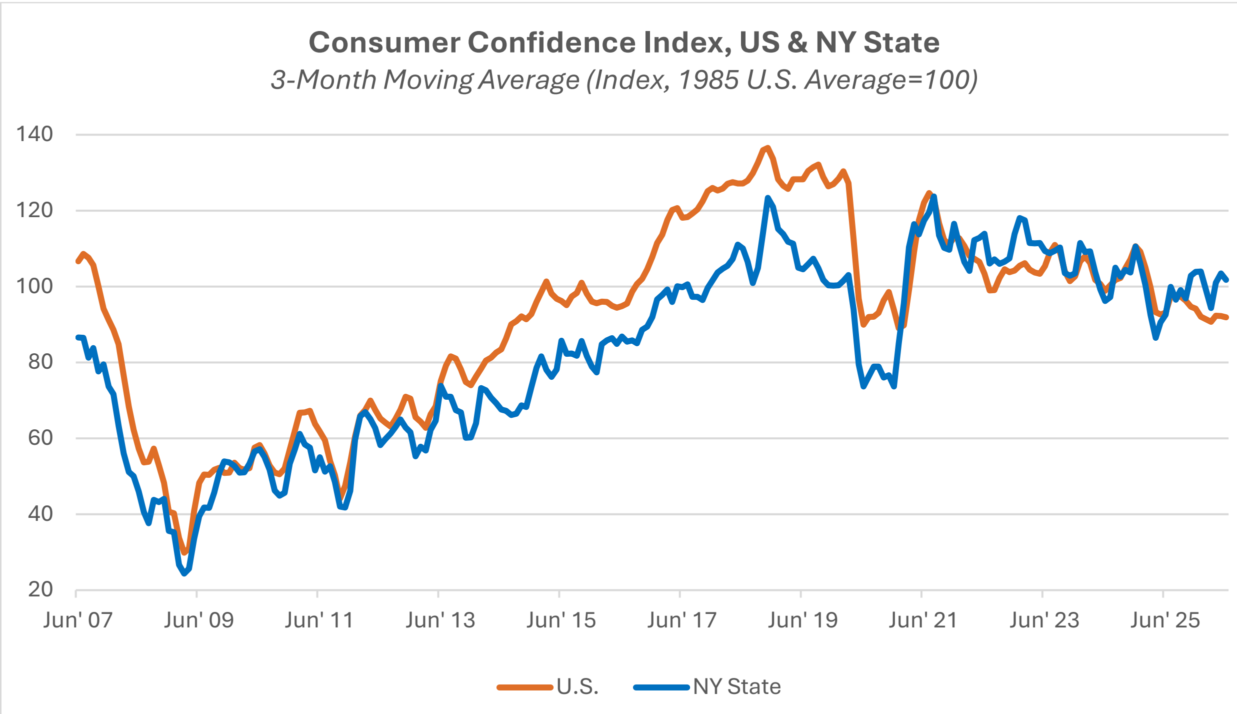


Source: U.S. Bureau of Labor Statistics

Consumer Surveys

- The Conference Board's measure of consumer confidence for New York State rebounded sharply in July, reversing a steep drop in June. Both the overall index and its 3-month moving average are roughly on par with pre-pandemic levels and well above the nationwide level, which is well below pre-pandemic levels.

