

New York State Comptroller
THOMAS P. DiNAPOLI

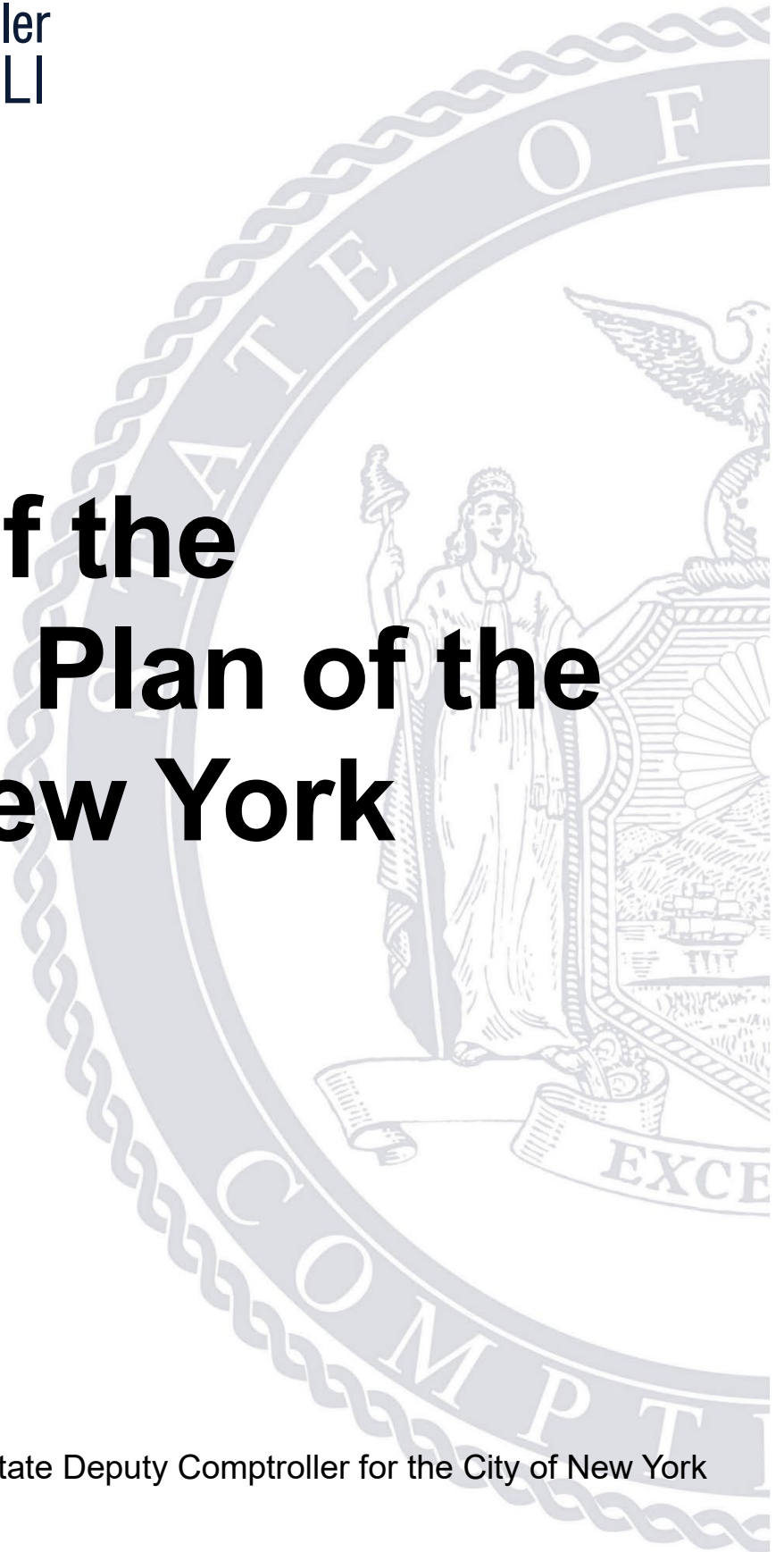
Review of the Financial Plan of the City of New York

Report 4-2027

June 2026

Prepared by the Office of the State Deputy Comptroller for the City of New York

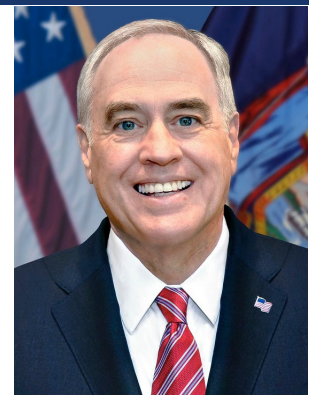
Deputy Comptroller Rahul Jain



Message from the Comptroller

June 2026

New York City's finances have been through a tumultuous period in recent years, with significant federal, State and City revenues enabling substantial growth in spending, some of which has been in response to various emergencies. In recent months, the City has shown it is ready to reflect these increasing costs more fully, a budgetary response that my office has called on for years. However, this more transparent accounting has laid bare the reality that these costs require a careful balance to manage the potential threats to the City's fiscal stability, competitiveness and affordability.



Over the past year, the City has seen its fiscal fortunes incrementally improve on the back of a resilient economy which has produced robust revenues to help fund programs and services. However, the City did not make efforts to codify its plans to bolster reserves or set aside additional monies in its rainy-day fund and now faces a spending growth trajectory which will make managing future choices more difficult if revenues do not come in better than expected. Recent steps suggest the City does recognize that rising costs for certain expenses, particularly for education and social services, are pressuring City finances and they must be addressed, but more will need to be done proactively to avoid poor outcomes.

Mindful of what is transpiring in Washington, the City must make balanced and prudent fiscal choices in the coming year while managing its substantial operational needs and encouraging employment and business growth to enhance its economic and tax revenue base. The identification of individuals at agencies charged with generating savings via efficiencies is welcome and should be expanded, if successful. Monitoring City staffing and performance indicators and responding to shifting demands for City resources remain critical for ensuring basic services are provided in an efficient and targeted manner.

Continued improvement in communicating to the public what is at stake, the options available to face these fiscal challenges and the City's efforts to balance its budget will be critical, particularly if the economic outlook weakens or if spending cannot be contained further without service cuts. Ultimately, future economic growth in the City, and thereby the State, relies on providing services that enhance affordability and opportunity for all residents.

Thomas P. DiNapoli
New York State Comptroller

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I. Executive Summary

The \$124.7 billion fiscal year (FY) 2027 budget released in May (see Figure 1) continued the City's recent efforts to lay bare the substantial spending challenges it faces while identifying some recurring solutions to managing these challenges. In doing so, however, it pushes the necessary decisions to achieve structural balance into the future. The City states in its latest financial plan that budget gaps will average \$8.6 billion in fiscal years 2028 through 2030, highlighting the substantial differences in shortfalls that will need to be managed in the coming years. Overall, the FY 2027 budget has shrunk since February and is expected to grow very slowly when compared to FY 2026; however, a comparison of total spending obscures several important shifts in the budget that are important to understand to better assess the City's fiscal position.

After substantial additions to spending for underbudgeted expenses in February of this year, which the City initially planned to fund with a substantial 9.5 percent property tax increase, the City has reconstructed its effort to close its FY 2027 budget gap with the limited use of new and increased taxes. The removal of the property tax increase, which would have raised \$3.7 billion in FY 2027, left a significant hole in the budget. The City partly addressed this by trying to slow planned spending growth--adding cost containment initiatives for fast growing costs to its Citywide Savings Program, which were initiated in earnest in February. The City was also successful in efforts to receive enhanced State aid for several existing expenses, including for statutory mandates, and \$500 million in one-time unrestricted aid. Even with these changes, however, the City is also relying on a number of one-time actions that will postpone—but not allow it to avoid—structural changes to the budget that will eventually be needed.

The City has been transparent about these actions, which has led to the exposure and utilization of several budgetary cushions the City uses to manage its finances. While this approach should more clearly allow the public to understand the City's fiscal position, it also highlights that the room for error in achieving and maintaining budgetary balance is becoming narrower.

City tax revenue projections for FY 2027 (\$84.4 billion) were revised upward by \$4.2 billion since budget adoption in June and changes to projections in February are less conservative than in recent years. OSC anticipates that, barring a recession, the City's revenue projection for FY 2027 is reasonable but that it is unlikely to see the same adjustments upward as it has in past years, requiring resources from elsewhere to bridge the gap.

Efforts by the City to expand funding from the State were largely successful, with State actions leading to more than \$2.7 billion to fund City spending for child care, education, the Metropolitan Transportation Authority (MTA), and public health measures in FY 2027. However, much of this spending will have to be renegotiated next year and the State may be reluctant to further expand cost sharing, given the support already provided for in this year's State Enacted Budget. The State also enabled the decoupling of business taxes (\$723 million in FY 2027) and the pied-à-terre tax (\$500 million), which were already included in the City's latest financial plan.

Other tactics used in recent years to offset underbudgeting of major expenses as the fiscal year went along include a mix of contingency reserve drawdowns, payroll and fringe savings from actual headcount being under target, conservative projections for contractual services and the use of prepayments of future spending. These features are now part of the City's plan to close its

FY 2027 budget gap in advance of the beginning of its upcoming fiscal year, ultimately reducing the size of the buffer the City has to manage its budget once FY 2027 begins.

The write-down of prior-year payables (\$400 million), the reduction of fringe savings to better align with headcount (\$315 million), a reduction in its in-year-labor reserve (\$500 million), and a drawdown of contingency line items that absorb cost overruns (\$1.35 billion) are already expected to provide significant savings in FY 2027, but will limit the City's capacity to find further resources from these items in the coming year. The advance use of \$400 million in unidentified prior-year payables to balance the budget is a particularly unusual move as the identification of such unused resources is a prerequisite to generating the savings.

The City also took a number of one-time actions that it will be unable to use again, including a \$1.2 billion write-down of a prior year labor reserve in FY 2026 that was used to help fund a \$900 million increase in prepayments for FY 2027 and the reamortization of its unfunded pension liability for four of its five pension systems based on preliminary proposal, providing a savings of \$1.8 billion in FY 2027 and similar recurring savings through FY 2032, before increasing related expenditures beginning in FY 2033. The use of pension reamortization savings in particular has to be done with an eye toward eliminating the City's structural budget imbalance, not exacerbating it. The reamortization will increase planned pension costs in 2033, providing the City with short-term fiscal relief but will pressure costs later if not managed. The decline in the City's prepayment in recent years from \$6.1 billion in FY 2022 to \$1.1 billion for FY 2027 in the May Plan shows that the City's spending has been overextended in recent years compared to revenues generated.

These actions suggest the common ways the City has found to balance its budget are now more constrained and that some uncommon ways to achieve balance may also be used up. The precarious balance that remains requires refocusing on direct and transparent ways to manage spending, optimize revenue generation without hurting the City's economy, and ultimately, generate more in resources than it is spending to build reserves. To this end, the City's savings program, which mostly identified agency level savings targeted in February (including \$1.1 billion in FY 2027) and added new cost containment measures for the City's fast growing educational and social service programs (nearly \$1.2 billion in FY 2027), is a welcome and needed effort. The cost containment efforts in particular serve as an acknowledgement that the City needs more proactive measures to slow cost growth for these programs, however greater detail on the City's plan to execute these strategies is still needed.

Because the City has added planned spending for substantially underbudgeted items, OSC assumes a much smaller restated budget gap in FY 2027 than in recent years during the analysis of the Executive Budget of \$1.4 billion, with budget risks mostly fueled by overtime and uncertainty over the City's cost containment efforts (see Figure 2). OSC assumes budget risks average approximately \$1.3 billion from FY 2028 to FY 2030, with costs for enhanced pensions, overtime and social services offset by better-than-projected property and personal income tax revenue. However, even with the smaller risks, the magnitude of the City's own assessment of its gap leaves OSC's restated gaps averaging about \$9.9 billion in the out-years of the financial plan (see Figure 3).

The City has an opportunity to avoid the opaque budgeting strategies of the past while transparently building up more formal buffers, including its rainy-day fund. A key way to

accomplish this goal would be to formalize and publish policies on generating funds to go into reserves each year depending on the City's fiscal performance and set guidelines for the use of these funds. Continued preparation and identification of structural solutions to its fiscal issues will leave the City in a better position to manage an economic slowdown or additional fiscal emergencies that may emerge in the future.

FIGURE 1
New York City Financial Plan
(in millions)

	FY 2026	FY 2027	FY 2028	FY 2029	FY 3030
Revenues					
Taxes					
General Property Tax	\$35,536	\$37,200	\$37,882	\$39,057	\$40,440
Other Taxes	47,679	49,591	50,706	51,156	52,380
Tax Audit Revenues	1,059	929	879	879	879
Tax Programs	147	654	611	493	492
Subtotal: Taxes	\$84,421	\$88,374	\$90,078	\$91,585	\$94,191
Miscellaneous Revenues	9,053	8,565	8,454	8,493	8,517
Unrestricted Intergovernmental Aid	619	161	161	161	161
Less: Intra-City Revenue	(2,385)	(2,195)	(2,137)	(2,129)	(2,127)
Disallowances Against Cat. Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$91,693	\$94,890	\$96,541	\$98,095	\$100,727
Other Categorical Grants	1,192	1,131	867	864	864
Inter-Fund Revenues	805	814	810	813	814
Federal Categorical Grants	9,900	7,281	7,121	7,096	7,083
State Categorical Grants	20,804	20,584	20,983	20,612	20,682
Total Revenues	\$124,394	\$124,700	\$126,322	\$127,480	\$130,170
Expenditures					
Personal Service					
Salaries and Wages	35,085	35,946	37,581	38,755	39,833
Pensions	9,848	8,759	9,841	9,403	8,822
Fringe Benefits	15,465	16,006	16,793	17,526	18,371
Subtotal: Personal Service	\$60,398	\$60,711	\$64,215	\$65,684	\$67,026
Other Than Personal Service					
Medical Assistance	6,762	6,790	6,940	7,090	7,240
Public Assistance	2,762	2,708	2,707	2,707	2,707
All Other	51,299	48,114	49,588	50,035	51,084
Subtotal: Other Than Personal Svcs.	\$60,823	\$57,612	\$59,235	\$59,832	\$61,031
Debt Service	8,282	9,535	10,632	11,720	12,542
FY 2025 Budget Stabilization	(3,787)	---	---	---	---
FY 2026 Budget Stabilization	1,063	(1,063)	---	---	---
Capital Stabilization Reserve	---	---	250	250	250
General Reserve	---	100	1,200	1,200	1,200
Less: Intra-City Expenses	(2,385)	(2,195)	(2,137)	(2,129)	(2,127)
Total Expenditures	\$124,394	\$124,700	\$133,395	\$136,557	\$139,922
Gap to be Closed	\$ ---	\$ ---	\$ (7,073)	\$ (9,077)	\$ (9,752)

Sources: NYC Office of Management and Budget; OSC analysis

FIGURE 2

OSC Risk Assessment of the New York City Financial Plan

(in millions)

	Better/(Worse)				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Gaps Per NYC Financial Plan	---	---	(\$7,073)	(\$9,077)	(\$9,752)
Tax Revenue	\$435	\$(7)	\$370	\$1,506	\$2,544
Miscellaneous Revenue		100	100	100	100
Unrestricted State Aid		(161)	(161)	(161)	(161)
Subtotal Revenue	\$435	(\$68)	\$309	\$1,445	\$2,483
Variable Rate Debt Service Savings		75			
Debt Refunding		35	35	35	35
Operating Subsidies to the MTA	(113)		(205)	(206)	(220)
State Actions for Pensions	8	(60)	(72)	(85)	(99)
State School Aid		75	75	75	75
State Subway Overtime	77				
Overtime	(213)	(740)	(745)	(746)	(757)
ACS – Child Care Services		(114)	(280)	(280)	(280)
DOE – Due Process Cases (Carters)		(30)	(111)	(242)	(372)
DOE – School Cleaning		(100)	(100)	(100)	(100)
DOE – Unsalariated Wages	(522)				
DOE – Fringe and Contracts	322				
SNAP Administration Funding Cut		(81)	(109)	(109)	(109)
Unbudgeted Recurring 2K Costs				(425)	(425)
Public Assistance		(50)	(50)	(50)	(50)
Non-Asylum Shelter			(43)	(70)	(102)
CityFHEPS			(61)	(112)	(160)
Residual Services for Asylum Seekers	(149)	14	(457)	(358)	(358)
Full-Time Payroll Savings	200				
Unidentified Savings Initiatives			(179)	(124)	(89)
Cost Containment - CityFHEPS		(235)	(235)	(235)	(235)
Cost Containment - Shelter....		(284)	(23)	(51)	(74)
Cost Containment – Due Process Cases		(149)	(149)	(149)	(149)
Pupil Transportation Efficiencies		(28)	(56)	(56)	(56)
Subtotal Expenditures	(\$390)	(\$1,672)	(\$2,765)	(\$3,288)	(\$3,525)
OSC Offset/(Risk) Assessment	\$45	(\$1,740)	(\$2,456)	(\$1,843)	(\$1,042)
Potential Gaps Per OSC ^{1,2,3}	\$45	(\$1,740)	(\$9,529)	(\$10,920)	(\$10,794)

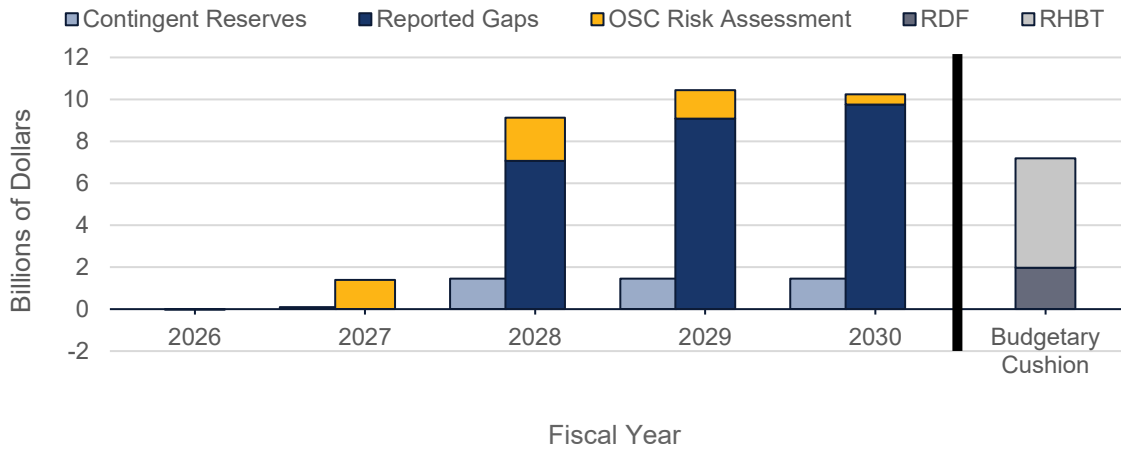
Notes:

¹ Totals may not add due to rounding.

² Executive Plan gaps are inclusive of a general reserve of \$100 million in FY 2027 and \$1.2 billion in each of fiscal years 2028 through 2030. In addition, the Capital Stabilization Reserve has a balance of \$250 million in each of fiscal years 2028 through 2030. The Executive Plan also includes reserves of about \$279 million beginning in FY 2028 to fund potential changes to planned pension contributions from actuarial audit recommendations.

³ State law requires surplus resources accumulated by the City to be deposited into its Revenue Stabilization Fund. As of FY 2025, the balance held in the Rainy-Day Fund (RDF) is nearly \$2 billion.

FIGURE 3
OSC Adjusted Budget Gaps



Note: The RDF is the Rainy-Day Fund and the RHBT is the Retiree Health Benefits Trust. In addition to the contingency reserves funded in each year of the plan period, the City maintains an additional budgetary cushion through balance sheet reserves recorded as of June 30, 2025, which may be used to help close future budget gaps.
 Sources: NYC Office of Management and Budget; OSC analysis

II. Economic Trends

National Economy

The national economy continues to experience steady growth across a number of economic indicators, including employment and wages. However, concerns over inflation, stoked by the conflict in the Middle East, are weighing on consumer sentiment and expectations and may pressure rates to remain higher for a longer period of time than currently anticipated.

Through May 2026, the nation added 569,000 jobs in the current year, on a seasonally adjusted basis, more than the 182,000 added during the same period in 2025, as the unemployment rate ticked up slightly to 4.3 percent. For the same month, inflation as measured by the consumer price index grew by 4.2 percent, the highest annualized rate since May 2023 and a reversal of the slowdown experienced at this time last year.

Gross domestic product (GDP) strengthened in the first quarter of 2026, growing 1.6 percent on an annualized basis, according to the Bureau of Economic Analysis's second estimate. Despite several headwinds, including continued uncertainty and the initiation of the war in the Middle East, the City anticipates GDP growth will continue at a rate of 2.1 percent in 2026, partly based on the expectation that the conflict will not be prolonged. This is a small downward adjustment from its February Plan projection, in alignment with S&P Global, an economic forecasting company.

Continued job growth and rising inflation has increased debate over whether the Federal Reserve will adjust its rate targets in 2026 and in which direction. As of March 2026, the Federal Reserve expected no cuts in 2026, before resuming cuts in 2027. The Federal Reserve has asserted that it will continue to monitor incoming data and it is unlikely to make any rate cuts at its June policy meeting. Federal funds futures show that the market expects a rate increase as early as the October Fed meeting. While the City tempered its productivity and job growth forecasts and raised its price growth forecast in response to these changes, it may be underestimating the duration, and therefore the impact, of an economic slowdown fueled by the Middle East conflict.

City Economy

As of April 2026, City employment grew to over 4.8 million, higher than 2019 levels. Still, the City's unemployment rate never fully recovered from the COVID-19 pandemic and remained 1.6 percentage points higher than the April 2019 level of 4 percent, largely due to a sustained increase to the local labor force. As a comparison, the nation's unemployment rate was 4.3 percent in April 2026, 0.6 percentage points higher than the April 2019 level. Further improvement continues to face various pressures from federal policy choices and the fallout from the conflict in the Middle East.

The slower recovery in the unemployment rate, even as overall employment has fully returned, is partly fueled by certain [industry sectors](#) having fared better than others. In particular, financial activities and the information sector continue to add jobs, while leisure and hospitality, retail trade and construction jobs declined over the last year and have remained below 2019 levels. These trends also have implications for projected employment growth, especially as federal policy

remains uncertain and is more likely to negatively impact tourism-related, construction and lower wage industries.