Chart 4



Sources: The Conference Board; Moody's economy.com

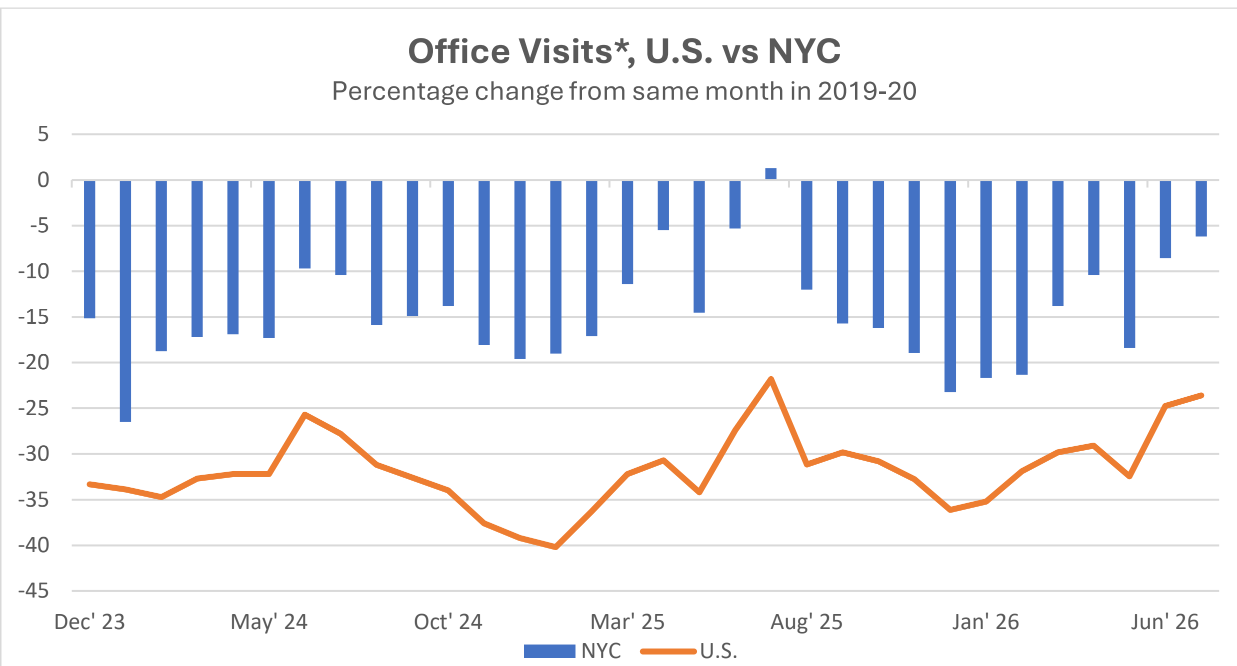
Wall Street Profits Soar in 2026

- Profits at NY Stock Exchange member firms conducting business with the public reached $24.8 billion in the second quarter of 2026. This represents an 18% increase from the first quarter of the year and a stunning 66% increase from the already lofty levels in the second quarter of 2025.
- Overall, profits in the first half of 2026 were $46.0 billion, a 51% increase from the first half of 2025. This tracks rather closely with the 36% increase in investment banking profits at the big banks headquartered in NYC (see our July Newsletter).
- To put the results in perspective, Wall Street profits in the first half of 2026 are already more than two thirds of the record $65.1 billion achieved over the entire 2025. As to the City's Financial Plan, its tax forecast incorporates a projection of $45.3 billion in profits in 2026, which has already been exceeded.
- The growth in business income is particularly evident in the City's Business Corporation Tax payments. In the first half of 2026, payments from the Finance and Insurance sector increased 47% relative to the same period in 2025. Payments in June 2026, which are reflective of estimated tax liability accrued in the second quarter, grew 94% from a year earlier.

Office Market & Attendance

- The New York City office market's pace of improvement picked up in July, as the overall availability rate fell nearly ½ point to 12.5%—its lowest level since mid-2020. Moreover, while leasing activity has been particularly strong for space in high-end (5-star) office buildings, office availability rates are at 6-year lows across all class segments of the market.
- A combination of steadily rising demand, in part from tech firms, and gradually declining supply of lower-tier office space—due to renovations and conversions—has helped fuel the ongoing rebound in the city's office market.
- NYC office attendance continued to run well above the nationwide average in July, based on Placer AI's data. Office visits (adjusted for working days), as seen in Chart 5 below, were only 6.2% below pre-pandemic levels. Nationwide attendance also improved modestly, running less than 24% below its pre-pandemic level—still a sizable shortfall but the narrowest in a year.