The securities industry continues to be a bright spot for the City, realizing profits of over \$65 billion in 2025, despite volatility in the financial markets and uncertainty over business plans related to tariffs. During the first quarter of 2026, New York Stock Exchange member profits reached \$21.1 billion, due, in part, to robust trading fees and commissions related to market volatility. The City anticipates that Wall Street profits will decline in 2026, but remain above \$45 billion, enabling wage growth in the industry. Financial sector wage earnings growth is expected to rise by 4.4 percent in 2026, which would be the fastest industry wage growth experienced after a double-digit increase in the prior year since at least 2011. The financial sector makes up more than a quarter of wage earnings in the City, highlighting the importance of continued industry wage growth in reaching the City's overall wage growth projections.

The City's office market has also seen continued improvement in key indicators. The office vacancy rate peaked in 2024 and has continued to improve since, even as asking rents have continued to rise in response to demand. Based on the fiscal year 2026 final property tax assessment roll, the market value for office (including condo) buildings overall grew by 3.6 percent, eclipsing growth last year; however, it is critical to note that trophy office building market values fueled this increase, rising by nearly 7.9 percent.

Strength in the financial sector and improvement in the commercial real estate market come as the City's tourism industry is facing weaker-than-anticipated demand in advance of hosting the World Cup and America250 events this summer. However, the conflict in the Middle East and federal immigration policies may be pressuring international travel, which plays a critical role in driving spending in the industry and overnight hotel bookings. The City has revised its anticipated projections for international travelers and associated spending down since February.

III. Changes Since the June 2025 Plan

In June 2025, the City projected a balanced budget for FY 2026 and budget gaps of \$5 billion in FY 2027, \$6.1 billion in FY 2028 and \$6 billion in FY 2029. Since then, the City made changes in its November Plan, followed by significant expense and revenue reestimates and proposals to present a balanced budget in the February Plan, the new mayoral administration's first financial plan submission. Smaller, but substantial revisions, have been added in May, mostly to offset the elimination of a 9.5 percent property tax hike and the use of reserves.

By far, the largest change to the Adopted Plan has been for the addition of new needs associated with the expense reestimates in February, fueled by social services — including for rental assistance, cash assistance, shelter costs, and foster care — and other smaller adjustments and the Department of Education (DOE), including funds for due process cases, the class size mandate, early childhood education, student transportation, and Summer Rising (see Figure 4). There was also \$553 million in one-time needs added in FY 2026, mostly to maintain funding at schools experiencing declines in enrollment (schools held harmless) and several education services, such as charter schools and contracted services. Other large new needs funded include spending on the MTA and overtime (see OSC's [February Plan report](#) for details).

In tandem with the expense reestimates the City made in February, the City substantially increased revenue projections by an average of \$4.6 billion annually through FY 2029 (\$18.5 billion total). Changes to tax revenue forecasts account for \$8.6 billion across FY 2026 and FY 2027, with more than half of that expected to be generated by increased personal income tax collections, supported by bonuses in the securities sector after a record year of profitability. This also includes the impact of the State's decision to decouple from federal provisions made in the One Big Beautiful Bill Act (OBBBA) and changes to its tax program. Tax program changes in May mostly reflect anticipated collections of \$500 million annually beginning in FY 2027 under the new pied-à-terre tax on high-value second homes for non-residents. Revenue changes also include increases in unrestricted federal and State funds, totaling \$619 million in FY 2026 and \$161 million in each year thereafter, and other revenue changes adding \$392 million in FY 2026 dropping to \$121 million by FY 2029, largely for fines and fees.

The May Plan undoes some of the more drastic February Plan actions to address budget gaps, most notably the proposed property tax increase and drawdowns of the Rainy-Day Fund (RDF) and the Retiree Health Benefits Trust (RHBT), which has been replaced by additional State funding, new tax programs, savings, and a number of one-time actions that provide resources now but will not recur indefinitely. The combined changes enabled the City to generate \$1.1 billion in FY 2026 that will fund prepayments of expenses to balance the budget in FY 2027, but, largely due to the elimination of the property tax hike and one-time nature of certain actions, will increase the budget gaps in FY 2028 and FY 2029 to \$7.1 billion and \$9.1 billion, respectively (see Figure 5).

The City is now reflecting a complete drawdown of its contingent reserves, general and capital stabilization reserves, in FY 2026 (\$1.45 billion), and almost all in FY 2027 (\$1.35 billion), retaining the statutory minimum of \$100 million in a budgetary cushion to weather unanticipated costs. The May Plan also reversed the use of funds from the RHBT and the RDF to balance

FY 2026 and FY 2027, preserving these funds so they can be deployed when appropriate, such as in the case of a fiscal emergency.

The City Savings Program, initiated in November and expanded in February and May, now totals \$1.4 billion in FY 2026, \$2.9 billion in FY 2027, and an average of \$2.4 billion in fiscal years 2028 and 2029. The May Plan addressed most of the unidentified citywide savings initiative proposed in the February Plan, but did not identify actions for the \$212 million proposed savings in the November Plan for FY 2026. The May Plan also included general “cost containment” savings, averaging \$1 billion annually beginning in FY 2027 (see the Citywide Savings Program section).

The City recorded decreases to its planned pension costs by \$630 million in FY 2026, and by an average of \$2.3 billion annually thereafter, mostly reflecting an adjustment to the payment schedules of unfunded pension contributions and asset valuation gains (see the Expenditure Trends: Pension Contributions section for details). The City also expects a reduction of \$1.7 billion in FY 2026 and \$400 million in FY 2027 from the overestimation of prior year expenses, net of receivables. While the City has indicated that most of the savings in FY 2026 would come from prior year labor reserves, these have not yet been allocated. Separately, the City recognized another \$350 million in FY 2026 and \$500 million in FY 2027 from labor reserve reestimates.

Additional budgetary relief includes State aid to the City as part of the State fiscal year (SFY) 2027 State Enacted Budget, providing \$461 million in FY 2026, \$709 million in FY 2027, and \$509 million annually thereafter. Most of this funding is for youth justice services, used to offset City fund costs at various agencies (\$300 million annually beginning in FY 2026). The State also increased public health funding to the City under the Article 6 program by \$60 million annually starting in FY 2026, aid to the Department of Education by \$158 million annually starting in FY 2027, and \$200 million to offset MTA costs in FY 2027. The City reflected the impact of proposed State changes to Tier 6, reducing costs by \$101 million in FY 2026, but increasing costs by \$9 million annually thereafter (see the State Budget section for details).

These resources will offset new costs added this year and enable the elimination of the property tax hike and use of reserves. Additional resources were needed to fund health care spending, including the anticipated impact of premium rate increases for the municipal health insurance program (HIP), adding another \$527 million in FY 2026, growing to \$612 million by FY 2029. In February, the City also elected to assume budgetary responsibility for obligations of the Health Insurance Stabilization Fund (HISF), projected to cost \$911 million in FY 2026, growing to \$1.4 billion by FY 2030. The City is also including savings from the implementation of a new health plan to fund HISF obligations (see the Expenditure Trends: Health Insurance section).

The combined changes since June allocate \$1.1 billion to prepay FY 2027 expenses, a significant increase since February but still the lowest amount set aside at this point in the budget cycle in at least a decade. The City’s stated out-year gaps now total a combined \$27.5 billion from FY 2028 to FY 2030, 71 percent higher than the cumulative gaps in the FY 2026 Executive Budget and the largest amount on record. Measured as a share of City fund revenues, the out-year gaps average 9.4 percent but existing contingencies totaling \$1.45 billion in each fiscal year could be used to narrow the gaps to an average of 7.9 percent of revenues, the highest level at this point in the budget cycle since 2011.

FIGURE 4

City-Funded New Needs Identified Since June 2025
(in thousands)

	FY 2026	FY 2027	FY 2028	FY 2029
Department of Social Services				
Rental Assistance	1,111.000	1,640.000	2,070.000	2,470.000
Cash Assistance	703.000	337.000	77.063	(173.000)
Medical Assistance	123.000	---	---	---
All Other	238.903	433.837	448.797	128.692
Subtotal	2,175.903	2,410.837	2,595.860	2,425.962
Department of Education				
Class Size	---	542.913	942.913	942.913
Due Process Cases	500.000	550.000	600.000	600.000
Early Childhood Education	355.824	467.988	468.191	468.311
Pupil Transportation	134.000	130.000	85.000	160.000
Summer Rising	16.197	106.296	106.296	106.296
Division of Instructional and Informational	120.000	100.000	100.000	100.000
Hold Schools Harmless	349.000	---	---	---
Contracted Related Services	105.610	---	---	---
All Other	318.260	449.751	456.430	457.941
Subtotal	1,898.891	2,346.948	2,758.830	2,835.461
Department of Homeless Services				
Shelter Cost Re-estimate	752.845	988.560	1,036.026	1,094.077
All Other	54.901	31.549	30.275	31.171
Subtotal	807.746	1,020.109	1,066.301	1,125.248
Miscellaneous				
MTA Subsidy	256.000	567.724	607.844	649.904
Judgment & Claims Re-estimate	443.000	308.000	206.000	90.000
Fringe Benefits	21.374	101.809	190.693	300.019
All Other	15.200	175	175	175
Subtotal	735.574	977.708	1,004.712	1,040.098
Administration for Children's Services				
Foster Care	312.550	360.600	410.460	410.460
All Other	67.988	131.570	107.615	107.676
Subtotal	380.538	492.170	518.075	518.136
Police Department				
Personal Service Adjustment	184.599	128.500	159.000	161.100
Equipment and Vehicles	213.857	97.400	130.500	130.500
All Other	33.293	62.997	88.860	88.860
Subtotal	431.749	288.897	378.360	380.460
Department of Health & Mental Hygiene				
Early Intervention	78.450	92.950	108.650	125.550
Supportive Housing	81.900	82.400	82.800	83.300
All Other	57.282	184.550	174.138	174.394
Subtotal	217.632	359.900	365.588	383.244
Other Agency New Needs	1,554,957	1,308,710	1,213,237	1,228,220
Total New Needs Since June 2025	\$ 8,202,990	\$ 9,205,279	\$ 9,900,963	\$ 10,236,82

Sources: NYC Office of Management and Budget; OSC analysis

FIGURE 5
Financial Plan Reconciliation – City Funds
May 2026 Plan vs. June 2025 Plan
(in millions)

	FY 2026	FY 2027	FY 2028	FY 2029
Projected Gaps Per June 2025 Plan	---	\$ (5,044)	\$ (6,103)	\$ (5,964)
Updated Tax Estimates				
Personal Income Taxes	2,434	2,464	2,048	1,392
General Property Taxes	375	676	279	340
Sales Taxes	178	317	410	588
Real Estate Transaction Taxes	264	322	320	299
Hotel Taxes	2	32	41	40
Business Taxes	(722)	144	(322)	(563)
Other Taxes	171	63	101	75
Tax Audits	250	150	100	100
Subtotal: Taxes	2,952	4,168	2,977	2,271
H.R. 1 Decoupling – State Tax Changes	---	723	1,010	520
Tax Programs	147	654	611	493
Unrestricted State Aid	619	161	161	161
Other Revenue Reestimates	392	204	128	121
Total Revenue Reestimates	4,110	5,910	4,887	3,566
Savings Program				
Agency Reestimates	1,095	1,457	1,272	1,336
Cost Containment	---	1,176	1,140	818
Unidentified Savings	---	---	179	124
Debt Service	320	303	40	(28)
Subtotal: Savings	1,416	2,937	2,631	2,251
Contingent Reserves	1,450	1,350	---	---
Prior Year Payables	1,709	400	---	---
Pension Contributions	630	2,432	2,142	2,221
State Budget Impact	461	709	509	509
Labor Savings	350	500	---	---
Prior Year Savings Restorations	(3)	(23)	(22)	(22)
Health Insurance Plan (HIP) Rate Increase	(527)	(539)	(574)	(612)
New Agency Needs	(8,203)	(9,205)	(9,901)	(10,237)
All Other	(331)	(490)	(642)	(788)
Total Expense Reestimates	(3,047)	(1,929)	(5,857)	(6,678)
Net Change	1,063	3,981	(971)	(3,113)
Gaps to be Closed Before Prepayment	---	\$ (1,063)	\$ (7,073)	\$ (9,077)
FY 2026 Prepayment of FY 2027 Expenses	(1,063)	1,063	---	---
Gaps to be Closed per May 2026 Plan	\$ ---	\$ ---	\$ (7,073)	\$ (9,077)

Note: Columns may not add due to rounding.
Sources: NYC Office of Management and Budget; OSC analysis

IV. Budgetary Flexibility

As discussed further in OSC's [March 2026 report](#) on the City's financial plan, the City drew down substantially all of its within-year contingency reserve line items ("contingent reserves") for fiscal years 2026 and 2027, and had intended, absent alternatives, to draw down the City's RDF and the RHBT.

Since then, the identification of additional resources outlined in this report enabled the City to rescind the planned drawdowns of the RDF and RHBT. Today, the City's budgetary cushion is estimated at \$7.3 billion (7.7 percent of city-funded spending or 5.9 percent of total funds spending in FY 2027), down from \$8.6 billion as of the beginning of FY 2026 and would be the lowest level entering the fiscal year since FY 2022, led by the reduction in contingency reserve line items.

In the May Plan, the City has taken the unusual step of drawing down the remaining \$50 million in contingencies in FY 2026 and despite the identification of substantial resources, has kept FY 2027 contingencies to \$100 million in advance of budget adoption, the statutory minimum level for the general reserve entering a new fiscal year. The last time this occurred was in April 2020, in response to the substantial economic uncertainty posed by the pandemic at that time. This reduction substantially reduces the cushion for higher-than-anticipated expenses, leaving the City more exposed to expense volatility. The City maintains the general reserve at \$1.2 billion and the capital stabilization reserves at \$250 million annually beginning in FY 2028.

As of June 30, 2025, the RDF balance stood at \$1.97 billion, virtually unchanged since 2022 as the City made no discretionary transfers into the fund in fiscal years 2023 through 2025. While the City is no longer anticipating using a temporary withdrawal from the RDF to balance its budget, it is notable that the City had done so without experiencing the effects of a recession, nor was it facing additional costs related to the existence of an emergency. This attempt at using these funds underlines the importance of a formal policy for managing the RDF, including conditions for building up reserves, withdrawal of funds, and replenishment. OSC continues to urge the City to adopt such a policy to guide choices over the use of these funds.

The balance held in the RHBT, used to fund the cost of Other Post-Employment Benefits (OPEB), stood at \$5.2 billion at the end of FY 2025, the highest level on record. The increase was fueled by investment earnings, which have risen sharply in recent years, not by the City making additional discretionary deposits into the fund.

Historically, the City has also made use of prepayments of future expenses, such as debt service, before June 30 to help balance future budgets. The prepayment amount has declined significantly in recent years, from \$6.1 billion in FY 2022 to \$5.5 billion in FY 2023, \$4.4 billion in FY 2024, and \$3.8 billion in FY 2025. So far, the City estimates it will generate a surplus of nearly \$1.1 billion in FY 2026, which the City intends to use to help balance the FY 2027 budget.

The continued reduction in prepayments is a result of the City disbursing more than it has collected in revenue in each of the past four years and the reduction in the prepayment means it has been used to effectively maintain a balanced budget, while obfuscating a structural imbalance that emerged between revenue collections and disbursements during this period.

V. State and Federal Actions

State Actions

The May Plan assumes the City would receive \$20.6 billion in State categorical aid in FY 2027, \$274 million more than in the February Plan and \$1.7 billion more than expected in the November Plan. Since the May Plan was released prior to the enactment of the State Budget, there are some items in the May Plan that were not included in the State Enacted Budget or had different estimates. All but the child care funding, funding for police subway tours and some smaller revenue measures were included in the May Plan.

On May 28, 2026, the State Enacted Budget proposal for SFY 2027, which begins on April 1, 2026, was approved nearly two months late. On a net basis, OSC estimates that actions included in the State Enacted Budget would have a potential positive operating budget impact on the City of \$2.1 billion in FY 2026 and \$6.3 billion in FY 2027. State actions can be separated into three general categories: changes to State funding to offset city-funded costs (expense actions), State unrestricted aid and tax actions (revenue actions) and State approved actions that have implications for City costs (State approved actions) (See Figure 6.) The State also largely insulated the City and other localities from the effects of the federal H.R. 1 legislation. When compared to the May Plan, State actions could potentially provide the City with a maximum of \$260 million more in FY 2026 and \$368 million more in FY 2027. However, the May Plan assumed that the State would provide it with \$161 million in unrestricted aid starting in FY 2027, which was not included in the State Enacted Budget; this is a budget risk to the City.

The February Plan included various State actions that were included in the State Executive Budget, maintained in the City's May Plan, and were later approved in the State Enacted Budget. These included funds for juvenile justice programs, the reversal of the sales tax intercept, unrestricted aid, funding for Pre-K and 2-Care programs, and decoupling from some H.R. 1 business income tax provisions, among others. (See OSC's report on the [February Plan](#) for details.)

The largest expense action is for childcare vouchers. Compared to FY 2026, the Budget provides the City an estimated additional \$365 million from a statewide increase for childcare and also includes \$475 million to the City's program covering federal fiscal years 2026 and 2027. Receipt of the full match would require an additional \$114 million in City funding for FY 2027. The Budget also allows the City to reallocate \$100 million of \$350 million provided in last year's State budget for childcare to fund any other costs related to children before December 2026.

The State Enacted Budget also included additional items that were not assumed in February, but most of which were included in the May Plan including:

- Allowing the City to reamortize its unfunded pension liability in all five of its pension systems which would allow the City to save \$885 million in FY 2026 and \$1.9 billion in FY 2027 and similar amounts through the financial plan period. The May Plan assumes

FIGURE 6**State Budget Actions – Potential Impact on NYC**

(in millions)

Better/(Worse)

	FY 2026	FY 2027
School Aid	---	778
Pre-K and 3-K Expansion	---	235
Childcare Vouchers*	---	840
Raise The Age	300	300
MTA Aid	---	200
Line of Duty Transfer	109	109
Sales Tax Intercept	150	150
2-Care	---	73
Public Health Aid	60	60
Police Subway Tours*	77	---
Total Expense Actions	696	2,745
Unrestricted State Aid	500	161
Decoupling from H.R. 1	---	723
Pied-à-Terre Tax	---	500
Other Tax Actions	(3)	(64)
Total Revenue Actions	497	1,320
State Approved Actions		
Unfunded Pension Liabilities	\$ 885	\$ 1,890
Class Size Mandate Extension	---	508
Capitalize Police Vehicle Costs	---	26
Tier 6 Changes	---	(123)
Uniformed Pensions	---	(47)
Total	\$2,078	\$6,319

Note: *Not included in the City's May Plan.

Sources: NYC Office of Management and Budget; OSC analysis

savings for four systems so the potential impact on the City's finances would be lower than the potential impact of the State legislation (see Pension section for details).

- Imposing a tax on second homes ("pied-à-terre") in the City that have an assessed value of \$5 million or more for Class 1 properties and \$1 million or more for condos and co-ops in FY 2027 and FY 2028, and then on homes with a market value of \$5 million or more starting in FY 2029 which is expected to bring in \$500 million annually starting in FY 2027. The tax is scheduled to expire after FY 2031.
- Providing \$240 million more in school aid in FY 2027 when compared to the Governor's Executive Budget. Overall, the City will receive \$75 million more than expected from school aid in the City's Executive Budget starting in FY 2027.

- Providing an additional \$109 million annually starting in FY 2026 for a total of \$141 million to resume the statutory cost sharing of line-of-duty death benefits paid to survivors of certain deceased City employees, \$8 million higher than assumed in the May Plan.
- Funding \$200 million in FY 2027 only for city-funded MTA-related costs.
- Providing \$161 million in unrestricted State aid in FY 2027 as the May Plan assumes but this allocation was not included in the Enacted Budget and is expected by the State to be included in next year's State budget.
- Changes to Tier 6 pension benefits for certain City employees that the City expected to cost \$110 million annually starting in FY 2027, but that the State estimates will cost \$123 million in FY 2027 rising to \$147 million in FY 2030.
- Making changes to uniformed employee pension benefits which are expected to cost \$47 million in FY 2027 rising to \$118 million by 2051. This item is not included in the May Plan and is further discussed in the Pension section of this report.
- Allowing municipalities including the City to pay for the purchase of police emergency response vehicles with capital funds. The City is currently proposing to do so in its savings program to save around \$26 million annually.

Notably, the State Enacted Budget did not include increases to personal income and corporate taxes, as requested by the City, but not included in the May Plan. The State legislature revised the City's class size mandate, as assumed in the May Plan, outside the budget process.

The State Enacted Budget would provide no new State aid to the City for asylum seeker costs beyond SFY 2027. The May Plan assumes \$204 million from the State for asylum seekers in FY 2026 which is the last of the \$3.2 billion that the State has appropriated in the past for asylum seekers.

There are also several other proposed State actions that do not have a known financial plan impact but may affect the City's finances and operations, such as:

- Extending existing mayoral control of the City's public schools by two years to 2028.
- Providing a tax abatement for 100 percent of the certified reasonable costs of alterations and improvements to eligible affordable rental and owner-occupied buildings in the City's J-51 program for up to 20 years, available for preservation work completed before June 30, 2036.
- Increasing funding available under the New York City musical and theatrical tax credit by \$150 million for qualified productions whose initial performances were on or after December 1, 2025.
- Authorizing the City to establish an Intelligent Speed Assistance Device pilot program for those deemed "super speeders."
- Providing for the election and funding of 10 more civil court judges in the City.

- Making changes to the appointment of a New York City Charter Revision Commission by the Mayor in that any commission created 60 days before or after a general election for Mayor would need to have the approval of the next Mayor to continue to exist, retroactive to November 4, 2025.
- As part of State Environmental Quality Review Act (SEQRA) reforms, City public school facilities being built as part of the State class size mandate are included as being eligible to be exempt from SEQRA requirements.

Federal Actions

The State and the City rely on [substantial federal funding](#) to support State and local initiatives. While more harmful actions have been delayed or nullified in the short term, the City still faces economic and fiscal uncertainty pending the outcome of extraordinary actions already taken by the current federal administration, including on trade and immigration policy.

The City and State, along with other local and state governments across the country, have experienced some success with legal challenges requiring the federal government to release appropriated funding under review (see OSC's [December 2025 report](#) on the City's financial plan for some examples of the legal challenges). In addition, Congress approved a discretionary federal spending package in February 2026 that appears to largely reject the cuts called for in the President's proposed budget for federal fiscal year (FFY) 2026, which began October 1, 2025, and which would have made more dramatic cuts to a number of social service programs that the City relies on.

Executive Actions

Over the past year and a half, the federal administration has ordered freezes, pauses, and reviews of financial assistance funding to identify grant programs which are impacted by the President's executive orders and could be subject to reduction or elimination outside of the appropriation process.

The City has identified several programs that are at risk of funding pause or termination, despite recent court decisions or increased advocacy efforts to block or reverse the federal actions. These programs include education (e.g., magnet school funding), public safety (e.g., Homeland Security program), public health and health care, transportation (capital funding for the Second Avenue Subway project), and climate and resiliency funding. In total, the City has identified a possible risk of up to \$387 million in operating expenses from FY 2025 through FY 2029. The City has also removed risks from federal funding in certain instances by removing the anticipated federal revenue from its Plan. For example, in May, the City eliminated \$37.4 million in FY 2026 for anticipated reimbursement from the Federal Emergency Management Agency (FEMA) for asylum support.

In response to these potential risks, the City states it will continue to require close coordination with State and federal partners, aggressively pursue legal defense of committed federal funds, and will closely monitor federal policy and budgetary actions.

Through April 2026, the pace of the City's federal cash receipts, when measured as a share of anticipated annual federal aid for FY 2026, is consistent with recent prior fiscal years. Excluding

residual pandemic assistance, the City has collected 36 percent (\$3.6 billion) of anticipated annual federal aid in FY 2026, compared to an average of 36.1 percent through the same period in each of the past three fiscal years.

However, the pace of collection for a handful of grants has slowed in FY 2026. These include certain education grants (Individuals with Disabilities Education Act and Title I grants to local educational agencies), as well as a handful of other grants (e.g., funding for programs supporting people living with HIV/AIDS and low-income home energy assistance). The City attributes the slowdown to more stringent documentation requirements implemented by the federal administration.

Federal Budget

In July 2025, Congress approved a budget reconciliation bill (H.R. 1) that includes extensions of tax cuts enacted in 2017 and other tax changes, the fiscal impact of which would be partially offset by significant reductions in mandatory spending (including Medicaid and Supplemental Nutrition Assistance Program or SNAP).

As detailed in the previous section on the State budget, the State Enacted Budget for SFY 2027 appears to have accommodated the fiscal impact of H.R. 1 without shifting financial responsibility to local governments through at least local FY 2027. The State has also decoupled the City from certain tax provisions of H.R. 1 (retroactively from tax year 2025 onward), which is expected to positively impact the City's financial plan starting in FY 2027, raising business corporation tax revenues following a decline in FY 2026 (see the Revenue Trends section for details).

The City still faces certain risks stemming from the reconciliation package directly, including the impact of a reduction in federal reimbursement of administrative costs of the SNAP program (\$74 million in FY 2027, rising to \$99 million annually beginning in FY 2028) as well as a new non-federal share requirement of up to 15 percent of SNAP program costs, effective October 1, 2027.

In April 2026, the President unveiled a discretionary budget proposal for the upcoming federal fiscal year 2027, which begins October 1, 2026. The President requests nearly \$2.2 trillion in discretionary funding in that year. Of that amount, \$660 billion would be devoted to non-defense spending (a decline of \$73 billion or 10 percent over the FFY 2026 Enacted Budget). The proposed reduction to non-defense spending would adversely impact certain domestic assistance programs operated by the State and the City. Congress is reviewing the proposal and has begun the process of drafting the FFY 2027 appropriation bills.

VI. Citywide Savings Program

The City's Savings Program in November included \$212 million in unallocated agency efficiencies in FY 2026, along with \$116 million in debt service savings in FY 2026 and declining amounts in the out-years. The February Plan greatly expanded the program, adding \$710 million in unidentified agency savings in FY 2026 and an average of \$1.1 billion thereafter to be identified by March 2026 by agency-level citywide savings officers; these savings were largely identified in the May Plan. Further savings are expected from additional cost containment measures across four of the City's fastest growing programs, requiring H+H to make two years of debt service payments, reforecasting the cost of citywide fringe benefits, eliminating the FY 2026 procurement inflation adjustment and debt service savings. The savings are offset by relatively small restorations of prior year initiatives which peak at 22.8 million in FY 2027.

The May Plan adds cost containment initiatives which represent a third of the total savings program and are anticipated to achieve savings of \$1.2 billion in FY 2027, \$1.1 billion in FY 2028, \$818 million in FY 2029 and \$666 million in FY 2030. Nearly three-quarters of the savings fall within the DOE to delay the timeline for the class size mandate, which required the State to alter existing law, and improve the management of special education students' due process cases. The City proposes to reduce costs in the CityFHEPS rental assistance program through administrative reforms and reducing long-term usage, and shelter costs at the Department of Homeless Services (DHS) by increasing use of homeless prevention and housing relocation programs and reducing reliance on emergency hotels. However, the details behind the cost containment are limited.

NYC Health + Hospital's (H+H) will benefit from savings from the City's pension reamortization initiative and will use the savings to reimburse the City for debt incurred on H+H's behalf of \$455 million in FY 2026 and FY 2027. Additional savings will come from the City's revised forecast of fringe benefits to reflect current staffing and payroll trends generating \$200 million in

FIGURE 7
FY 2026 Savings Program, City Funds
(in millions) – Decrease/(Increase) to Planned Spending

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Savings Initiative	\$ 895.3	\$1,086.8	\$1,080.0	\$1,090.0	\$1,110.0	\$5,262.0
Cost Containment	---	1,176.0	1,140.0	818.0	666.0	3,800.0
H+H Debt Svc. Reimburse.	204.7	250.0	---	---	---	454.7
Citywide Fringe	200.0	315.0	315.0	315.0	315.0	1,460.0
Procurement Savings	---	55.5	55.5	55.5	55.5	222.1
Debt Service	115.6	53.3	40.2	(27.7)	(52.5)	129.0
Program Total	\$1,415.6	\$2,936.5	\$2,630.7	\$2,250.8	\$2,094.1	\$11,327.8
Restorations	(2.7)	(22.8)	(22.2)	(22.2)	(22.2)	(92.3)
Net Savings	\$1,412.9	\$2,913.7	\$2,608.5	\$2,228.6	\$2,071.8	\$11,235.5

Notes: Gap-Closing Actions comprise actions included in November 2025, February 2026 and May 2026 NYC financial plans and will not match the City's May 2026 Savings Program Presentation.

Sources: NYC Office of Management and Budget; OSC analysis

FY 2026, and \$315 million annually in subsequent years. The City has also eliminated its inflation adjustment for procurements in FY 2026, and debt service is expected to be lower in fiscal years 2026 through 2028, but higher than the City's June 2025 projection starting in FY 2029.

In total, the May Plan anticipates net savings for the entire FY 2026 savings program of \$1.4 billion in FY 2026, \$2.9 billion in FY 2027, \$2.6 billion in FY 2028, \$2.2 billion in FY 2029 and \$2.1 billion in FY 2030 (see Figure 7). More than half of the total savings over five years is the result of agency efficiencies and 36 percent is attributed to expense reestimates.

In January, the Mayor issued an executive order requiring each agency head to designate a chief savings officer to review agency operations and identify recurring reductions in the agency's baseline budget that focus on programmatic and operational changes. Agencies were required to identify savings of 1.5 percent in FY 2026 and 2.5 percent in FY 2027 with City agencies submitting their proposals in March for administrative approval. In the aggregate, the City met the FY 2026 and FY 2027 February Plan targets, however, the City has still not identified the full savings targets in the out-years, and will still need to find \$179 million in FY 2028, \$124 million in FY 2029 and \$89 million in FY 2030, which OSC considers as budget risks until identification. While the City achieved its overall FY 2026 and FY 2027 savings targets, the size of these savings varies by agency. Several agencies, including Fire, Administration for Children's Services (ACS), and the Department for Social Services (DSS) did not achieve the target level of savings in those years. In contrast, the Department of Health and Mental Hygiene (DOHMH), Department of Buildings, Probation, Small Business Services and the Taxi and Limousine Commission well exceeded these targets. The May Plan did not identify \$212 million in agency savings included in the November Plan, which OSC assumes will be absorbed in the projection.

The savings initiatives include vacancy reductions totaling 1,894 in FY 2026 and 2,088 annually starting in FY 2027 across City agencies to achieve savings of \$150 million in FY 2026, rising to \$191 million in FY 2030 (including the associated fringe savings). In FY 2027, 70 percent of the vacancy reductions occur across five agencies, 517 in the Police Department, 386 in the Department of Corrections, 197 in the Department of Education, 183 in the Department of Homeless Services and 177 in the Department of Health and Mental Hygiene.

The largest source of savings is from the DOE which represents a third of the total City savings program at \$150 million in FY 2026, \$922 million in FY 2027, \$1.1 billion in FY 2028, \$827 million in FY 2029 and \$713 million in FY 2030. DOE cost containment initiatives represent about 65 percent of total DOE savings over the five years of the Plan. The next largest source of savings is procurement reform as DOE proposes to progressively reduce discretionary contracts at \$30 million in FY 2027 rising to \$198 million in FY 2030. Additional savings include proposals to reduce costs by consolidating yellow bus routes, managing and reducing non-personnel expenses at schools and vacancy reductions.

The City also included revenue actions in its savings program of \$56 million in FY 2026, \$86 million in FY 2027 and \$79 million annually through FY 2030, such as expanding bus lane cameras at the Department of Transportation, additional concession agreements and tree replacement fees at the Department of Parks and Recreation, and increased condominium abatement and School Tax Relief credit denials at the Department of Finance. The Department of Buildings expects revenue from penalties for failure to file and late filing of elevator reports.

VII. Revenue Trends

In addition to most of the tax programs and actions that were proposed in the February Plan, the May Plan includes new tax programs which, if adopted, either by the State and/or City, would increase revenues in every fiscal year. The only action from the February Plan that the May Plan excluded is the property tax rate increase, leading to a total decrease of \$14.8 billion in anticipated revenue in fiscal years 2027 through 2030 (see OSC's [March 2026 Plan report](#)). Since the publication of the City's May Plan, the State included all of the tax programs included in the City's May Plan in the State's Enacted Budget. However, the estimated revenues that would be generated by them are excluded in the initial discussion of this section as excluding those revenues allows for like comparisons between plans. As such, the numbers in OSC's discussion may not conform to the May Plan's published numbers.

The May Plan increased the forecast from the February Plan for total revenues — which include locally generated revenues (i.e., City funds; see Figure 7) and federal and State categorical aid — by \$2 billion in FY 2026, but by only \$831 million in FY 2027. As a result, after increasing by 4.9 percent to a record high of \$124.2 billion in FY 2026, total revenues are now expected to decline by 0.7 percent to \$123.3 billion in FY 2027, which would be the first decline since FY 2009. The projected decline is fueled by a \$2.6 billion drop in federal grants driven by large declines in child care block grants and Homeland Security funding, which are likely to be added back over the course of the year. This drop more than offsets an anticipated increase in City funds of \$2 billion, which has been fueled by a \$2.7 billion increase in tax revenue.

In fiscal years 2028 through 2030, total revenues are forecast to increase by an annual average of 1.6 percent. After a large decline in FY 2027, as discussed above, federal grants are expected to stay flat at around pre-pandemic levels in the rest of the financial plan period, although there are continued risks to discrete sources of federal funding in the coming years.

For City funds, the May Plan increased the forecast from the February Plan by \$504 million in FY 2026 and by \$413 million in FY 2027. After increasing by 5.2 percent in FY 2026 from the prior year, City funds are now expected to increase by 2.1 percent in FY 2027 to reach a record high of \$93.5 billion, accounting for 76 percent of total revenues, the highest share on record since at least FY 1993.

In fiscal years 2028 through 2030, City funds are expected to have an average growth of 2.2 percent annually, much slower than the annual average growth of 4.7 percent in the five years before the pandemic.

City Tax Revenue Projections

The May Plan increased the forecast for tax collections by a total of just \$192 million for the entire plan period, the smallest adjustment since FY 2020 at the onset of the pandemic and an indicator of the City's more realistic revenue forecasting over the last two financial plans. For the FY 2026 forecast, collections are expected to be \$86 million higher than that of the February Plan, reflecting the upward adjustments for property and personal income tax (PIT) collections and audit revenue being offset by downward adjustments in business and real estate transaction tax collections. Total taxes, excluding recent tax programs and actions, in FY 2027 are expected to reach \$87 billion.

FIGURE 8**Trends in City Fund Revenues
(in millions)**

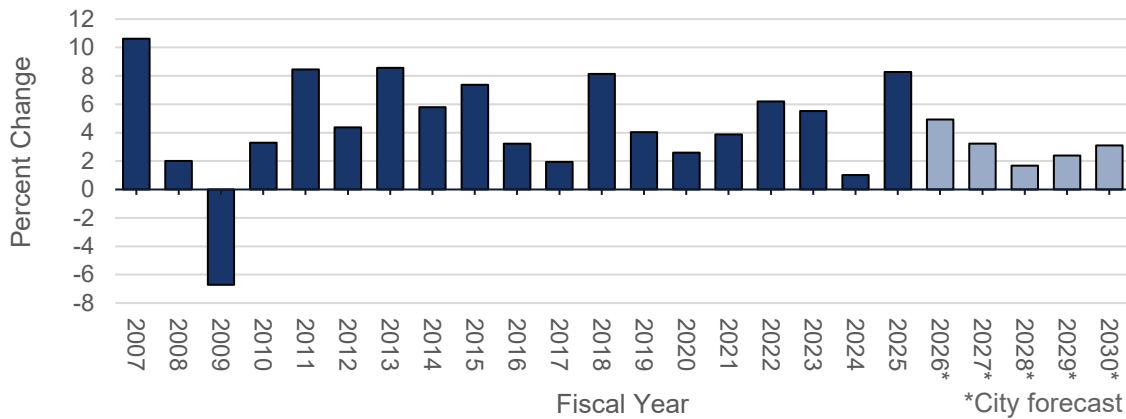
	FY 2026	FY 2027	Annual Growth	FY 2028	FY 2029	FY 3030	Average Three-Year Growth
General Property Tax	\$35,53	\$37,200	4.7%	\$37,882	\$39,057	\$40,440	2.8%
Personal Income Tax	20,433	20,744	1.5%	21,227	21,375	21,844	1.7%
Sales Tax	10,868	11,358	4.5%	11,894	12,499	12,911	4.4%
Business Taxes	10,163	10,418	2.5%	10,029	10,054	10,459	0.1%
Real Estate Transaction Taxes	2,410	2,575	6.8%	2,687	2,776	2,848	3.4%
Other Taxes	3,805	3,773	-0.8%	3,859	3,932	4,001	2.0%
Tax Audits	1,059	929	-12.3%	879	879	879	-1.8%
Subtotal: Taxes excl. Proposed Tax Programs and Actions	84,274	86,997	3.2%	88,457	90,572	93,382	2.4%
Miscellaneous Revenues	6,668	6,370	-4.5%	6,317	6,364	6,390	0.1%
Unrestricted Intergovernmental Aid	619	161	-74.0%	161	161	161	0.0%
Grant Disallowances	(15)	(15)	0.0%	(15)	(15)	(15)	0.0%
Subtotal: City Funds excl. Proposed Tax Programs and Actions	91,546	93,513	2.1%	94,920	97,082	99,918	2.2%
State Action: De-coupling from OBBBA	0	723	NA	1,010	520	317	-24.0%
Recent Tax Programs	147	654	NA	611	493	492	-9.1%
Subtotal: Recent Tax Programs and Actions	147	1,377	NA	1,621	1,013	809	-16.2%
Total Taxes incl. Proposed Tax Programs and Actions	84,421	88,374	4.7%	90,078	91,585	94,191	2.1%
Total City Funds incl. Recent Tax Programs and Actions	91,693	94,890	3.5%	96,541	98,095	100,727	2.0%

Sources: NYC Office of Management and Budget; OSC analysis

Growth in collections has been strong as year-to-date tax revenue (including audits) through March was 6.5 percent higher (\$4.2 billion) than the same period last year, reflecting a robust profit environment during calendar year 2025. The City expects total tax collections in FY 2026 to be 4.9 percent higher than the prior year, driven by large increases in collections from PIT and real estate transaction taxes (see Figure 8).

Within City funds, tax collections are expected to account for 93 percent of City fund revenues and miscellaneous revenues to account for 7 percent as of FY 2027. The City forecasts tax collections to increase by 3.2 percent in FY 2027 to reach \$87 billion, just \$28 million higher than

FIGURE 9
Annual Percent Change in Tax Revenues



Note: Includes revenue from tax audits; FY 2026 – FY 2030 excludes proposed tax programs and actions.
Sources: NYC Office of Management and Budget; OSC analysis

the February Plan, driven by the real estate transaction and property taxes. The May Plan increased the forecast for tax collections by a total of just \$192 million for the entire plan period as upward adjustments to the property tax forecast were mostly offset by adjustments to the nonproperty tax forecast.

The May Plan increased the property tax forecast by \$551 million, reflecting the strength of the estimates for the FY 2027 final property tax assessment roll. However, much of this upward adjustment is offset by a downward adjustment of \$523 million in the forecast for nonproperty taxes, driven by PIT, reflecting a slowdown in economic growth as the conflict in the Middle East has caused higher uncertainty regarding the economy and monetary policy. As a result, the City expects nonproperty tax collections (including audits) to increase by just 2.2 percent, which would lag behind the projected 4.7 percent growth in property tax collections.

The May Plan expects tax collections to slow to an average of 2.4 percent annual growth during fiscal years 2028 through 2030 (see Figure 9). During this period, compounded average annual growth in property tax collections (2.8 percent) is expected to outpace non-property tax collections (2.1 percent). The City’s expectation of a relatively slow rate of growth in nonproperty tax collections reflects its assumption of softening economic growth.

The May Plan also raised the FY 2026 audit revenue forecast by \$100 million to reflect stronger-than-expected collections, as well as the FY 2027 forecast by \$50 million. OSC estimates the audit revenues will be an additional \$100 higher in FY 2026 as year-to-date collections have been strong.

Recent Tax Programs and Actions

The State actions and tax programs shown in Figure 6 and first proposed in the February Plan, include the reversal of the sales tax intercept in the City, decoupling the City from certain H.R. 1 — OBBBA — provisions, allowance of the personal income tax exemption for tipped income, extension of the Senior Citizen Rent Increase Exemption and Disability Rent Increase Exemption

(SCRIE and DRIE) and extension of the sales tax exemption for vending machines (see OSC’s [March 2026 Plan report](#) for details). The two tax programs that are new to the May Plan are the high-value property surcharge (see the General Property Tax section for details) and a reduction to the PIT credit for unincorporated business taxes (UBT) paid (see PIT section for details). The PIT credit reduction is the only action that did not need State approval. As mentioned above, the February Plan’s proposal of a 9.5 percent increase in the property tax rate has been removed.

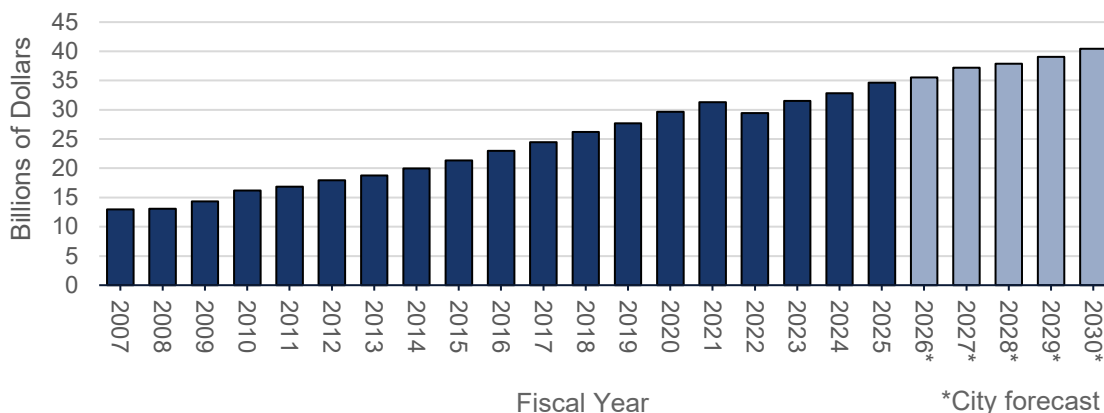
All the proposed tax programs and actions in the May Plan have been enacted by the State as the tax programs were all included in the State’s Enacted Budget. The City expects these programs to generate an extra \$5 billion in cumulative total revenues over FY 2026 through FY 2030. FY 2027 would see an additional \$1.4 billion, aiding year-over-year revenue growth of 0.2 percent, while City funds would see growth of 3.5 percent. Total tax collections would increase by 4.7 percent, as both property tax and nonproperty tax collections will increase at the same rate.

With the economic outlook uncertain, OSC estimates tax collections will likely be higher than the City’s forecast in FY 2026 by \$401 million and by \$44 million in FY 2027. In the out-years of the Plan, given the City’s expectation of a significant slowdown in revenue growth after FY 2027, OSC expects tax collections will exceed the forecast by a sum of approximately \$5.3 billion reflecting an average annual growth rate of about 3.3 percent. OSC also expects \$100 million in additional miscellaneous revenues annually from FY 2027 through FY 2030.

Property Tax

In the May Plan, the City increased expected property tax collections in FY 2026 by \$175 million. Collections are now expected to total \$35.5 billion, an increase of 2.6 percent over the prior fiscal year (see Figure 10). The increase was driven by the City lowering the property tax reserve (the amount of the levy set aside for delinquencies, cancellations, abatements, refunds, and other offsets) from 7.2 percent in the February Plan to 6.8 percent based on year-to-date collections. The City has overestimated the property tax reserve level in its Financial Plans for several years; see OSC’s February 2025 Financial Plan report for details.