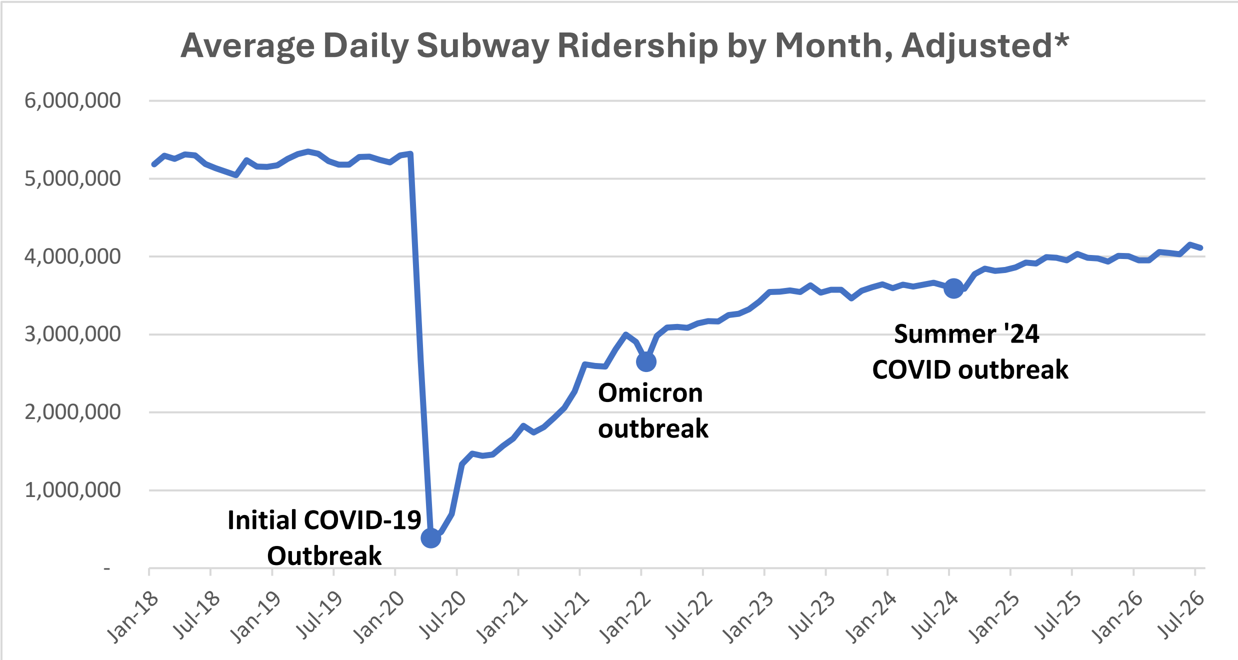
Chart 5



Sources: placer.ai; Office of the NYC Comptroller
*Adjusted for the number of working days (as opposed to weekends and holidays)

- Further indications of the gradual improvement in office attendance can be seen in subway ridership data. As shown in Chart 6 below, ridership reached a post-pandemic high in June, before receding slightly in July.

Chart 6



Sources: MTA; Office of the NYC Comptroller
*Adjusted for the number of working days as well as monthly seasonality.

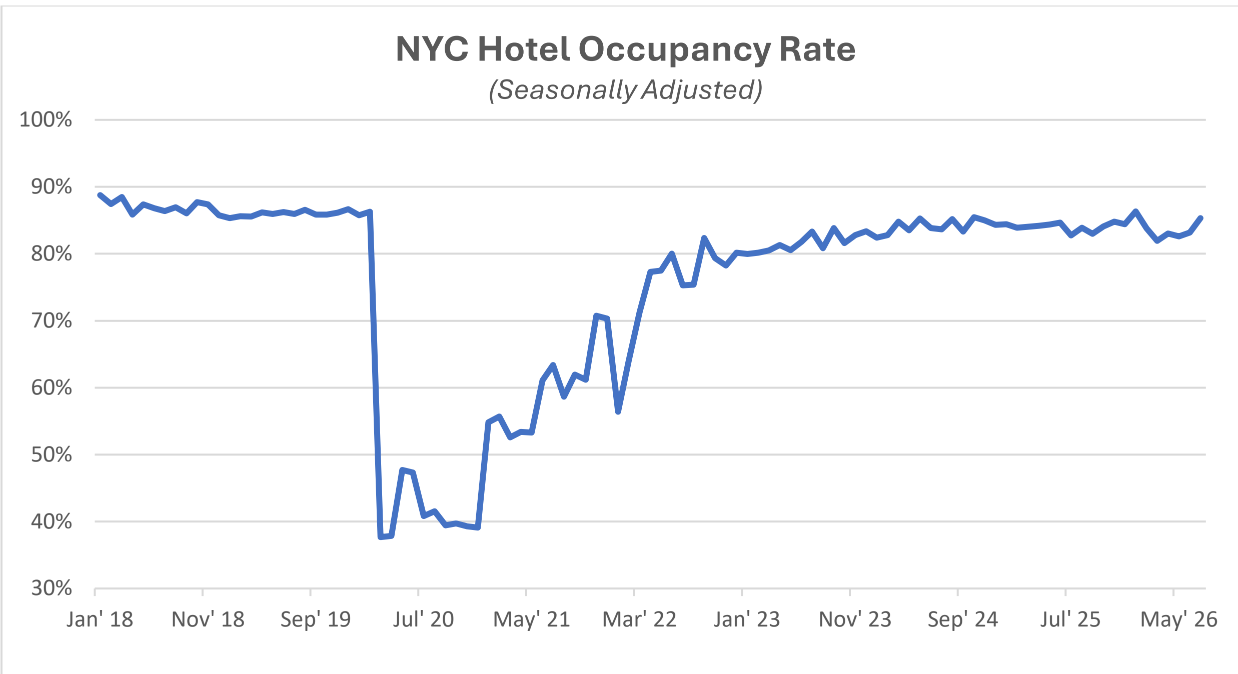
Housing

- StreetEasy estimates that sales prices for homes across the city have risen by just over 1% over the past year. Price increases were somewhat more pronounced in Queens (+4.2%) and Brooklyn (+2.4%) but essentially flat in Manhattan.
- Home sales prices are little changed from pre-Covid levels, with moderate gains in Queens (4.5%) and Brooklyn (2%) offset by a moderate decline in Manhattan (-3%).
- Trends in the housing rental market have been quite different. While the Rent Guidelines Board has frozen rents on rent-stabilized apartments for the upcoming year, rents on market-rate units continue to rise: citywide market rents are estimated to be roughly 35% above pre-pandemic levels, as of July, and up nearly 6% from 2025 levels, with the steepest increases in Manhattan. Yet it should be noted that, as of mid-2025, new renters were no longer being charged broker fees.

Tourism

- Tourism picked up in the 2nd half of July, right around the time of the World Cup finals at MetLife Stadium. Both hotel occupancy rates and daily room rates rose sharply in NYC at that time, leading to a more than 30% surge in monthly revenues per room in July from a year earlier.
- Because hotel occupancy was sluggish in the first two weeks of July, however, the hotel occupancy rate for the full month of July fell short of expectations, rising only modestly on a seasonally-adjusted basis, as shown in Chart 7 below.