FIGURE 10
Property Tax Collections



Note: FY 2026 – FY 2030 excludes proposed tax programs and actions.
Sources: NYC Office of Management and Budget; OSC analysis

The City increased expected collections in FY 2027 by \$551 million to \$37.2 billion, an increase of 4.7 percent over the previous fiscal year, on the strength of the FY 2027 Final Property Tax Assessment Roll released in May. The Final Roll saw an overall decrease in taxable values of 0.6 percent from the Tentative Roll released in January, lower than last year's decrease of 0.9 percent. Total taxable assessed values increased by 5 percent over FY 2026, the largest increase since FY 2023, which was unusually large because of the rebound from the pandemic-related downturn. Class 1 residential property saw slower growth than in recent years at 3.5 percent, while class 2 condos and co-ops grew 4.9 percent, the largest growth rate in four years. Class 4 commercial properties saw growth of 5.2 percent, the highest level since FY 2023. Total taxable office property values grew 3.6 percent, well above last year's increase of 1.1 percent. Strength was also seen in storage, hotel, and retail properties (growth of 10.4 percent, 6.7 percent, and 5.6 percent, respectively).

As in the current fiscal year, the City lowered the expected property tax reserve in FY 2027 to 6.8 percent from 7.5 percent in the February Plan, which also bolstered expected collections. In the February Plan, the City proposed a 9.5 percent increase to the property tax rate beginning in FY 2027, which would have substantially increased the revenue from property taxes. The proposal has been removed from the May Plan.

Residential property values show continued stability, up 3.9 percent in the first four months of the year compared to the same period in 2025.¹ The commercial property market has also continued its recovery, with office vacancies falling to 19.9 percent in the first quarter of 2026 from 22.7 percent in the prior year. Asking rents have increased, net absorption remains positive, and leasing velocity continues to increase.² Demand for high-end Class A and Trophy properties remains particularly high.³ Strength in demand for both residential and commercial properties supports the City's forecast for continued growth in property tax revenues. The City expects property tax collections to have an average annual growth rate of 2.8 percent for fiscal years 2028 to 2030. However, OSC believes the Plan forecast is underestimating growth in the out-years, which may result in an additional \$2.1 billion in collections over the plan horizon.

Recent Property Tax Programs and Actions

Several proposed actions at the State level may impact property tax collections over the plan horizon. An additional tax levied on second homes above a certain value threshold, known as the "pied-à-terre" tax, is estimated to raise \$500 million dollars per fiscal year beginning in FY 2027. The proposal would place the tax on properties that have a market value of at least \$1 million dollars (for condominium and co-op properties; single-family homes must have of a value of at least \$5 million) and are not the owners' primary residence or are being rented to someone as a private residence. However, one of the long-held complaints about the current property tax system is that many luxury properties are severely undervalued in the City's assessment process. OSC previously found that properties that sold for more than \$1 million had sales prices that were 70.8 percent higher on average than the assessed market values reported on the property tax assessment roll (see OSC's [Real Estate Check-In report](#) for additional information). The proposal gives the City some leeway in determining how to apply the tax, and includes a provision that eligibility be based on a more direct comparable-sales valuation beginning in FY 2028. If implemented, the proposal would cause the growth rate in property tax collections to increase to 6.1 percent in FY 2027, but with the new baseline would not impact growth rates in the out-years.

Another State budget proposal would increase the income eligibility threshold for SCRIE and DRIE from \$50,000 to \$75,000 for recipients. This proposal would cost the City \$4 million in FY 2027, \$9 million in FY 2028, \$13 million in FY 2029, and \$18 million in FY 2030. Among the proposed City savings programs is a more rigorous vetting of applications to the State Tax Relief Program (STAR), which would see property tax credits gradually reduced from \$105 million in FY 2026 to \$99 million in FY 2030. The current mayoral administration has also indicated that it intends to undertake reform of the property tax system that has been debated for decades. Whether and how that reform will take place remains uncertain, but it could present additional risks or offsets to the collections forecast that are not easily quantified.

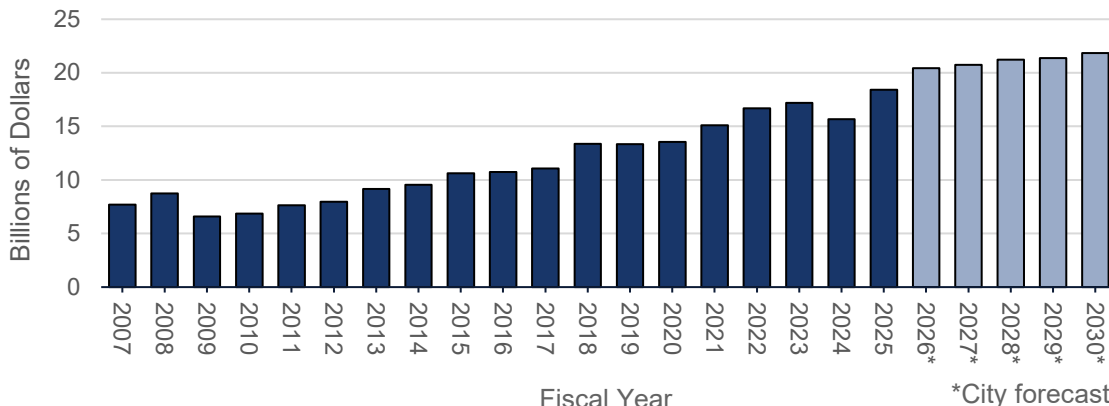
Personal Income Tax

The May Plan increased the forecast for PIT, including the Pass-Through Entity Tax (PTET), from the February Plan by \$150 million in FY 2026, reflecting strong year-to-date collections.⁴ However, because of the City’s assumption of an economic slowdown, the May Plan lowered the FY 2027 forecast by \$553 million from the February Plan. As a result, after an increase of 10.9 percent in FY 2026, collections growth in FY 2027 is expected to slow to 1.5 percent and reach \$20.7 billion (see Figure 11). The slowdown reflects an expectation of slower wage growth along with declines in capital gains and bonuses because of heightened economic uncertainty, due to the conflict in the Middle East which the City assumes will weigh on financial markets.

Year-to-date collections through March were 13.3 percent higher than in the same period last year. The growth has been driven by both withholding (i.e., the amount of tax taken from employee paychecks) and non-withholding components of PIT which reflects continued growth in total wages and strength in the financial markets.

The May Plan made adjustments to the forecasts of almost all components of PIT compared to the February Plan. The forecast for withholding decreased by \$24 million to \$14.4 billion in FY 2026, reflecting collections in the first nine months of FY 2026 being slightly worse than expected. Collections from withholding through March were 7.6 percent higher than in the same period last year, reflecting strong wage growth and a [record high bonus pool](#). The City assumes total FY 2026 collections from withholding to end 7.4 percent higher than the prior year.

FIGURE 11
Total Personal Income Tax Collections



Note: FY 2026 – FY 2030 excludes proposed tax programs and actions.
Sources: NYC Office of Management and Budget; OSC analysis

For non-withholding components of PIT, the May Plan increased the FY 2026 forecast from the February Plan for collections by a total of \$174 million as year-to-date collections have been better than expected. Collections through March were 36 percent higher than in the same period last year, reflecting strong growth in capital gains (the largest non-wage component) driven by exceptional performance in the financial markets. Also contributing to the strong growth was a large PTET offset payment from the State in September. The City now forecasts collections from these components to increase by 20.1 percent to reach \$6.1 billion in FY 2026.

In the May Plan, both the withholding and non-withholding FY 2027 forecasts were lowered from the February Plan. The withholding forecast was lowered by \$125 million as bonuses are expected to decline along with more modest job and wage growth. As a result, the City now expects withholding collections to increase by 2.9 percent to \$14.8 billion in FY 2027, the slowest year-over-year growth since FY 2012, excluding the initial year reflecting the pandemic (FY 2021).

The May Plan decreased the forecast from the February Plan for non-withholding components by a combined \$428 million in FY 2027. After expecting an 8.4 percent increase in the February Plan, the City now expects collections to decline by 1.8 percent in FY 2027 to reach \$6 billion. The decline reflects heightened economic uncertainty when compared to February's forecast, due to the conflict in the Middle East which the City assumes will weigh on financial markets and lower capital gains.

For fiscal years 2028 through 2030, the May Plan projects total PIT collections to increase by an annual average of 1.7 percent, reflecting the City's assumption of slower economic growth in the out-years. This rate of growth would be slower than the pre-pandemic average annual growth (6.9 percent) in fiscal years 2015 through 2019. The growth in the out-years is led by withholding, as its average annual growth is projected at 4.9 percent during this period, while collections from non-withholding components are expected to decrease every year by a compound annual average of 7.1 percent as Wall Street profitability approaches more typical, lower levels.

The City proposed a new tax program in the May Plan to reduce the PIT credit for UBT paid. For those with incomes between \$142,000 and \$1 million, the proposal would reduce the allowable credit currently worth 23 percent of UBT paid to 15 percent and for those with incomes over \$1 million, their credit would be reduced to the minimum level. This proposal would increase PIT collections by \$68 million in FY 2027, \$69 million in FY 2028, \$71 million in FY 2029 and \$74 million in FY 2030. Unlike the State program, this program to reduce the PIT credit would only need approval from the City Council and not the State Legislature. The revenue generated by this program will mostly be offset by the State tax program, which was recently included in the State Enacted Budget, to make tipped income exempt from PIT as it is expected to lower collections by \$56 million in FY 2027, \$58 million in FY 2028, \$61 million in FY 2029 and \$64 million in FY 2030.

OSC expects collections will exceed the City's FY 2026 and FY 2027 forecasts by \$200 million annually as OSC anticipates non-withholding collections to exceed the City's expectations. OSC expects collections to exceed the forecast for the rest of the plan period, as growth returns to a long-term average trend.

Business Taxes

The May Plan’s FY 2026 forecast for business taxes was adjusted lower by \$307 million from February and is now expected to decline by 1 percent year-over-year, to reach \$10.2 billion (see Figure 12). The May Plan’s FY 2026 adjustment reflects the continued impact of tariffs and federal policy choices on business tax collections through March 2026. Collections through the first three quarters of the fiscal year dropped 1.4 percent compared to the same period last year.

The downward adjustment was for business corporation taxes (BCT), which is primarily driven by the profits of the New York Stock Exchange member firms. The City expects BCT collections to decline by 6.3 percent in FY 2026 to \$6.4 billion, \$352 million lower than the forecast from the February Plan. BCT collections declined 6.7 percent in FY 2026 through March. The decline was caused by firms outside of the finance industry, mainly the information and manufacturing sectors. The non-finance year-to-date net payments declined 9.5 percent compared to the same period last year. These sectors felt the effects of certain federal tax policy changes which in turn reduced their local tax liability. The finance sector’s year-to-date net payments, which include securities and commodities, and commercial banking, grew 4.4 percent compared to the same period last year, amid stronger financial institution profitability.

UBT, which makes up the remainder of total business tax collections, saw a year-over-year increase of 9.9 percent through March 2026. The City made an upward adjustment of \$45 million from the February Plan and now expects collections to reach \$3.7 billion, a 9.8 percent increase over FY 2025. The adjustment was driven by continued strong collections, specifically in the services sector, which makes up 47 percent of UBT net payments and grew 9 percent through March 2026 compared to the prior fiscal year. The finance sector, which makes up the remainder of the UBT net payments, grew 8.6 percent during this period.

In FY 2027, the City expects business tax collections to grow 2.5 percent to \$10.4 billion, up \$67 million from the February Plan. The increase is driven by unincorporated tax collections, which are expected to increase by 3.8 percent to reach \$3.9 billion. In FY 2027, the City expects BCT collections to rebound and grow by 1.8 percent to \$6.6 billion. Wall Street profits are expected to decline but remain above historical averages in calendar year 2026, which will

FIGURE 12
Business Tax Collections (Excludes Decoupling Tax Policy Changes)



Sources: NYC Office of Management and Budget; OSC analysis Note: FY 2026 – FY 2030 excludes proposed tax programs and actions.

bolster both BCT and UBT collections. These figures exclude the impact from the State Enacted Budget proposal of decoupling the City from certain H.R. 1 provisions (see OSC’s [March 2026 Plan report](#)). If the State Enacted Budget proposal for decoupling was included, the City would then expect business tax collections to grow 9.6 percent to \$11.1 billion in FY 2027, as it anticipates recouping \$723 million from tax year 2025 retroactive liability payments, and declining 1.2 percent in the out-years from 2028 through 2030. The City anticipates a greater share of the expected positive impact of decoupling from H.R. 1 provisions to fall in FY 2028.

OSC expects collections to reach \$10.3 billion in FY 2026, \$135 million higher than the City’s forecast, due to the continued strength in unincorporated tax collections through April 2026. In FY 2027 OSC expects business taxes to grow 7.1 percent to reach \$11 billion, reflecting the impact of the State Enacted proposal for decoupling, but slightly below the City’s projection. OSC projects business taxes will be 0.5 percent higher in the out-years from FY 2028 through FY 2030.

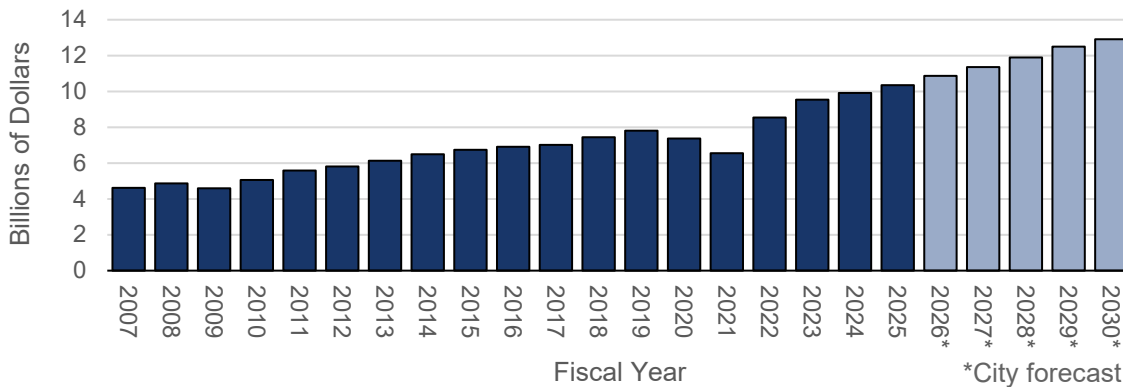
Sales Tax

In the first nine months of FY 2026, sales tax collections grew 4.9 percent (\$377 million) compared to the same period in FY 2025 as consumer spending remains resilient and inflation persists. The May Plan did not change the \$10.9 billion FY 2026 forecast from the February Plan, about 5 percent higher than the prior year.

The May Plan did adjust the sales tax forecast down by \$74 million in FY 2027 from February due to a projected deceleration of wage growth, which will negatively affect disposable income growth, and subdued tourism, especially for international travelers (see Figure 13). The City now expects sales tax collections to grow 4.5 percent year-over-year and reach \$11.4 billion in FY 2027.

Consumption remains resilient for now with New York City taxable sales growing 5.8 percent in the latest sales tax year buoyed by taxes applied to retail, accommodation and food services, professional and business services, information, and utilities. The retail trade sector, which

FIGURE 13
Sales Tax Collections



Note: FY 2026 – FY 2030 excludes proposed tax programs and actions.

Sources: NYC Office of Management and Budget; OSC analysis

increased \$2.2 billion year-over-year, the most out of all sectors, but lagged behind average growth at 3.4 percent year-over-year, supported by growth at department stores (8.6 percent). Restaurants, which increased \$1.6 billion year-over-year (5.7 percent), drove the growth in accommodation and food services (6.2 percent). Sticky inflation most likely contributed to some of this growth. However, consumer sentiment in New York, according to Siena College's Quarterly New York State Index of Consumer Sentiment, fell in the first quarter of 2026 to the lowest levels since June 2022, but is still higher than the nation, as concerns over future inflation on gas and food grow.

According to the April 2026 Beige Book, consumer spending in the New York district (which includes parts of New Jersey and Connecticut and all of New York State) grew slightly but consumers were being more cautious in their discretionary spending due to the Middle East conflict. Some respondents noticed reduced foot traffic, restraint by working-class consumers and a shift from cash to credit card usage.⁵

NYC Tourism + Conventions (the City's official tourism agency) expected tourism visitations to return to pre-pandemic levels in 2025 in previous forecasts, but instead, international visitors declined 3.2 percent year-over-year, likely due to federal immigration policies and geopolitical uncertainty. Although total visitors are expected to grow in 2026, driven by domestic visitor growth, international visitors continue to lag in their return. This trend is likely to be further affected by the recent Middle East conflict, which is driving energy prices higher and causing travel disruptions. These disruptions come as the City will welcome the World Cup this summer.

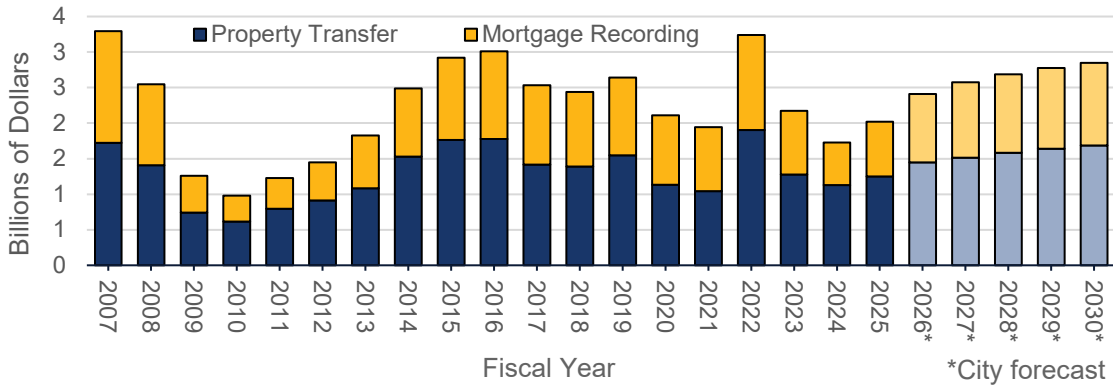
OSC believes the City's projections are reasonable but face some uncertainty and volatility if geopolitical conflicts and economic issues that could negatively affect consumption and tourism persist. The City projects 4.4 percent growth in the out-years starting in FY 2027 which is close to pre-pandemic historic growth.

Real Estate Transaction Tax

The May Plan reduces expected real estate transaction taxes in FY 2026 by \$78 million compared to the February Plan, for total collections of \$2.4 billion, an increase of 19.2 percent over the prior fiscal year (see Figure 14). Collections were particularly strong in the first half of the fiscal year (July through December), up 23 percent. The Federal Reserve lowered its target interest rate three times during this period, providing some mortgage rate relief and spurring market activity. Activity in the current year has largely been driven by sales of commercial property, with collections from commercial sales up 30.1 percent in the first half of the fiscal year. However, after a strong January, collections have slowed in recent months, with February through April showing growth of just 7.8 percent over the prior fiscal year.

The May Plan also reduces expected collections in FY 2027 by \$26 million. Recent inflationary signals now have the market expecting interest rates to hold steady through most of the calendar year, with the potential for a target rate increase in December.⁶ The residential market remains

FIGURE 14
Real Estate Transaction Tax Collections



Sources: NYC Office of Management and Budget; OSC analysis

constrained because of the mortgage rate “lock-in” effect; at the end of 2025, 63.7 percent of existing mortgages in the U.S. had an interest rate below 5 percent (65.7 percent of mortgages in New York State).⁷ With current rates for new mortgages remaining above 6 percent, owners are less likely to surrender their existing rates by selling their current properties, constraining supply in the residential market.

The May Plan increases expected collections in the out-years by a combined total of \$243 million for fiscal years 2028 to 2030. The City expects growth in collections to slow significantly over the plan horizon, falling to 2.6 percent in 2030. However, recent economic volatility has tempered expectations for lower mortgage rates, which is likely to keep sales activity suppressed. OSC believes collections may be \$100 million lower in each of fiscal years 2027 and 2028, and \$200 million lower in fiscal years 2029 and 2030.

Hotel Tax

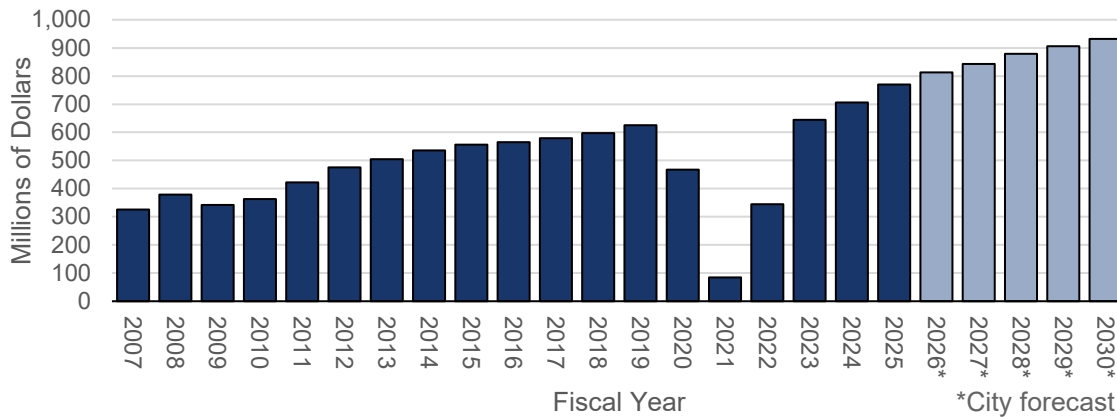
The May Plan reduced the FY 2026 hotel tax forecast by \$2 million from the February Plan and now expects collections to be \$813 million, 5.6 percent higher than the prior year (see Figure 15). The City now expects a decline in tourism year-over-year in the final quarter of FY 2026, with the slowdown extending into FY 2027 as geopolitical conflicts, rising energy prices and airline disruptions reduce international travel. In the first nine months of FY 2026, collections

have been strong, up 6.6 percent from the same period in FY 2025, fueled by daily room rates that continue to rise (see [OSC's Tourism Dashboard](#) for details).

The City expects hotel tax collections to grow 3.7 percent and reach \$843 million in FY 2027, \$13 million lower than in the February Plan, amid the international tourism slowdown, which may offset anticipated gains from the World Cup which will arrive in June 2026 to the New York City metropolitan area.

According to NYC Tourism + Conventions' (the City's official tourism agency) latest forecast, the City's visitor numbers are not expected to reach pre-pandemic levels in 2026 given changes to the forecast in international travel, although total visitors are expected to grow from 2025 fueled by continued growth in domestic visitors. OSC's forecast for hotel tax collections is in line with the City's revised projections for FY 2026 and FY 2027, considering the recent changes to economic conditions and anticipated uncertainty over international tourism and geopolitical risks.

FIGURE 15
Hotel Tax Revenues



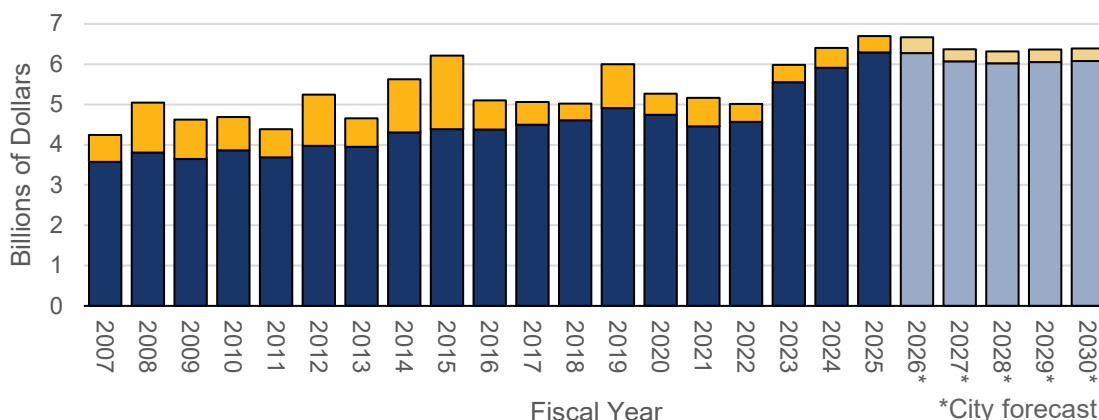
Sources: NYC Office of Management and Budget; OSC analysis

Miscellaneous Revenues

Miscellaneous revenues, consisting of recurring revenues and one-time payments, have been higher than projected in FY 2026, as one-time payments, permits, licenses, and charges for government services have driven growth. The City increased total miscellaneous revenues by \$301 million to reach \$6.7 billion (down 0.4 percent year-over-year from the February Plan). In the first nine months of FY 2026, total miscellaneous revenues grew 3.7 percent (\$202 million) from the same period in FY 2025.

The May Plan expects miscellaneous revenues in FY 2027 to decline 4.5 percent to \$6.4 billion (see Figure 16). In FY 2027, the City expects several revenues to be lower than in FY 2026 including lower one-time payments (\$93 million), lower fines and forfeitures (\$90 million), lower interest income (\$89 million), lower licenses, permits, and franchises (\$70 million), and lower charges for services (\$29 million).

FIGURE 16
Miscellaneous Revenues



Sources: NYC Office of Management and Budget; OSC analysis

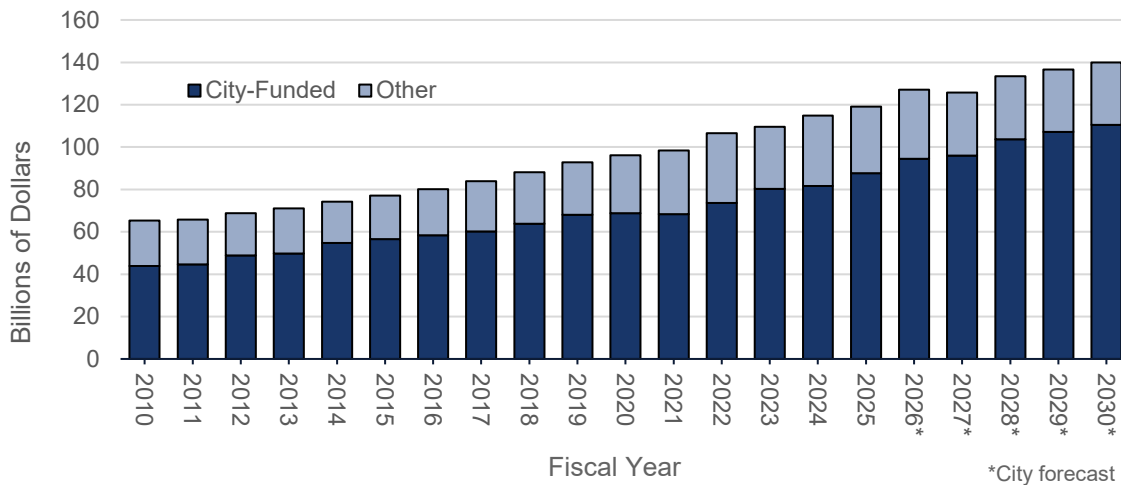
The City adjusted revenues higher from the February Plan in each year of the Plan by an annual average of \$194 million starting in FY 2026, but the increases are smaller in the out-years than in FY 2026, leading to the overall decline. The majority of the upward adjustment is for higher water and sewer payments, up by an average of \$100 million annually starting in FY 2027. Many of the water and sewer revenue adjustments are based on higher-than-anticipated operations and maintenance costs for services provided by the City such as for chemicals used for treatment (\$10.1 million), wastewater treatment (\$37.3 million), filtration avoidance determination (\$14.3 million), heat, light, and power (\$17.7 million), and lead and copper rule compliance (\$20.7 million). Other increases came from fines and forfeitures and licenses, permits and franchises, largely from higher bus lane camera fines from the expansion of the program rollout and park concessions.

The City adjusted one-time payments an average of \$16 million higher annually than in the February Plan, starting in FY 2027, mostly for tree replacement fees (\$14.6 million). The City expects out-year revenue to average nearly \$6.4 billion starting in FY 2028. OSC believes that miscellaneous revenues could be \$100 million higher annually than the City’s projections starting in FY 2027 as revenue projections anticipated a decline, which is likely conservative, and given the cyclical, seasonal, and inflationary factors anticipated over the next few years.

VIII. Expenditure Trends

As noted in OSC’s [March 2026 report](#), the City has revised expenditure projections to levels more in line with OSC’s December 2025 estimates. Citywide expenditures are projected to total \$125.8 billion in FY 2027, after adjusting for surplus transfers, which obscure total expenditures (see Figure 17). The portion of citywide spending funded with locally generated revenue (i.e., City funds) is estimated at nearly \$96 billion. The portion funded with other sources (mostly federal and State grants, is \$29.8 billion (23.7 percent).

FIGURE 17
Annual Expenditures



Note: Adjusted for surplus transfers and debt defeasances. City forecast includes budgeted reserves beginning in FY 2027.
Sources: NYC Office of Management and Budget; OSC analysis

The May Plan anticipates city-funded spending will rise by 0.1 percent in FY 2027, excluding contingent reserves and savings from the overestimation of prior-year spending. The growth in that year is held down largely by the expectation that pension contributions will decline sharply to \$8.5 billion (11.3 percent), following State approval of a proposal to restructure and extend the amortization period for paying for the pension systems’ unfunded accrued liability (see Pension Contributions section for more details). The May Plan also assumes that funding for Council Member initiatives, which are subject to negotiation during the annual budget adoption process, does not recur after FY 2026, which OSC anticipates is unlikely.

The May Plan assumes the growth in spending will accelerate to an average of 4.2 percent over the next three years, exceeding local inflation projections, and despite the declining pension contribution amounts. Projected wage increases on labor costs, which are assumed to rise by 1.25 percent each year, debt service, health insurance costs as well as rental assistance will continue to be the largest cost drivers through the balance of the financial plan period. Local inflation has averaged 3.9 percent annually over the past five fiscal years through FY 2025 and is projected to average 2.6 percent annually during the financial plan period.

FIGURE 18

Trends in City-Funded Spending in May 2026 Financial Plan (in millions)

	FY 2026	FY 2027	Annual Growth	FY 2028	FY 2029	FY 2030	Average Three-Year Growth Rate
Salaries and Wages	24,487	\$24,988	2.0%	\$26,641	\$27,822	\$28,904	5.0%
Pension Contributions	9,603	8,514	-11.3%	9,596	9,158	8,577	0.2%
Debt Service	7,979	9,197	15.3%	10,564	11,656	12,478	10.7%
Medicaid	6,661	6,688	0.4%	6,838	6,988	7,138	2.2%
Health Insurance	8,742	9,129	4.4%	9,687	10,217	10,846	5.9%
Other Fringe Benefits	4,034	4,166	3.3%	4,397	4,599	4,814	4.9%
Energy	1,086	1,186	9.2%	1,178	1,155	1,169	-0.5%
Judgments & Claims	1,126	1,008	-10.5%	928	841	858	-5.2%
Public Assistance	1,562	1,539	-1.5%	1,539	1,538	1,538	0.0%
Svcs. Asylum	1,258	1,160	-7.8%	500	500	500	-24.5%
Residual OTPS	29,589	28,678	-3.1%	30,296	31,249	32,207	3.9%
Subtotal	\$96,126	\$96,253	0.1%	\$102,164	\$105,722	\$109,029	4.2%
General Reserve	---	---	NA	1,200	1,200	1,200	NA
Capital Stabl.	---	---	NA	250	250	250	NA
Prior Year's Expenses	(1,709)	(400)	NA	---	---	---	NA
Total	\$94,417	\$95,953	1.6%	\$103,614	\$107,172	\$110,479	4.8%

Note: Totals may not add due to rounding. Spending is adjusted for surplus transfers.
Sources: NYC Office of Management and Budget; OSC analysis

The May Plan Expenditures trends by component are shown in Figure 18 and discussed below (see also Appendix A for projected agency spending).

Expenditure Risks and Offsets

As also discussed in the [March 2026 report](#), the City has addressed a substantial portion of OSC-identified expenditure risks for FY 2027. After a review of additional updates that the City has incorporated in its expenditure forecast for the May Plan, OSC has identified several expenditure risks, with examples highlighted below.

While the City has added significant recurring funding, based on current trends, spending on education such as due process cases and school cleaning is still projected to exceed the levels assumed in the Plan. In addition, OSC anticipates the City will incur higher-than-planned costs for operating subsidies to the MTA for paratransit and bus services. Until more details become available, OSC considers the achievement of three of the City's cost-containment measures to be uncertain at this time (see section on Citywide Savings Program for more detail). Based on current trends, the City is also expected to incur substantially higher-than-planned unsalaried (e.g., per session and hourly pay) and overtime costs (\$522 million and \$213 million in FY 2026, respectively). A portion of these personal services costs in FY 2026 would be offset by payroll savings attributed to vacant full-time positions (\$200 million) as well as by lower fringe benefits and contract costs at the Department of Education (\$322 million). OSC anticipates that spending

on overtime will exceed the forecast in the May Plan by an average of \$747 million annually over four years starting in FY 2027. OSC also estimates that, based on current demand, more funding must be identified for child care vouchers (\$114 million in FY 2027, and \$280 million annually in subsequent years).

In total, updated expenditure risks identified by OSC, net of offsets, are estimated to total \$376 million in FY 2026, rising to \$3.5 billion by FY 2030.

In addition, the federal administration has taken a number of actions and proposed budgetary changes that could increase costs or reduce revenue that funds programming in New York State or New York City. These federal actions may also create economic or fiscal risks for the City, as noted earlier in the State and Federal Actions section of this report.

In recent years, the City has maintained \$1.45 billion in contingent reserves entering each fiscal year, which provides a buffer for cost overruns. Over the last two financial plan updates, the City chose to draw down the statutorily allowed maximum from its contingent reserves in fiscal years 2026 and 2027, an unusual step which leaves only \$100 million for unplanned cost overruns in FY 2027. The City maintains \$1.45 billion in contingent reserves annually during the balance of the financial plan period, which could be used to help offset budgetary risks.

The City has some lead time to address its larger out-year risks and has implemented substantial gap-closing programs in the past. The May Plan includes details on a new round of savings initiatives proposed by agency-appointed chief savings officers. In addition, the City has identified other savings from cost containment actions, lower-than-projected fringe benefit costs, and a nonrecurring payment from H+H to reimburse the City for debt service paid on debt issued on behalf of the public hospital system. The City estimates these gap-closing actions will generate savings totaling \$3.9 billion in fiscal years 2026 and 2027, and an average of about \$2.2 billion annually thereafter (see previous section on the City's Savings Program for more details). Much of the savings initiatives appear to be within the City's control to implement but include components of spending that have been difficult to control in prior years, such as spending on due process cases and overtime.

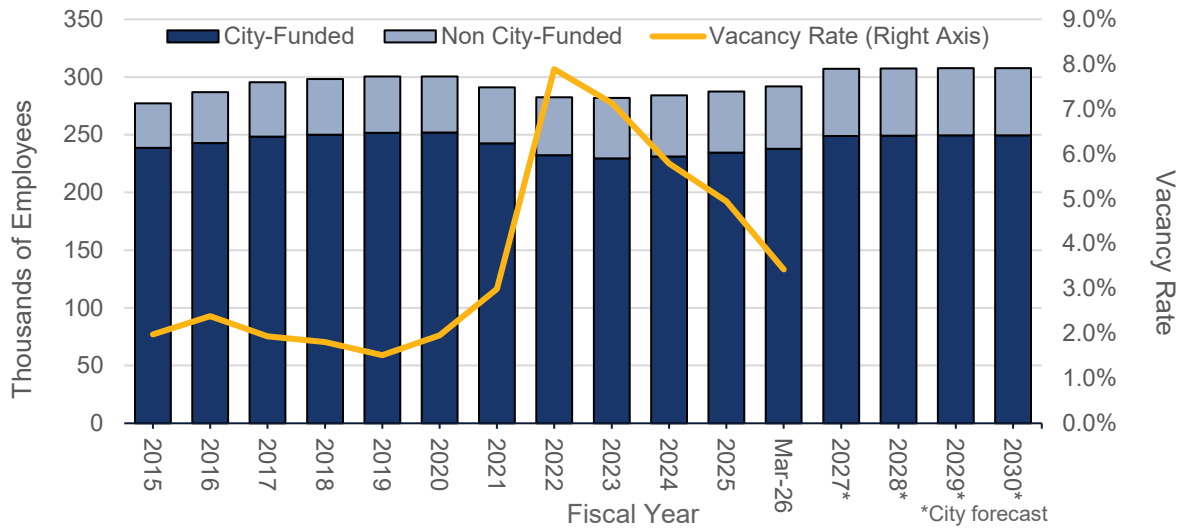
Full-Time Staffing Levels

Since the beginning of FY 2026, the City's full-time workforce has increased by 1.5 percent to 291,752 employees as of March 2026 (see Figure 19). In recent years, a number of City agencies have suggested that services provided have been impacted by [staffing challenges](#).

The May Plan assumes staffing will total 307,171 employees as of June 30, 2027, an increase of 5.3 percent over current levels, which appears ambitious based on recent hiring and attrition trends. The increase in planned staffing over current levels is concentrated at the DOE (3,080 positions), Police Department (2,514 positions), and the Department of Social Services (1,601 positions). (See Appendix B for details.)

In past years, the City has realized significant savings from overestimating full-time payroll and fringe benefits spending. These financial plan savings have helped to offset other costs not assumed in the financial plan, including overtime and unsalaried costs concentrated at the

FIGURE 19
Full-Time Staffing Levels



Note: FY 2026 is shown as year-to-date actuals for March 2026.
 Sources: NYC Office of Management and Budget; OSC analysis

Department of Education. In FY 2026, the City lowered its forecast of personal service spending by \$472 million as part of the FY 2026 Savings Program.

In recognition of the intersection of fiscal and operational challenges associated with staffing levels, OSC has expanded on the Mayor’s Management Report presentation with the launch of an [Agency Services Monitoring Tool](#), starting in December 2024. OSC also maintains a tracker providing information on [311 service requests](#).

Collective Bargaining

The May Plan includes reserves in each year of the financial plan period to fund anticipated labor costs for all the settled contracts based on the DC 37 and PBA framework and assumes pattern-conforming agreements will be reached with the remainder of the City’s workforce.⁸ Undistributed reserves are accrued as of each fiscal year close. In recent years, the City has realized financial plan savings from labor reserves attributed to lower headcount, fewer than anticipated prevailing wage settlements, and certain expenses assumed in the labor reserve that were paid from other funding sources (e.g., cost-of-living adjustments for contracted human services employees). Most recently, the May Plan includes savings from the re-estimation of prior-year labor spending, totaling \$1.2 billion from FY 2023, also driven by these same factors.

The May Plan also includes reserves to fund annual 1.25 percent wage increases for the entire workforce beyond the current round of bargaining. The labor contracts with the unions representing rank-and-file police officers and firefighters expired in July 2025, but contracts with the largest collective bargaining units (DC 37 and the United Federation of Teachers) will not expire until fiscal years 2027 and 2028, respectively. The actual cost of the next round of collective bargaining will be determined through negotiation or arbitration, and could be higher than assumed in the May Plan. It is notable that the current labor cost projections assume annual

salary increases that are below the increases agreed to in the last round of agreements, although higher salary increases could be funded through productivity gains rather than unplanned cost increases.

Health Insurance

Beginning January 1, 2026, the City commenced a new self-insured health plan, the New York City Employees Preferred Provider Organization (NYCE PPO) health plan, to cover an estimated 750,000 active City employees, pre-Medicare retirees, and their dependents (roughly three-quarters of the City's workforce and their families). As of the third quarter of FY 2026, enrollment in the NYCE PPO is slightly higher when compared to the previous health plan.

The NYCE PPO health plan replaced the GHI CBP/Anthem BlueCross and BlueShield plan, but maintains premium-free coverage through at least five years and the City has said that it has expanded the network of doctors and mental health specialists. Employees continue to have the choice of enrolling in other plans offered by the City, including the HIP-HMO and MetroPlus plans, which also have no employee premiums.

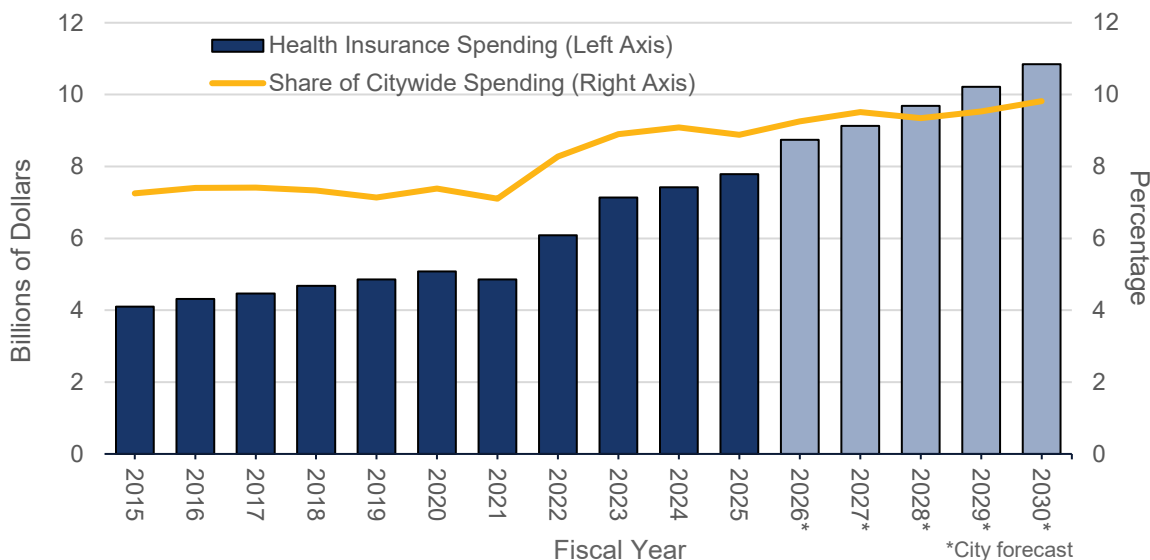
The City indicates the new health plan will generate savings totaling \$411 million in FY 2026, rising each year to \$953 million by FY 2030, attributed mainly to provider discounts and plan management.

In February 2026, the City announced its intention, pending the outcome of future collective bargaining, to assume financial responsibility for the obligations of the HISF (which is outside the City's operating budget and was effectively unable to meet all of its contractual obligations through FY 2025), bringing the costs on budget. These obligations include a prescription drug benefit program (called the "PICA" program), which covers self-injectable and chemotherapy medications. The HISF also made other contractually-required payments such as a supplemental contribution to the union-administered welfare funds, which also provide prescription drug coverage as well as dental and vision care among other benefits. The obligations, which have been included as part of the City's health insurance projection, are projected to cost the City \$911 million in FY 2026, \$1.1 billion in FY 2027, and higher amounts each year thereafter.

The City plans to use the NYCE PPO savings to help defray part of the cost of the HISF obligations and included an estimate of the savings in the February Plan. As of February 2026, the "long-term" subaccount within the HISF, established to meet the carrier's reserve requirements, has been fully drawn (valued at approximately \$884 million) to settle the remaining medical claims associated with the discontinued plan.

City-funded health insurance costs are projected to rise from \$9.1 billion in FY 2027 to \$10.8 billion in FY 2030 (see Figure 20). Under local law, the HIP-HMO plan is the benchmark plan used to determine the amount the City pays to cover the employer share of health insurance premiums for all active and pre-Medicare plans. The premium cost of the new NYCE PPO is somewhat lower than the HIP-HMO plan, but is expected to rise more quickly than the benchmark plan in FY 2027. Should the growth in the NYCE PPO premium cost continue to outpace the HIP-HMO plan, the City will incur costs higher than assumed in the financial plan.

FIGURE 20
City-Funded Health Insurance Costs



Sources: NYC Comptroller; NYC Office of Management and Budget; OSC analysis

Pension Contributions

In May 2026, the State Enacted Budget included approval for a proposal to restructure and stretch out the payment schedule for amortizing unfunded accrued liabilities (UAL) for the City’s five actuarial pension systems. Under the UAL amortization schedule established in FY 2010, the first payment commenced in FY 2012 and was to conclude in FY 2032. The legislation restructures and extends the current remaining seven-year amortization schedule by an additional five years, using “level-dollar” payments beyond FY 2026. The City is expected to realize savings of \$652 million in FY 2026, \$1.6 billion in FY 2027, and similar amounts in subsequent years over the balance of the financial plan period. The Police Pension Fund was not included in the savings reflected in the May Plan, but the legislation permits the Fund to also restructure its UAL, subject to the approval of its board of trustees.