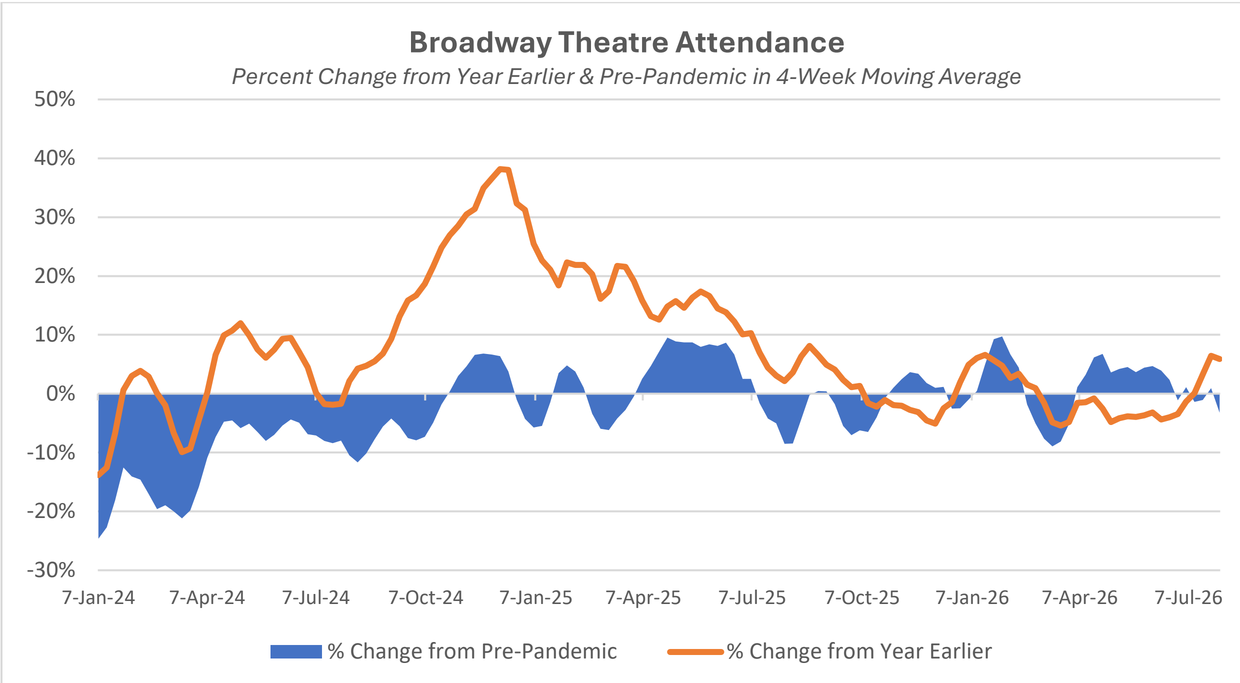
Chart 7



Sources: Costar; Office of the NYC Comptroller

- Broadway theatre attendance and revenues also picked up in the last week of July and early August, coinciding with a similar uptick in hotel occupancy and room rates over the same period.
- As shown in Chart 8, the year-over-year change in attendance has turned positive in recent weeks, though it remains slightly below comparable pre-pandemic levels.