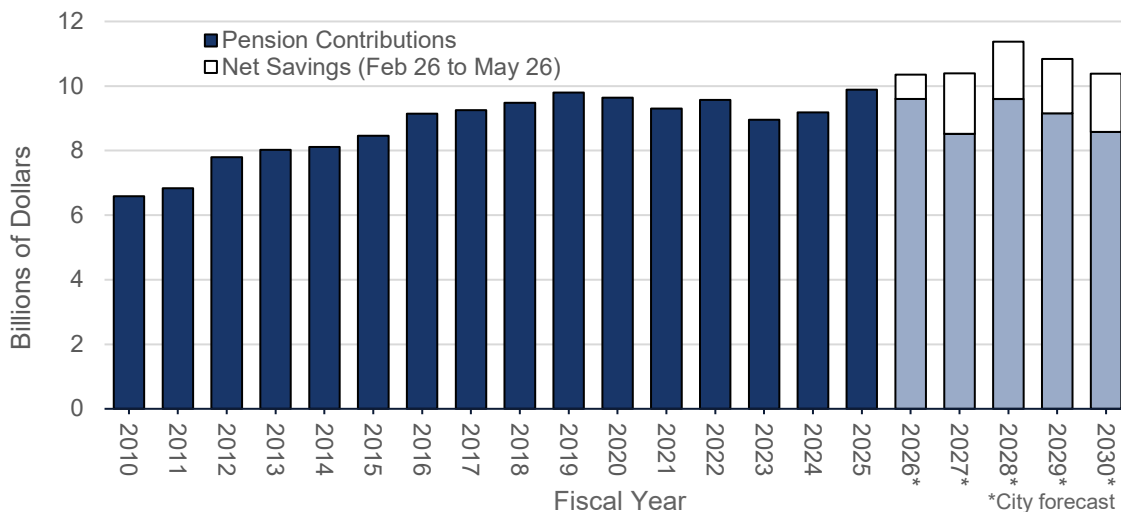
However, planned pension contributions during fiscal years 2033 through 2037 will also be significantly higher when compared to the previous amortization schedule, deferring the cost of past employee service to future taxpayers. The City’s pension systems are still projected to achieve full funding levels by FY 2037, assuming future experience meets all actuarial expectations, albeit over a longer period than was anticipated under the current amortization schedule.

The State has also enacted changes to enhance the benefits of certain active members of the City’s pension plans and increased State funding for line-of-duty (LOD) death benefits paid to survivors of certain deceased City employees, the cost of which has been historically shared by the City and the State. The changes include: providing members hired after April 1, 2012 (“Tier 6” members) of the Teachers Retirement System an unreduced early retirement at age 58 with 30 years of service; as well as reducing member contributions paid by Tier 6 members of New York City Employee Retirement System and Board of Education Retirement. In total, the

benefit enhancements enacted by the State in May 2026 are estimated to increase the City’s pension contributions by \$170 million in FY 2027, and by increasingly higher amounts in subsequent years. The increased reimbursement from the State for LOD death benefits will reduce City pension contributions by \$101 million annually starting in FY 2026.

Reflecting preliminary State budget proposals and other revisions, the May Plan assumes city-funded pension contributions would decline from \$9.6 billion in FY 2026 to \$8.5 billion in FY 2027 and would average \$9.1 billion annually in subsequent years (see Figure 21). The decline in pension costs in FY 2027 would be the largest year-over-year nominal decline on record and at 11.3 percent, the third largest share decline, since at least 1980, highlighting the magnitude of budgetary relief provided by this maneuver. Compared to the February Plan, the City’s planned contributions are lower by an average of \$1.8 billion annually during fiscal years 2027 through 2030.

FIGURE 21
City-Funded Pension Contributions



Sources: NYC Comptroller; NYC Office of Management and Budget; OSC analysis

Also included in the May Plan projections is an annual reserve of \$278 million beginning in FY 2028, to fund the cost of potential changes that could arise from audit recommendations. The pension systems earned, on average, 8 percent on their investments during fiscal years 2012 through 2025, compared to the expected annual gain of 7 percent. In FY 2025, the City’s pension systems gained, on average, 10.3 percent on their investments. The City Comptroller reports that the City’s pension systems gained, on average, 5.4 percent on their investments as of March 2026.

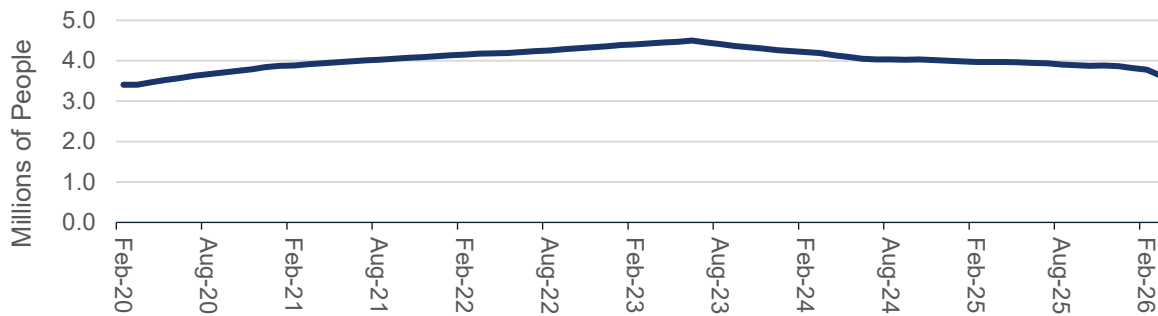
Medicaid

In March 2026, more than 3.6 million City residents were enrolled in Medicaid, which provides health insurance to low-income children and adults (see Figure 22). Enrollment declines have started to accelerate, decreasing 6 percent from December 2025 and 19 percent from the June 2023 peak. (See OSC’s [2025 May Plan report](#) for details.)

The May Plan assumes that the city-funded cost of Medicaid will total \$6.7 billion in FY 2026, \$6.7 billion in FY 2027, \$6.8 billion in FY 2028, \$7 billion in FY 2029 and \$7.1 billion in FY 2030, with growth projected to increase by 2 percent annually from FY 2027 through FY 2030 due to its supplemental Medicaid payments to H+H. The Plan transferred \$325 million in FY 2026 to the City’s Medicaid budget from the NYC Health + Hospitals (H+H) City subsidy to fund the City’s share of supplemental Medicaid payments to H+H, reversing a transfer that occurred in the City’s [November 2025 Plan](#). H+H revised its forecast to reflect receipt of additional Medicaid payments that it did not anticipate receiving in November. The City’s Medicaid contribution is capped at \$5.4 billion annually. (See OSC’s [February Plan report](#) for additional changes made since the FY 2026 Adopted Plan.)

Spending reductions included in the federal H.R. 1 reconciliation bill approved by Congress in July 2025 will impact public health programs, including Medicaid and the State’s Essential Plan, and could have wide-ranging impacts on the cost of Medicaid to New York State and its localities. These changes could increase overall Medicaid costs, although the local share of Medicaid costs remains capped under current State law, with the State responsible for any increase above the cap. (See OSC’s [December 2025 report](#) on NYC Health + Hospitals Strategic Initiatives for details.)

FIGURE 22
NYC Medicaid Enrollments



Notes: Enrollment totals for a month may be updated in subsequent months to reflect retroactive enrollments and/or disenrollments.
 Sources: NYS Department of Health; OSC analysis

Social Services

In February, the City added new needs of \$2.4 billion in FY 2026, \$3.6 billion in FY 2027, \$3.8 billion in FY 2028, and \$4.1 billion in FY 2029 to address chronic underbudgeting for its social service agencies (defined as the Department of Social Services (DSS), the Department of Homeless Services (DHS), the Administration for Children’s Services (ACS), the Department of Youth and Community Development (DYCD) and the Department for the Aging (DFTA)). These actions addressed several large budgetary risks identified by OSC (see OSC’s [February Plan report](#) for details).

The May Plan maintains many of these changes and provides a combined \$17.6 billion in City funds for the social service agencies in both FY 2026 and FY 2027, excluding asylum spending (see the Asylum Services section for details). Planned spending then grows each year, reaching \$19.6 billion by FY 2030.

The May Plan includes transfers between agencies which do not change net citywide spending. In FY 2026, \$325 million is moved from the H+H City subsidy to the City's Medicaid budget (see the Medicaid section for details), and a combined \$173 million is transferred annually beginning FY 2028 from DYCD and DSS to fund the newly created Office of Community Safety. Excluding these transfers, new needs and new savings result in minimal net changes for the social service agencies over the plan period.

City-funded new needs total \$366 million in FY 2026, \$405 million in FY 2027, and an average of \$367 million each year thereafter. The majority of the needs were baselined, with some addressing fiscal cliffs (such as Promise NYC at ACS — see the Child Care Vouchers section for details) while others expanded existing programs, such as Fair Fares and additional funds for legal representation at housing court at DSS.

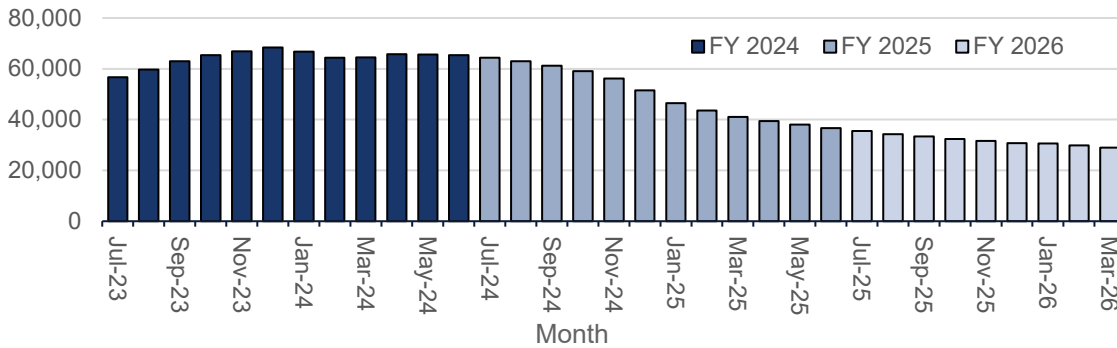
New needs were offset by savings initiatives which would reduce city-funded spending by \$76 million in FY 2026, \$618 million in FY 2027, and an average of \$376 million annually from FY 28 through FY 30. The largest reductions would result from cost containment strategies for shelter and rental assistance costs, which total \$519 million in FY 2027, \$258 million in FY 2028, \$286 million in FY 2029, and \$309 million in FY 2030. The City did not provide details on how these savings would be achieved, and OSC considers them a budgetary risk.

The Plan also eliminates 362 position vacancies across all five social service agencies beginning in FY 2026, with the largest reductions at DHS (183 positions), DSS (79 positions) and ACS (64 positions). The reductions are across functions, but the largest at DHS are from Adult Shelter Intake and Placement, General Administration, Outreach, Drop-in and Reception Services; the largest at DSS are from General Administration, Investigations and Revenue Administration, and Domestic Violence Services; and the ACS positions are all from Protective Services.

Asylum Services

Through May 3, 2026, the City reported that nearly 244,000 asylum seekers had come through its intake system since spring 2022, and that more than 28,400 of these individuals remained in the City's care. While a significant decline from the peak census of 69,000 in January 2024, the number of people exiting shelter has slowed in FY 2026, averaging about 12 households per day from July through March compared to 38.5 households per day for the same period in FY 2025 (see Figure 23).

FIGURE 23
Asylum Seeker Individuals in City’s Care
Month-End Census



Sources: New York City Council; OSC analysis

As the population has declined, the City has closed multiple asylum shelters and Humanitarian Emergency Response and Relief Centers, which had a higher per diem cost than the shelters operated by DHS. In response, the City lowered the citywide per diem rate (see OSC’s [November Plan report](#) for details) and now targets \$331 per diem for a household in FY 2026. OSC estimates that the actual per diem rate for these services at DHS, where most asylum seekers are now housed, was \$368 per household in FY 2025.

The May Plan assumes total spending for asylum services of \$1.46 billion in FY 2026, \$1.16 billion in FY 2027, and \$500 million annually thereafter through FY 2030, a small reduction from the February Plan (\$7.5 million in FY 2026 and \$40.3 million in FY 2027). This assumes continued exits from shelter and a projected census of approximately 24,500 individuals by December 2026 and 22,400 individuals by June 2027. The Plan also assumes a per diem rate of \$331 per household for FY 2027, plus a 5 percent contingency on overall costs.

However, the February Plan also anticipated the receipt of \$37.4 million in federal funds in FY 2026 for asylum support, which OSC considered a budget risk based on federal actions. The May Plan removes this federal funding and substituted it with \$30 million of City funds in FY 2026. City funds are now expected to comprise 86 percent of spending in FY 2026, with the State funding 14 percent. The City is expected to fund 100 percent of costs after FY 2026.

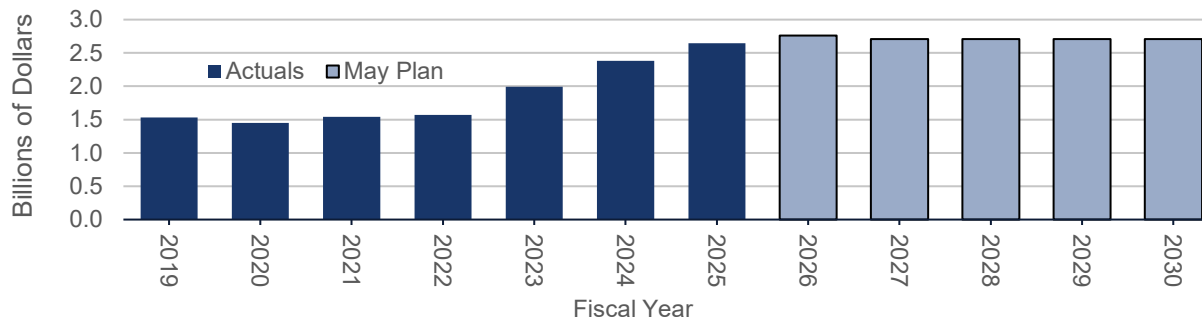
OSC assumes the City’s expectation for a gradual census decline is reasonable, but maintains the FY 2025 DHS per diem rate for asylum services in FY 2026. OSC used the City’s assumed FY 2027 per diem rate of \$331 per household adjusted for a 5 percent contingency for FY 2027 through FY 2030.

Recognizing that there are still considerable unknowns, this would result in higher city-funded costs of about \$135 million over FY 2026 and FY 2027. OSC projects a higher risk for the out-years (\$457 million in FY 2028 and \$358 million annually in FY 2029 and FY 2030), due largely to the drop in planned funding.

Public Assistance

The City assumes public assistance (PA) funding will be flat at \$2.71 billion annually beginning FY 2027 (see Figure 24). After increasing the budget substantially in February to account for underbudgeting of these expenses, the May Plan slightly reduces the budget by \$1.7 million in FY 2026, and by \$38.5 million annually in the out-years (see OSC's [February Plan Report](#)).

FIGURE 24
Public Assistance Spending



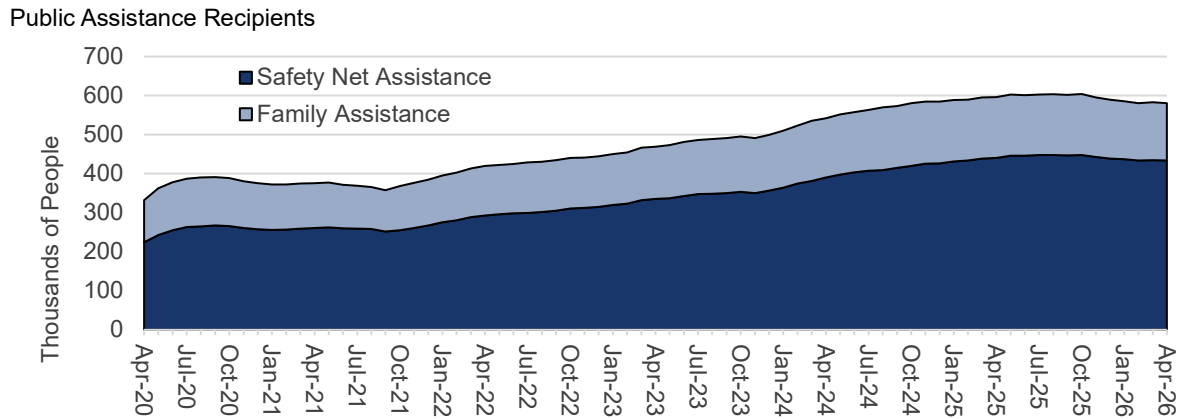
Sources: NYC Office of Management and Budget; OSC analysis

The City's revised estimates reflect a nearly flat number of program participants from FY 2027 to FY 2030 — 583,174 unduplicated recipients (or the March 2026 caseload). After growing nearly every month since September 2021, caseloads have declined slightly (by 4 percent, or 23,000 people) from a peak of 604,016 in October 2025 to 580,894 recipients in April 2026 (see Figure 25) — 15,287 individuals fewer than in April last year (almost 3 percent). The composition of assistance, family and safety net, has also seen a slight shift in recent months, which has an [impact on the cost sharing](#) with federal and State partners.

The City suspended work requirements for public assistance recipients during the pandemic but resumed them at the end of April 2025 to comply with federal and State mandates, which may be impacting enrollment, although updated data on this impact is unavailable. Acknowledging that there are many factors that could affect recent enrollment trends, OSC generally finds that the City has provided funding to support the program in the financial plan period, more clearly reflecting recent spending and enrollment trends — but estimates that the city-funded portion of costs could be higher by \$50 million annually beginning in FY 2026 based on current spending.

The May Plan adds new needs of 182 positions for PA Field staff, which are more than offset by reductions in other areas across the agency, the largest being to Municipal ID Administration, the Office of Collections and the Office of Revenue and Investigations. Timeliness in responding to public assistance applications has been well below the City’s 96 percent target since 2021. Overall, the Human Resources Administration is reducing its headcount by 72 positions.

FIGURE 25

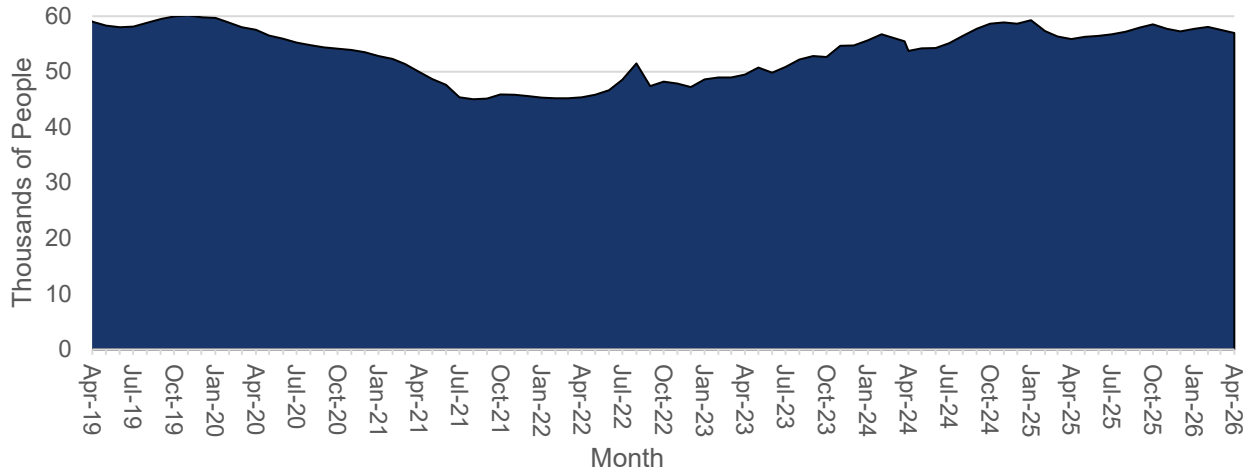


Sources: NYC Human Resources Administration; OSC analysis

Non-Asylum Shelter Services

After a substantial dip at the onset of the pandemic, the number of individuals in DHS shelters has generally grown since the moratorium on residential evictions that expired in January 2022 (see Figure 26). In April 2026, the estimated non-asylum population in DHS shelters averaged 56,975, or 26 percent greater than in January 2022 (45,343), lagging behind January 2020 levels by an estimated 2,728 individuals. As of the May Plan, the City has budgeted \$2.7 billion in FY 2026 and \$2.6 billion in FY 2027 for these costs, compared to the \$1.8 billion spent in FY 2022.

FIGURE 26
Estimated Non-Asylum Individuals in DHS Shelters

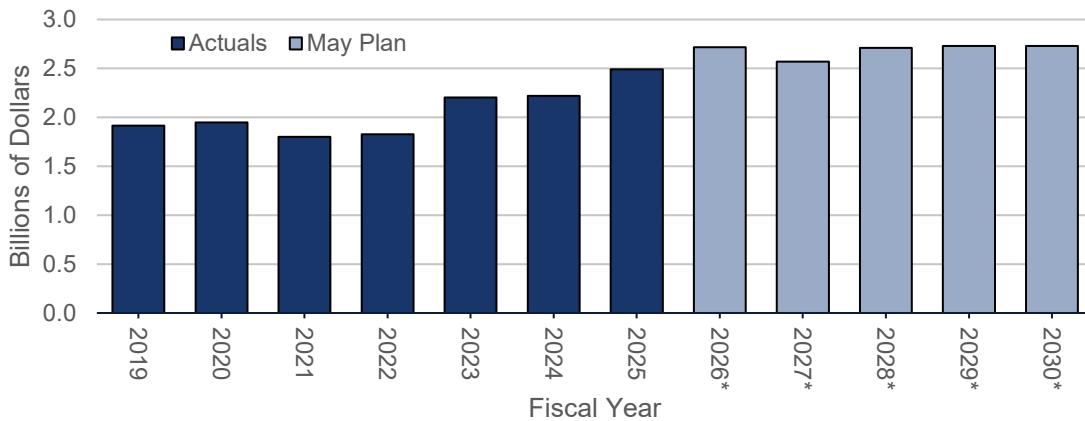


Sources: NYC Department of Homeless Services; New York City Council; OSC analysis

On a household basis, recent growth in the non-asylum census over the past 12 months has been led by an increase in the single adult population, which already exceeds pre-pandemic levels and averaged around 23,300 in April 2026 — a record high and 14 percent higher than in April 2025. The family population, in contrast, is about 6 percent lower than in April 2025.