Chart 8

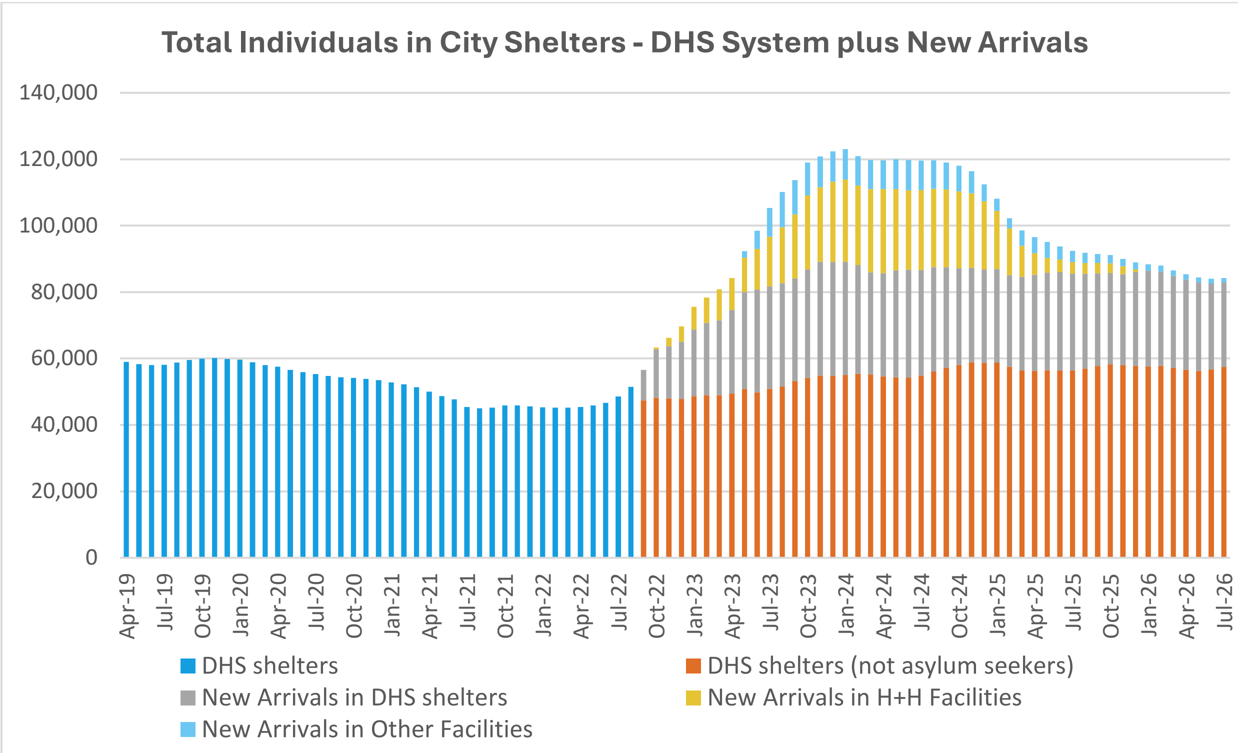


Sources: Broadway League; Office of the NYC Comptroller

Homelessness & Asylum Seekers

- Chart 9 shows the monthly average number of people in City shelters through July 2026. The shelter census rose sharply following the influx of asylum seekers, reached a peak in early 2024, and has since declined. Even so, the census remains 49% higher than in September 2022 (82,610 compared with roughly 57,470 individuals). Asylum seekers now account for 32% of the total shelter population, down from a peak of 55% in January 2024.
- In July, the average number of asylum seekers in City shelters was approximately 26,770, marking a decrease of 660 individuals from June 2026. However, there was an increase in non-asylum seekers of approximately 840 people, marking the first month in over one year with a net increase in the combined shelter census.
- Over the past 12 months, from July 2025 through July 2026, the average asylum seeker shelter census decreased by more than 9,235 individuals, or 26 percent. The non-asylum-seeking population has increased by approximately 1,050 individuals or nearly two percent over the same period.

Chart 9



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

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

City Finances

NYC's FY 2027 Adopted Budget, Reviewed

- The Comptroller presented this Office's analysis of NYC's FY 2027 Adopted Budget at the annual meeting of the NY State Financial Control Board last week.
- As noted, in last month's newsletter, the Adopted Budget, which totals $125.84 billion, included no deposit into the Rainy Day Fund, despite record tax revenues in the prior fiscal year. Using the formula proposed by our Office, the deposit should have ranged between $1.4 billion and $1.7 billion, depending on where final tax revenues settle.
- Pension returns posted a 13.0% return for FY 2026, outperforming assumptions in the June Financial Plan (which had already taken the savings associated with a 12.0% return). Overall, last year's pension returns enable the City to reduce its pension obligations by $6.3 billion over the five years beginning in FY 2028.
- Outyear budget gaps as estimated by this Office are slightly smaller than early-June estimates. The Comptroller now projects a $7.25 billion gap in FY 2028, narrowing to $6.84 billion in FY 2030.

The Property Tax Lawsuit Enters Mediation

- In 2017, the organization Tax Equity Now New York (TENNY) brought a lawsuit against the City and the State (see New York Supreme Court index number 153759/2017) alleging that the City's property tax system: 1) imposes different tax burdens for similarly valued properties; 2) imposes tax burdens that are arbitrary; and 3) imposes disproportionate tax burdens on racial minorities.
- In May 2018, then-Mayor de Blasio and Speaker of the City Council Johnson convened an Advisory Commission on Property Tax Reform, which published recommendations at the end of 2021.
- After being dismissed by lower courts, in March 2024 the NY State Court of Appeals issued an opinion that allowed some of the lawsuit's claims against the City to return to the NY Supreme Court for discovery and proceedings.
- The Court of Appeals allowed two primary causes of action to continue:
    - Class 1 uniformity — RPTL § 305(2): that the City's assessment practices for one-to-three-family homes produce unlawful disuniformity.

- Class 2 valuation — RPTL § 581: that the City undervalues co-ops and condominiums by comparing them to rent-regulated rental buildings rather than to market rents.

- Since then, TENNY and the City continued to expound their arguments, with even our Fiscal Notes "Comparable Rentals" and "Implications of Lowering the Class 1 Assessment Ratio" being part of the back-and-forth.
- On June 5, 2026, the parties decided to proceed to court-supervised confidential biweekly mediation aimed at comprehensive property tax reform. The City's Corporation Counsel made the case that the entire set of recommendations issued by the Advisory Commission are "on the table," widening the scope of the mediation beyond the City's potential remedies to the complaints. This is because, as also highlighted in our Fiscal Notes, the City's remedies would equate to "piecemeal" reform.
- The mediation started on July 13th, with a target date of October 1st for a memorandum of understanding. Successful mediation would result in legislative language to be submitted to the State legislature, presumably as part of the session starting in January 2027.