The May Plan adds \$133 million in FY 2026 in total funds for non-asylum shelter costs, of which \$39 million is City funds and \$88 million is Temporary Assistance for Needy Families (TANF) funds; and reduces the FY 2027 budget by \$118 million, \$94 million of which will come from City funds. Total planned spending for non-asylum adult and family shelter operations is now set to reach nearly \$2.7 billion in FY 2026, or \$226 million more (9 percent) than what was spent in FY 2025, and to decline slightly to \$2.6 billion in FY 2027 (see Figure 27). About \$114 million of

FIGURE 27
Non-Asylum Shelter Spending



Sources: NYC Office of Management and Budget; OSC analysis

the total \$148 million in anticipated declines in costs for these services is slated to come from DHS's cost containment initiative.

This initiative reduces the shelter budget in total funds by \$308 million in FY 2027, \$46 million in FY 2028, \$101 million in FY 2029, and \$147 million in FY 2030, with 72 percent of the total reduction creating City fund savings. However, \$194 million of the FY 2027 (63 percent) amount has yet to be distributed and is not yet reflected in the shelter operations budgets. The City has not provided details for how the cost containment will be achieved.

OSC considers the City's projections for FY 2026 to be reasonable, but the absence of information about the cost containment initiative (which begins in FY 2027) create a budget risk for the City until greater information or an improving trend emerge. The City funds portion of the projected savings is \$284 million in FY 2027, \$23 million in FY 2028, \$51 million in FY 2029 and \$74 million in FY 2030. Separately, OSC (based on caseload trends from the past 12 months and the City's FY 2025 per diem for shelter operations) also projects slightly higher baseline costs, which result in a city-funds need of \$43 million in FY 2028, \$70 million in FY 2029, and \$102 million in FY 2030. In total, OSC's city-funds risks add up to \$284 million in FY 2027, \$66 million in FY 2028, \$121 million in FY 2029 and \$176 million in FY 2030.

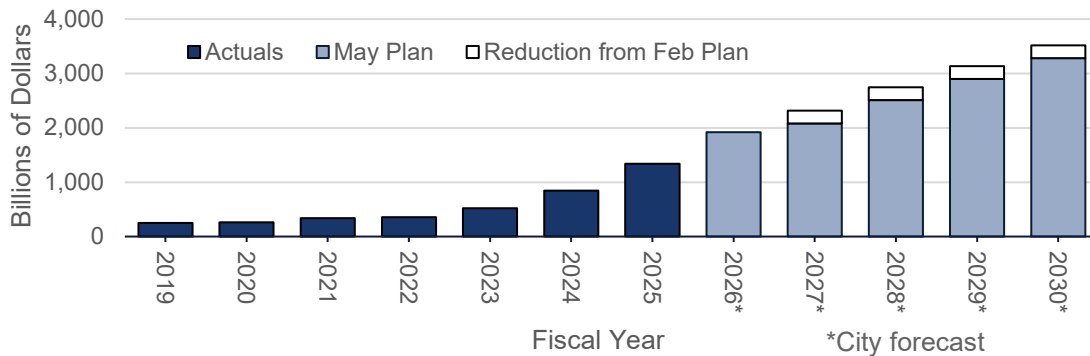
The cost to the City could also be higher if the per diem costs rise or the shelter population grows faster than expected, including potential changes to federal housing voucher programs (such as the Emergency Housing Voucher program), or if the federal government enacts cuts to the City's TANF program revenue, which is expected to fund roughly half of family shelter costs in FY 2026 (see [OSC's TANF report](#)). In addition, if federal cuts to the social safety net make housing more difficult to afford, housing evictions could rise, pressuring the non-asylum shelter census.

Rental Assistance

The City's rental assistance budget provides funding for several different programs, including CityFHEPS, Special One-Time Assistance, FHEPS B and Special Housing Assistance Resource. In the February Plan, the City added a substantial spending increase to address recurring underbudgeting of associated expenses, by \$1.6 billion in FY 2027, \$2.1 billion in FY 2028, \$2.5 billion in FY 2029 and \$2.6 billion in FY 2030. Partly in recognition of the pace of cost growth, the May Plan reduces annual spending by \$235 million beginning in FY 2027 by initiating a cost containment initiative to slow this growth. The FY 2026 budget remains intact at \$1.9 billion, roughly 44 percent, or \$582 million, more than what was spent in FY 2025.

The City assumes rental assistance spending will grow to nearly \$3.3 billion annually by FY 2030, before reflecting the net impact of the cost containment initiative (see Figure 28); annual spending on CityFHEPS is expected to comprise more than 90 percent of the total rental assistance budget in each year of the plan period. Enrollment trends indicate CityFHEPS utilization has grown significantly in recent years, a trend that has continued in the current year. Through April, the City has spent roughly 200 percent of what was budgeted at adoption for CityFHEPS in FY 2026 — \$399 million, or 41 percent more than the prior year; however, due to the addition of \$711 million in FY 2026 in the February Plan, OSC finds the City's budget reasonably reflects anticipated costs in FY 2026.

FIGURE 28
Total Rental Assistance Spending



Sources: NYC Office of Management and Budget; OSC analysis

From FY 2027 through FY 2030, the May Plan assumes annual CityFHEPS spending growth of 10 percent in FY 2027, 22 percent in FY 2028, 17 percent in FY 2029 and 14 percent in FY 2030. These projections include the savings planned through the cost containment initiative of which OSC has not received enough details to assume that it will be successfully achieved.

Examining the City’s reported number of CityFHEPS vouchers and average subsidy amounts through February 2026 (the latest data available), OSC notes that, through February, the caseload has undergone an average monthly growth of 1.8 percent in FY 2026. OSC assumes that the caseload will continue to grow at this rate through the end of FY 2027, resulting in cost estimates that are very similar to that of the City’s, absent the savings generated by the cost containment initiative. However, since the cost containment strategy begins in FY 2027 (over a month away) and details have not been provided, OSC considers these planned savings to be a risk. From FY 2028 and on, OSC assumes that costs will grow from OSC’s higher projected FY 2027 amount (which does not include the planned savings) at the annual rates assumed in the May Plan, projecting needs of about \$296 million in FY 2028, \$347 million in FY 2029 and \$395 million in FY 2030. However, OSC acknowledges that there are many unknowns affecting behavioral use and costs, including average apartment size, availability of apartments and the success of the City’s cost containment efforts. It is possible that these needs may be even greater.

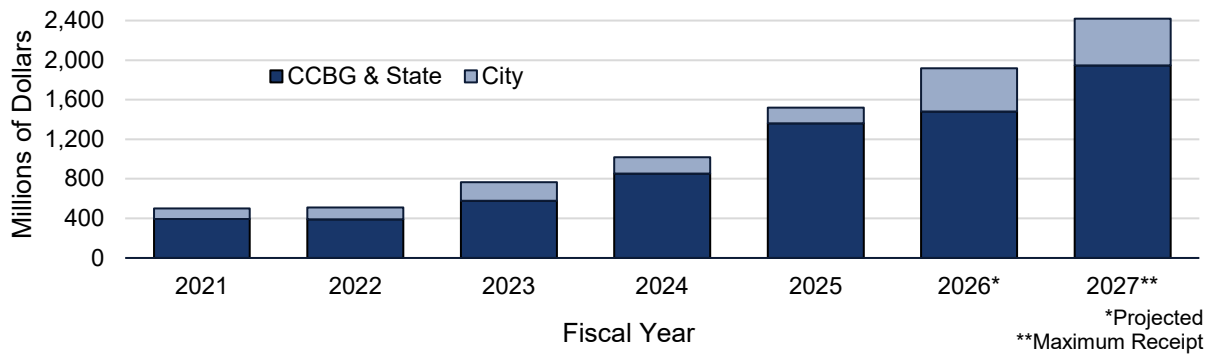
It is important to note that these projections do not address the fiscal impact of three of four pieces of legislation to significantly expand eligibility for the CityFHEPS voucher program, which were passed in July 2023 but have not yet been implemented. The legal status of the expanded program is still pending; however the expansion would create substantial additional demand, and therefore costs to the program (see OSC’s August 2023 financial plan report for details). The mayoral administration had signaled its intention to settle the lawsuit that currently compels the City to implement the full expansion but then, in March 2026, filed an appeal in the NYS Court of Appeals to overturn the lower appellate court ruling. The filing asserts that the City Council did not have the authority to carry out the program expansion, as the prior administration had argued. Even so, the current administration says it remains committed to reaching a settlement that will lead to the implementation of a “rental assistance program that is sustainable for the long term.”⁹

Administration for Children’s Services

The May Plan includes an additional \$589.5 million in ACS funding for FY 2026, \$89.6 million for FY 2027, and just under \$70 million per year for FY 2028 through FY 2030. Of the added funding for FY 2026, about \$135 million will come from the City, while about \$455 million will come in the form of State and federal grants. At \$4.42 billion, ACS funding in FY 2026 is now \$1.28 billion higher than anticipated than when adopted in June, with growth funded mostly via \$1.1 billion in State and federal categorical grants.

The majority of this funding, over \$1 billion, has been added for Child Care Services, which includes the ACS child care voucher program. Child Care Block Grant (CCBG) revenues, a combination of State and federal dollars, are the primary source of this funding. The May Plan added \$549 million in CCBG funding for FY 2026, bringing total fiscal year-to-date CCBG revenue to about \$1.37 billion.

FIGURE 29
Estimated Child Care Services Spending by Source



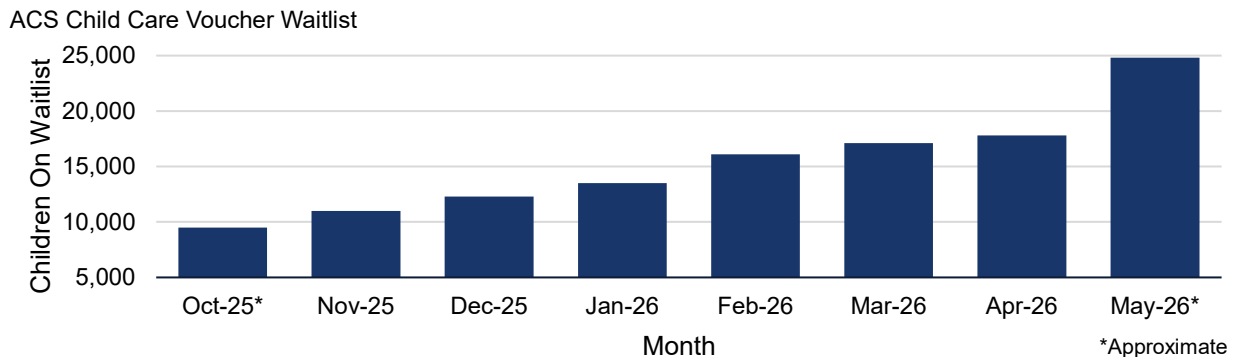
Source: NYC Office of Management and Budget

The May Plan also includes \$487 million in CCBG for FY 2027, including an additional \$100 million that will offset a \$61.9 million net reduction in City funding for traditional vouchers. CCBG funds have historically been added throughout the plan year as they are received. Based on the more than \$3.2 billion included in the SFY 2027 State Enacted Budget for child care, the City’s share of statewide CCBG allocations may be as high as \$1.95 billion (see Figure 29). It should be noted that a portion of the City’s FY 2027 CCBG allocation will likely be utilized in FY 2028, as these funds are distributed on a federal fiscal year basis.

Child care funding has grown substantially since the onset of the COVID-19 pandemic. In the decade and a half between FY 2008 through FY 2022, the City averaged \$483.2 million in CCBG allocations, capping out at \$501.5 million in FY 2015. The \$1.37 billion in CCBG funding the City has received in FY 2026 through May represents a 178 percent increase from the \$491.6 million received in FY 2022. A \$1.95 billion CCBG allocation in FY 2027 would be nearly four times that FY 2022 figure. Likewise, City funding has climbed from \$119.3 million in FY 2022 to \$438.7 million in FY 2026 through May, a 268 percent increase. Total Child Care Services funding, from all sources, has grown from \$511.2 million in FY 2022 to \$1.8 billion through May of FY 2026.

The CCBG funding included in the State Enacted Budget earmarks \$475 million in child care matching funds specifically for New York City. The City’s FY 2027 budget must include at least \$475 million in child care funding to receive the full State allocation. With FY 2027 City funding currently sitting at \$361.3 million, an additional \$113.7 million is required to maximize the State match. OSC has designated this funding as a budget risk for FY 2027. With an expected reduction in CCBG funding in FY 2028 and the out-years, coupled with an increase in baselined City funding, OSC estimates an annual budget risk of about \$279.6 million after FY 2027. This risk estimate is based on an assessment of current and near-future child care service participation at or near current levels and does not include the resources needed to address the City’s child care voucher waitlist, which has grown substantially in FY 2026 (see Figure 30).

FIGURE 30



Source: NYS Office of Child and Family Services

The waitlist, implemented in the spring of 2025, has swelled from 1,500 children at the start of FY 2026 to 24,800 as of April, an average increase of 2,330 children per month. At the FY 2026 per voucher cost of approximately \$18,100, OSC estimates the cost to cover every child on the City’s waitlist at nearly \$450 million per year, which current and expected FY 2027 child care voucher funding will not cover at current voucher program participation rates. If additional funding for vouchers is unavailable, addressing this backlog without limiting eligibility, or reducing services, may create an additional financial risk for ACS.

Besides child care, other notable city-funded May Plan allocations for ACS include a baselined \$97.5 million per year to cover a reduction in federal Title IV-E funding, addressing a budget risk identified by OSC in prior plans, as well as a total of just under \$150 million for Personal Service increases during the plan period, including \$14.3 million in FY 2026, \$26.9 million in FY 2027, and \$35.9 million in FY 2028 and the out-years. The City has also baselined \$25 million for the Promise NYC program, after three years of funding it on a year-by-year basis. As part of the Citywide Savings Initiative, ACS has identified a total of about \$52 million in City fund savings throughout the plan period, primarily through Special Education and Alternatives-to-Detention expense reestimates, and Prevention Services contract utilization efficiencies.

Overtime

The May Plan increased the City’s FY 2026 overtime projection by \$103 million to \$2.5 billion, an upward adjustment of \$863 million since June 2025, mostly for the uniformed agencies. The City

has spent \$2.5 billion through 11 months, \$101 million more than last fiscal year over the same period and \$195 million more than the budgeted amount through May (see Figure 31). While the uniformed agencies' overtime budget increased by 59 percent since June, and is anticipated to cover most of the respective cost overrun, the City has not addressed much of the variance for civilian agencies, which saw a 16 percent increase in their collective budget in comparison.

The civilian agencies constitute about 20 percent of overtime spending, a trend roughly consistent with the past several years, but they contributed 85 percent of the overspending, after a major adjustment to uniform overtime made in February as part of the City's plan to address underbudgeting. These agencies spent \$34 million (8 percent) more than they did last year over the same period and exceeded the year-to-date budget by \$166 million (55 percent). Of the 55 civilian agencies that have used overtime in FY 2026, 38 have exceeded their annual overtime allocation and will require additional funding or a reallocation of resources.

FIGURE 31
FY 2026 Overtime Budget Variance through May 2026
 (in millions)

City Agency	YTD Expenses	YTD Budget	Variance (\$)	Variance (%)
Police	906.4	873.9	(32.5)	-3.7%
Fire	512.1	503.3	(8.9)	-1.8%
Sanitation	297.3	294.4	(2.9)	-1.0%
Correction	322.5	337.6	15.1	4.5%
Subtotal: Uniformed Agencies	\$2,038.4	\$2,009.3	(\$29.1)	-1.4%
Transportation	105.1	59.3	(45.8)	-77.3%
Social Services	71.6	38.1	(33.5)	-87.9%
Education	37.1	20.0	(17.1)	-85.7%
Children's Services	47.9	35.9	(12.0)	-33.5%
Environmental Protection	55.7	44.1	(11.6)	-26.2%
All Other	151.1	104.8	(46.3)	-44.1%
Subtotal: Civilian Agencies	\$468.5	\$302.2	(\$166.3)	-55.0%
Total	\$2,506.9	\$2,311.5	(\$195.4)	-8.5%

Sources: NYC Office of Management and Budget; OSC analysis

The uniformed agencies spent \$2 billion on overtime in FY 2026 through May, \$29 million more than planned through the period. This was 3 percent, or \$66 million, more than last year as higher snow removal-related overtime at the Department of Sanitation was partially offset by reductions in Police overtime. The heavy snow season prompted the City to allocate \$111 million in additional funds for snow removal overtime since June for a total of \$147 million, an increase of about \$100 million from spending last fiscal year and the highest on record. The City projects Sanitation overtime will total \$322 million, near OSC's forecast for unplanned costs.

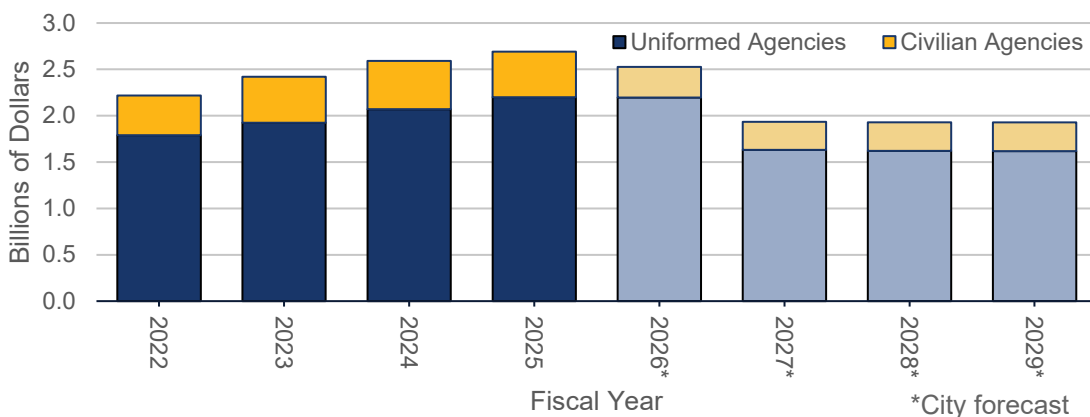
In contrast, Police overtime saw a \$68 million reduction from last fiscal year, the largest year-over-year decline in over two decades, excluding the impact of the pandemic in FY 2021. The reduction is mostly attributable to fewer deployments for unplanned events such as protests and

public demonstrations and asylum seeker security. Still, the Police Department saw the single largest overtime adjustment across all agencies in FY 2026 bringing its total budget to \$955 million, but is tracking above the budgeted level by \$32 million (\$906 million total through May). Furthermore, events hosted by the City over the summer, including the World Cup and the 2026 NBA Finals, could increase the use of overtime, eroding some of the reduction. The City also recognized \$36 million from the State for enhanced subway patrol overtime in the current year, but is only partially reflecting the amount awarded to the City (\$77 million).

Overtime at the Fire Department in FY 2026 is tracking relatively level compared to last fiscal year through the same period and is projected to end the year slightly lower, at \$560 million. OSC estimates that the addition of \$96 million in funding since June is sufficient to cover virtually all overtime costs given current trends. Similarly, the addition of \$208 million to the Department of Correction’s FY 2026 overtime budget since June (\$369 million total) is expected to be more than sufficient to cover all unanticipated costs, despite an increase of \$19 million (6 percent) year-over-year through May. While uniformed agencies overtime is adequately funded in FY 2026, the out-years remain underfunded based on OSC analysis, even as the City has updated its overtime budget, potentially requiring additional resources of more than \$500 million annually.

OSC projects citywide overtime will total a record-high of \$2.74 billion in FY 2026, \$213 million more than budgeted. Of this variance, the uniformed agencies are expected to constitute \$32 million and the civilian agencies \$182 million, primarily concentrated at the social service agencies (\$57 million) and the Department of Transportation (\$50 million). The City projects overtime in the out-years will average about \$1.93 billion annually, a reduction of \$600 million from the FY 2026 budget. OSC projects the City may need an additional \$750 million each year unless operational changes can be made to reduce overtime use (see Figure 32).

FIGURE 32
Historical and Projected Overtime Costs



Sources: NYC Office of Management and Budget; OSC analysis

IX. Debt Service and Capital Spending

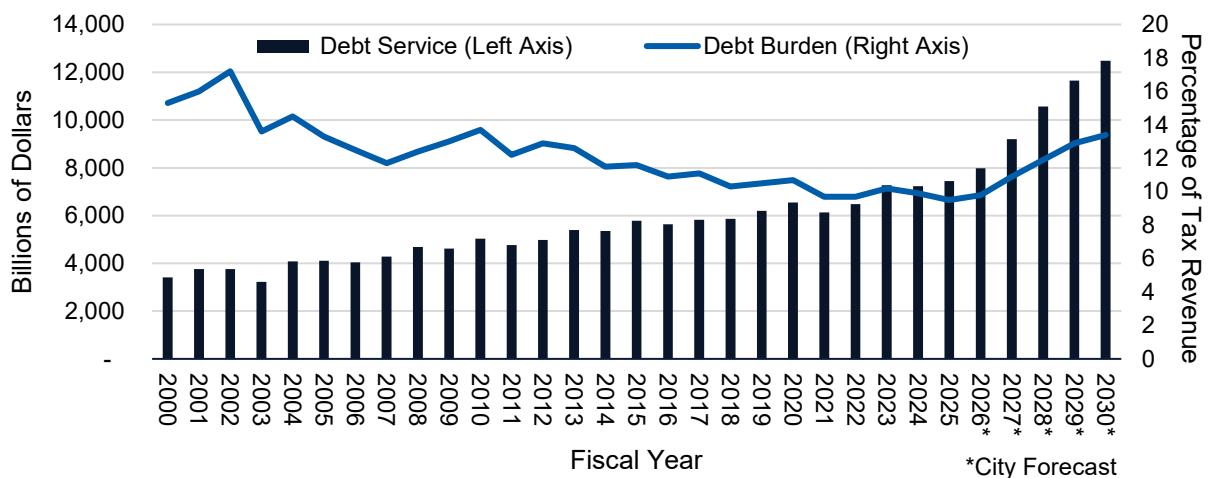
The May Plan assumes that city-funded debt service will grow by an average annual rate of 11.8 percent from \$8 billion in FY 2026 to \$12.5 billion in FY 2030. However, given the City’s conservative interest rate assumptions and that the City has averaged \$93 million in variable rate savings from FY 2023 to FY 2026, OSC projects the City could achieve at least \$75 million in variable rate savings in FY 2027. Subsequent to the May Plan, the City refunded a portion of Transitional Finance Authority debt which is expected to save the City \$35 million annually from FY 2027 through FY 2030.