Bond Ratings Update

- The City's government creditworthiness is continually assessed by credit rating agencies. Each agency provides an overall rating (generally AAA to D) and an outlook (positive/stable/negative) based on their judgement of the city's fiscal strength and credit trajectory.
- All four agencies analyzing the City's General Obligation (GO) bonds rate them favorably: one level below the highest category.
- However, in March of this year, three of the four agencies revised the GO bonds' outlook from 'stable' to 'negative', a move that could precede a downgrade. As we commented in our Fiscal Note "*The Risks to the City's Credit Ratings*," the outlook change was in our view principally due to the sharp decline in reserves and end-of-year surplus in the Preliminary Budget and Financial Plan presented last February. In turn, these were the byproduct of a more realistic and transparent projection of expenditures by the Mamdani administration after years of chronic under-budgeting (for an overview, see for instance our Office's *2025 Annual State of the City's Economy and Finances*).
- Since then, the City has reversed the drawdown of its rainy-day fund planned in February and increased the end-of-year surplus. As commented in our reports on the Executive and Adopted budgets and financial plans, these positive developments

were achieved by leveraging a strong economy, through renewed efforts to rein in expenditures, and, in no small part, with short-term and one-time measures.

- The recent August GO issuance was the first time for rating agencies to evaluate the Adopted budget and financial plan. The latest rating reports for the city's General Obligation bonds are available here.
- As shown in Table 2 below, all agencies have re-affirmed their ratings and one (KBRA) lifted the outlook for GO bonds from 'negative' to 'stable'.

Table 2. New York City's General Obligation Bond Ratings as of August 2026

	Fitch	KBRA	Moody's	S&P
Rating	AA	AA+	Aa2	AA
Outlook	Negative	Stable	Negative	Stable

- In their commentaries, all four credit rating agencies note structural imbalances in the city's budget as a challenge that remains unresolved. They view the use of short-term and one-time measures in the latest budget cycle as a potential drag on the city's rating.

Final Rainy-Day Fund Charter Proposal Comes with Asterisks

- On July 23, the Commission on Government Efficiency (COGE) issued a final report, and five proposed Charter amendments, accompanied by ballot questions and abstracts.
- The commission proceeded at warp speed through its assignment, with merely three weeks separating its preliminary report (issued July 2nd) from its final recommendations. (Our comments on the preliminary report are available in the July Newsletter.)
- As to the rainy-day fund, amendment number five would:
    - Set a target balance for "money held in reserve" of 12% of the prior year's tax revenues. However, the balance could include not only the Revenue Stabilization Fund (a proper rainy-day fund) but also "any other reserve funds maintained by the City."

        - In our reading this is a clear nod toward counting the balance of the Retiree Health Benefit Trust (RHBT) toward the 12% target. But other reserves could potentially be included.
    - Set a May 1, 2027, deadline for publishing a methodology with a list of reserves counted toward the 12% target, and a formula for deposits. The methodology is to be derived "in consultation" with our Office and will be subject to public review.
        - The methodology "shall take into account revenue trends, the amount of the City's operating surplus, and any other factor deemed relevant for the purpose of ensuring sound fiscal management."
        - This formulation leaves wide discretion. Specifically, it is not at all clear that the amount of the deposits should be conditioned in any way on the "amount of the City's operating surplus," which, in essence, is the Budget Stabilization Account—the amount of next year's debt service prepaid in the current year. The amount in the Budget Stabilization Account has declined sequentially in the past four years because expenses outgrew a robust increase in tax revenues. Surely, this should not be a reason not to make a deposit.
    - Introduce language duplicative of existing state legislation that allows withdrawals of up to 50% of the Revenue Stabilization Fund for any reason, and withdrawals above 50% in cases of a compelling fiscal need tied to "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 of state."
        - The Comptroller argued forcefully for stricter withdrawal rules in his second testimony before the Commission.
- Overall, the proposal marks meaningful progress but contains several substantial design weaknesses, including: 1) the commingling of other to-be-determined reserves in the 12% target; 2) excessive discretion in the deposit formula due to the consideration of the Budget Stabilization Account 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, which allow use of up to 50 percent of the rainy-day fund for any reason and don't limit at all the use of the "other reserves" counted towards the 12% target.

City Identifies Opportunities to Reduce Regulatory Burdens on Small Businesses

- In January 2026, Mayor Mamdani issued Executive Order 11 directing seven City agencies to inventory the fees, permits, licenses, inspections, and civil penalties affecting small businesses and identify opportunities to reduce unnecessary regulatory burdens.
- The City's inventory and subsequent outreach found that, while business owners welcomed lower fees and penalties, their greatest concerns extended beyond the cost of fines. Lengthy approval processes, inconsistent inspections, complex compliance requirements, and difficulty navigating multiple agencies created greater obstacles to opening and operating a business than regulatory costs alone.
- Last month, the administration released OPEN for Small Business (Overhauling Procedures and Expanding Navigation) in response, outlining more than 50 reforms intended to simplify regulatory processes, improve customer service, streamline permitting, expand compliance assistance, and reduce selected fees and fines.
- This initiative builds on earlier regulatory reform efforts reviewed by the New York City Comptroller. The Comptroller's April 2026 audit of the Small Business Forward initiative found that adopted reforms reduced certain fine amounts by approximately 17% on *all* businesses, but the City lacked sufficient data to measure the impact of these reforms on small businesses specifically.

Federal Funding Update

Continuum of Care

- A federal judge blocked the Department of Housing and Urban Development (HUD)'s proposed changes to the Continuum of Care (CoC) program on August 7th, effectively pausing funding for Federal FY 2026, finding that HUD had not followed required notice-and-comment procedures. HUD may appeal the ruling and could attempt to implement similar changes for future funding years.
- The proposed changes would shift approximately 30% of the program's $4 billion in funding away from permanent housing toward transitional and supportive services. Permanent housing programs require stable funding sources year after year, and the CoC funding has historically provided that continuity, regularly renewing at least 90% of existing grants annually. New York City received approximately $200 million

in CoC grants in federal fiscal year 2025 (for calendar year 2026 programming), supporting over 8,000 permanent housing units.

FY 2027 funding update & federal funding rule

- The Senate approved a bipartisan Continuing Resolution to fund the federal government through December 11, potentially avoiding a government shutdown ahead of the November midterm elections. The Senate version includes several provisions not in the House bill that will need to be recognized for final passage, most notably language temporarily blocking implementation of OMB's proposed revisions to federal grant rules that could politicize federal funding, as described in more detail in recent newsletters. This Office joined with other local governments and the Public Rights Project in filing a comment letter opposing the proposed rule. Ultimately, the federal government received nearly 500,000 comments in response to the rule.

Healthcare updates

- On July 1, nearly 450,000 New York State residents were expected to become ineligible for Essential Plan (EP) no-cost health insurance, as the State rolled back coverage for individuals making between 200 and 250% of the Federal Poverty Level. According to the NY State Department of Health, over half of consumers losing expanded EP coverage have enrolled in other coverage through NY State, either another EP plan or Medicaid due to a reduction in income, or a Qualified Health Plan.

- In July, New York State released a request to extend its Medicaid Section 1115 waiver for another five years, which would enable it to rollover approximately $2.1 billion in spending authority. The request is subject to public comment and Federal approval, with the current waiver set to expire in March 2027. Federal approval for all components of the request is uncertain, as summarized here.

Supplemental Nutrition Assistance Program (SNAP)

- Following multiple changes to SNAP under the One Big Beautiful Bill Act (OBBBA), new eligibility requirements for recipients have caused the number of individuals receiving benefits in New York City to decline by more than 150,000 individuals (8.7 percent) over the last year, with a particularly steep drop of 46,000 individuals (2.7 percent) between June and July 2026 alone.

New York City's Cash Balances

- As of August 10, 2026, the City's central treasury balance stood at $15.609 billion, compared to $10.746 billion at the same time in FY 2026. The higher balance primarily reflects the delayed disbursement of $3.713 billion to the Retiree Health Benefits Trust (RHBT) for FY 2026 pay-as-you-go retiree health and welfare benefits, typically paid at the end of June. This amount was accrued to FY 2026 as owed by the City to the RHBT and will be disbursed later in FY 2027.
- This year's higher balance also reflects strong tax revenues in June and early July, and the receipt of approximately $1 billion in federal and state revenues in early July.
- For additional details on the FY 2027 starting balance and an updated projection following the release of the City's FY 2027 Adopted Budget, see the interim update to the June 2026 forecast here.

Contributors

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

NEW YORK CITY COMPTROLLER
MARK LEVINE

1 Centre Street, New York, NY 10007
www.comptroller.nyc.gov
(212) 669-3916