From FY 2026 through FY 2030, the City expects city-funded debt service to grow faster than both city-funded expenditures (4.1 percent) and tax revenues (2.7 percent). In this scenario, the City’s debt burden (total debt service as a percentage of tax revenue, excluding tax programs) would rise from 9.8 percent in FY 2026 to 13.3 percent in FY 2030, the highest level since the Great Recession, but below the City’s self-imposed cap of 15 percent (see Figure 33).

Compared to the February Plan, debt service expenditures are expected to be lower by \$652 million in FY 2026 and FY 2027 mostly as a result of H+H providing \$455 million to cover the City’s debt service payments for it. H+H is saving an equal amount in fiscal years FY 2026 through FY 2030 from the City reamortizing its unfunded pension liability. In fiscal years FY 2028 through FY 2030, debt service is expected to be \$544 million higher than the February Plan mainly due to additions to the City’s bond issuance forecast, which has increased by \$4.5 billion during the financial plan period, however the City has issued less than its targeted commitments in past years.

Additional debt issued is expected to fund a cumulative \$4.2 billion increase to the authorized level of capital commitments from FY 2026 to FY 2030 in the latest capital commitment plan,

FIGURE 33
City-Funded Debt Service



Notes: Debt service has been adjusted for prepayments and defeasances.
Sources: NYC Comptroller; NYC Office of Management and Budget; OSC analysis

when compared to the February Plan (see Figure 34). Housing and development projects, which are not specifically included in the City’s capital tracker, will receive the largest increase, rising by \$4.5 billion since the February Plan as the City continues to increase its commitment to affordable housing. The City will also fund an additional \$1.5 billion for new capacity projects in schools to meet the State class size mandate. Overall, commitments are accelerating, increasing by a net of \$3.7 billion in FY 2026 through FY 2028 while increasing by a net change of \$543 million in FY 2029 and FY 2030. Outside the financial plan period, commitments are increasing by \$3 billion in the FY 2031 through FY 2035 period, as \$2.7 billion of commitments were shifted to later years. During the financial plan period, commitments were reduced by \$716 million for economic development projects; \$515 million for energy efficiency, coastal resiliency and citywide equipment; \$394 million for bridge projects; \$308 million for highway projects and \$270 million for parks projects.

Total funded commitments for FY 2025 were \$18.7 billion which was a record high and 6 percent higher than in FY 2024. In fiscal years 2026 through 2030, the City has authorized \$117.1 billion in total capital commitments to achieve a commitment goal of \$107.6 billion during this period, of which \$102.9 billion is City funded.

The full cost of repairing the Brooklyn-Queens Expressway cantilever bridge also has not been determined and costs to replace Rikers Island may continue to rise as timelines are extended. Any new required funding would lead to higher capital commitments and thus debt service spending.

FIGURE 34
FY26-FY30 Capital Commitment Plan Change Since February 2026 Plan
 (in millions)

City Agency	February 2026	May 2026	Total Change
Housing & Development	\$14,654.3	\$19,152.4	\$4,498.1
Education	18,092.1	19,836.2	1,744.1
Traffic	792.9	953.7	160.8
Water Pollution Control	9,624.3	9,771.8	147.5
Libraries	815.4	943.1	127.7
Police	801.7	912.4	110.6
Housing Authority	2,747.8	2,852.7	104.9
Water Supply	2,102.3	2,200.1	97.9
Children’s Services	491.9	550.1	58.2
CUNY	1,105.9	1,163.2	57.4
All Other	61,732.1	58,805.0	(2,927.2)
Total	\$112,960.7	\$117,140.8	\$4,180.1

Note: Totals may not round due to rounding.
 Sources: NYC Office of Management and Budget; OSC analysis

Climate Budgeting

For the third year since the start of climate budgeting, the City used its Climate Alignment Assessment Framework to assess project allocations within the capital budget against its climate goals. The City's 2027 Climate Budgeting report shows that the total capital budget for the FY 2026 to FY 2030 period includes \$4.7 billion in projects that align with the City's goals for reducing greenhouse gas (GHG) emissions, \$7.5 billion in projects that align with flood resiliency goals and \$1 billion for those that align with heat resiliency goals.¹⁰ There are also projects within the capital budget for this period that do not completely align with the climate goals, but have components that align. Of these, \$24.9 billion are for projects with components that align with the GHG mitigation goals and a combined total of \$41.3 billion are for projects with components that align with either flood or heat resiliency goals, or both.

Climate budgeting data resulting from the assessment and released subsequent to publication of the Executive Budget each year facilitates analysis of the amounts of investments that are aligned with the City's GHG emissions and climate resiliency goals. Notwithstanding, the City's Climate Budgeting 2027 report does not state these classifications outright in the way that the totals are set out in the executive summary of the document. Adding these classifications with their related amounts would enhance the transparency of the report. Notably too, the City has stated its intention to release a long-term climate action plan in 2027 that will identify progress toward achieving the goals, and actions to be taken to close the gaps. In subsequent years, this output should translate to added utility of the climate budgeting process in monitoring the City's progress toward achieving its commitments.

X. Semi-Autonomous Entities

Department of Education

The City's Executive Budget allocates \$44.9 billion to the DOE in FY 2027, including centrally administered costs such as pensions, debt service, and fringe benefits (\$7 billion). This amounts to 36 percent of the City's total budget and would be a two-year \$3.3 billion increase over actual spending in FY 2025. The Plan assumes the City will fund \$26.5 billion of DOE's FY 2027 budget, accounting for 59 percent of the agency's total spending. The remainder would be funded by the State (36.3 percent), the federal government (4.5 percent; down from 14.6 percent at its peak in FY 2022), and other sources.

The May Plan adds \$520 million in city-funded new needs in the current year, the majority of which (\$349 million) holds schools harmless against lower-than-expected student enrollment. The City has been holding schools harmless since FY 2023, and student enrollment is projected to continue declining in future years. If the City chooses to continue this policy, it would require adding similar funding in future years. The FY 2026 new needs also include \$55 million for various department leases, \$53 million to backfill the loss of federal Head Start funding, and \$37 million in facilities support.

Beginning in FY 2027, the Plan adds slightly more than \$600 million in new needs annually, all of which is supported by City funds. This includes \$100 million for the Division of Instructional and Information Technology, \$86 million to support the individual education plans (IEPs) of students with special education needs, \$81 million for early childhood education, \$80 million for school cleaning, \$52 million to fund court-ordered acceleration of the processing of special education claims, \$31 million to continue funding the Learning to Work program, and \$67 million (rising to \$82 million in FY 2030) for the expansion of special education programs for four-year-olds. Many of these adds eliminate fiscal cliffs, including budget risks from mandated spending, stemming from previous budgets. There is also \$51 million annually and \$45 million annually to continue covering the aforementioned facilities supports and lease costs, respectively.

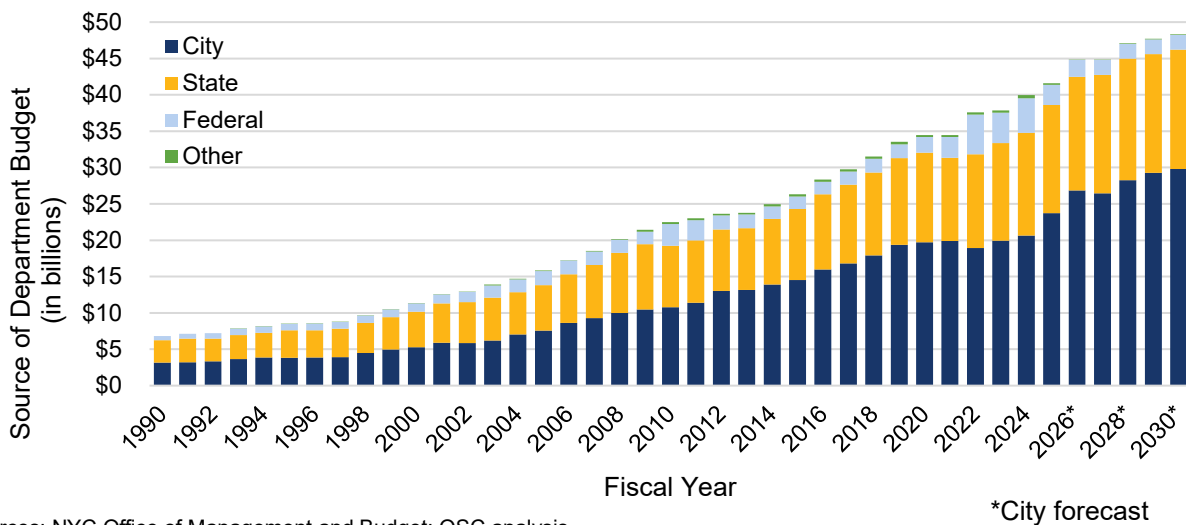
In FY 2027 and out, these additions are more than offset by cost containment and savings initiatives, which the City proposes will reduce costs at DOE by \$922 million in FY 2027, \$1.1 billion in FY 2028, \$827 million in FY 2029, and \$713 million in FY 2030. Two of the City's three-largest cost containment actions are at DOE, and they make up the vast majority of the agency's planned savings: first is an extension of the timeline to implement the State's class size reduction mandate, which the City believes will save \$508 million in FY 2027 and \$733 million in FY 2028, declining to \$208 million in FY 2030. Second, the City anticipates saving an additional \$149 million annually from implementing cost containment practices on Due Process Case (DPC) payments, which are federally-mandated services for students with disabilities, by improving their abilities to handle more of such students in DOE facilities. However, the City has pursued similar tactics in the past with limited success. The Plan also proposes improved financial controls for the Department, which it asserts would save the City \$105 million in FY 2027, as well as procurement reforms, which would account for \$30 million in savings in FY 2027, rising to \$198 million in FY 2030. The City plans to find an additional \$28 million in efficiencies in FY 2027 (rising to \$56 million in FY 2028 and thereafter) by adjusting bus routes

for pupil transportation; it remains to be seen if such savings can be achieved because bus routes are dependent upon several factors outside of the City’s control.

The biggest risk to the department’s budget, however, is for unsalaried personnel costs. These payments, which include hourly wages, back pay, bonus pay, and per-session payments, have risen rapidly in recent years, with spending \$471 million over budget in FY 2024 and rising by another \$100 million to reach nearly \$1.8 billion in FY 2025. Nevertheless, the City’s current forecast expects unsalaried pay to fall by more than one third, to \$1.2 billion, in FY 2026 despite the fact that year-to-date expenses have already reached \$1.3 billion. If unsalaried pay continues to follow current trends, it is likely that the City will need to add or reallocate \$522 million in FY 2026. In the past, the City has reallocated funding from other areas of the department’s budget to cover part of the overruns, a practice it is likely to continue. OSC estimates that at least \$322 million in fringe and contractual spending is overbudgeted at DOE in the current year; however, the rising costs of unsalaried pay will make it more difficult to continue identifying offsets. Another significant out-year risk is funding for the establishment of the City’s new “2-K” program for two-year-olds; the State provided \$73 million in FY 2027 and promised \$425 million in FY 2028 to help the City establish the program, but the City has not identified 2-K funding thereafter.

The Plan anticipates considerable growth in spending at DOE over the next four years. While total expenditures are expected to remain essentially flat at \$44.9 billion from FY 2026 to

FIGURE 35
Sources of DOE Budget Funding



Sources: NYC Office of Management and Budget; OSC analysis

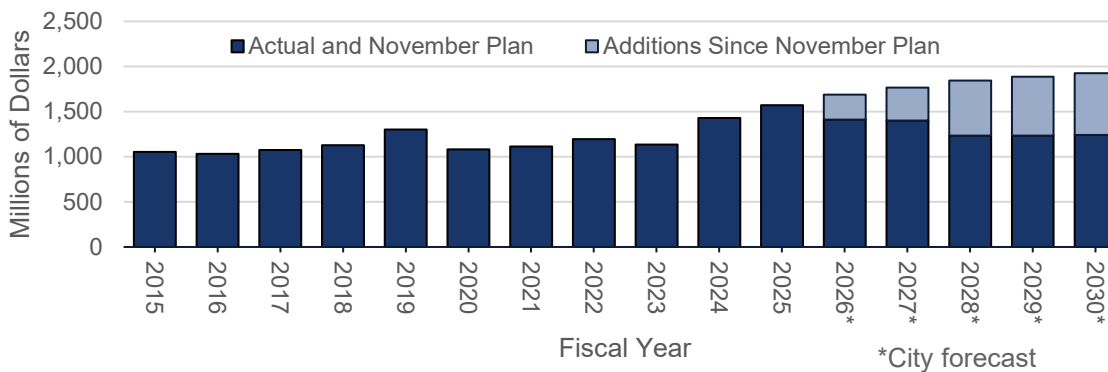
FY 2027, the Plan expects spending to jump to \$47.1 billion in FY 2028 and reach \$48.3 billion by FY 2030 (see Figure 35), not including any of the aforementioned budget risks. This amounts to \$3.5 billion, or 7.7 percent growth from FY 2027 to FY 2030, 96.5 percent of which will be supported by City funds. However, the Plan does not include future potential increases in State aid. Under State law, the City is subject to a maintenance of effort requirement that severely constrains the City’s ability to reduce City-funded education spending year over year. Additionally, the DOE assumes that recurring federal aid will remain stable throughout the plan

period, at about \$2 billion annually. The majority of this support is provided through Title I funding for low-income students (\$679 million), various school food programs (\$594 million), and the Individuals with Disabilities Education Act (\$291 million). This recurring federal education aid accounts for slightly more than 4 percent of the department’s total budget in FY 2027 and beyond; however, the current federal administration has indicated that it may seek to reduce financial support for school districts across the country.

Metropolitan Transportation Authority

The City’s May Plan continues to include significant funding for previously underbudgeted costs related to MTA services such as paratransit, MTA buses and the Staten Island Railway that was provided in the February Plan. As shown in Figure 36, City aid to the MTA is expected to rise from \$1.6 billion in FY 2025 to nearly \$1.8 billion in FY 2027, and rising further to \$1.9 billion by 2030 as the MTA projects these costs will continue to grow.

FIGURE 36
New York City Direct Aid to the MTA



Sources: NYC Office of Management and Budget; OSC analysis

The SFY 2025-26 State Enacted Budget extended the City’s responsibility for funding 50 percent of the net operating cost of the MTA’s paratransit service and an additional 30 percent (capped at \$165 million) for two years through June 30, 2027. The City has now budgeted for the 50 percent share in its financial plan and funded the additional \$165 million. OSC assumes the additional contribution will continue after FY 2027--resulting in a \$165 million risk in FY 2028, FY 2029 and FY 2030. The MTA’s financial plan assumes the City will pay 80 percent of the cost of paratransit with no cap but this requires State legislation to expand the cost to the City, suggesting a risk to the MTA’s budget as well. The MTA has suggested that the cap creates a penalty for expanding paratransit ridership.

The May Plan assumes that the State will provide \$200 million to the City for subsidies to MTA Bus in FY 2027. Using the MTA’s latest projections for City funding to MTA buses, OSC projects a remaining risk of \$113 million in FY 2026, \$40 million in FY 2028, \$41 million in FY 2029 and \$55 million in FY 2030 as pandemic-related federal funding that the MTA was using to reduce the City’s share expires in June 2026.

The May Plan added \$25 million in each of FY 2027 through FY 2030 to the Fair Fares program for a total of \$117 million to maintain the funding at the 2026 level for riders up to 150 percent of the federal poverty level. In the past, the City has not spent the whole allocation for Fair Fares as enrollment has not kept pace with the program expansion (\$81 million was spent in FY 2025 and \$62 million in the first 10 months of FY 2026).

The MTA updated its financial plan in February, which maintains budget balance in 2026, and shows budget gaps of \$160 million in 2027, \$243 million in 2028 and \$306 million in 2029, cumulatively \$418 million less than forecast in the MTA's July Plan. The gaps were reduced mostly through targeted additional savings from new operating efficiencies, including recurring savings of \$75 million starting in 2026. There are still \$74 million of unidentified savings in the MTA's plan in 2027, which are expected to rise to \$173 million by 2029. It is unclear whether any of these savings will come from services the City helps to fund. The MTA's financial plan also currently assumes proposed 4 percent increases in fare and toll yields in March 2027 and March 2029 after increases in January 2026. The MTA just settled a collective bargaining agreement with several Long Island Rail Road unions after a three-day strike. The unions agreed to a 4.5 percent wage increase in 2026, which is anticipated to include concessions of a value yet to be determined, which is higher than the 2 percent that was budgeted by the MTA. If applied to the whole MTA labor force, OSC estimates costs could be \$250 million higher than budgeted. The MTA is expected to update its budget and financial plan in July.

NYC Health + Hospitals

In total, the May Plan budgets \$2 billion in FY 2026, \$1.7 billion in FY 2027 and then about \$1.8 billion annually through FY 2030, to reimburse H+H for services for the City. On a net basis, all funds expenditures decreased by \$150.2 million in FY 2026, and increased by \$7.1 million in FY 2027, \$5.6 million in FY 2028, \$7 million in FY 2029 and \$8.4 million in FY 2030 compared to the February Plan.

The May Plan transferred \$325 million in the H+H City subsidy to the City's FY 2026 Medicaid budget to fund the City's share of supplemental Medicaid payments to H+H, reversing a transfer of these funds in the City's [November Plan](#), but having a net zero impact on the aggregate budget for both H+H and the City. This reversal is common in years where H+H receives State directed payments. In FY 2026, the City also transferred \$176 million in COVID-19 FEMA funding to H+H. The City reduced the H+H subsidy by \$14 million in FY 2026, \$25.8 million in FY 2027 and \$27 million annually in FY 2028 through FY 2030 as part of the City's savings program. Finally, about \$36.8 million in FY 2026, rising to \$45.4 million in FY 2030, was added to fund new needs.

New funding supports increased expenses in Correctional Health Services for affiliate contracts and pharmaceutical expenses of \$32 million in FY 2026, rising to \$40 million in FY 2030 and an increase to the H+H contract for medical malpractice services of \$4.3 million in FY 2026 rising to \$5 million in FY 2030. The May Plan also added \$30 million in City funds for H+H for services it provides to asylum seekers in FY 2026 to offset the \$37 million decline in federal revenue that was budgeted for these services and also transferred \$19 million in spending from H+H to DHS as the majority of asylum seekers are now being served by DHS. H+H does not have any asylum seeker funding budgeted beyond FY 2026.

As noted in OSC's [December 2025 report](#), the City shifted \$4 million annually from FDNY's budget to H+H to account for a restructuring of the Behavioral Health Emergency Assistance Response Division (B-HEARD). This restructuring has not occurred and the May Plan shifted \$2 million in FY 2026, \$4.8 million in FY 2027, \$6 million in FY 2028 and \$6.7 million in FY 2029 and again in FY 2030 from H+H back to FDNY to account for FDNY's continued role in B-HEARD and an expansion of the pilot program. See OSC's [March 2026 report](#) on the City's financial plan for additional adjustments made since the FY 2026 Adopted Plan and OSC's review of H+H's FY 2026 adopted accrual and FY 2027 preliminary cash plans.

H+H is also expected to accrue \$717 million in savings through FY 2032 from the City's proposal to achieve savings by reamortizing its unfunded pension liabilities (see the Expenditure Trends: Pension Contributions section for details). However, this benefit is offset by a change included in the May Plan's savings program requiring H+H to reimburse the City for debt service by \$204.7 million in FY 2026 and \$250 million in FY 2027. The City has not required H+H to make a debt service payment since FY 2021 as it dealt with the fiscal ramifications of the onset of the COVID-19 pandemic.

On May 27, 2026, the City and H+H released their FY 2027 Executive Plan, reflecting a lower planned cash position of about \$190 million annually in FY 2026 through FY 2030, as compared to the [H+H Preliminary Plan](#). H+H now expects to end FY 2026 with \$784 million and FY 2027 with \$927 million; while lower than the Preliminary Plan forecast, the FY 2026 level would still represent its highest closing cash balances in 18 years, which is primarily driven by a catch-up of prior-year State Directed Payments. Additionally, H+H Executive Plan shifts state-only funded patients back to Tiers 3 and 4 of the Essential Plan (which pays at a higher rate) and removes Essential Plan patients within the 200-250 percent of federal poverty level effective July 1, 2026, after the State received approval to reinstate the plan. The H+H Executive Plan also reflects the City's financial plan initiatives noted above and reflects the delayed receipt of \$446 million in supplemental Medicaid payment from FY 2026 to FY 2027.

The SFY 2026-2027 Enacted Budget includes new health care investments such as Medicaid rate increases for inpatient and outpatient and nursing home services which will provide H+H with additional financial support that is not yet reflected in its Executive Plan.

On October 16, 2025, as part of the State's Health Care Safety Net Transformation program, the Governor announced a partnership between H+H and Brooklyn-based Maimonides Medical Center. H+H was awarded a \$2.2 billion State grant to support operating and capital costs as well as debt forgiveness over a five-year transition period, during which the State will also ensure no new costs for H+H while operational and financial improvements are implemented at Maimonides. The arrangement was initially expected to be finalized by March 31, 2026, and remains pending after the Attorney General declined to approve the transaction through an administrative process, instead requiring that it proceed through a judicial review. The proposed merger has also prompted two lawsuits. Most recently, a State judge ruled that the merger must go through a formal review by New York's Public Health and Health Planning Council which will further delay the merger's closing and postpone aid to Maimonides. H+H has since submitted a certificate of need application for the merger.

H+H relies on significant revenue from the Medicaid program, and the majority of H+H inpatient discharges (70 percent) are patients covered by Medicaid or the Essential Plan. Federal H.R. 1

includes provisions that would severely impact Medicaid and the Essential Plan, and therefore H+H's patient and revenue base. Other programmatic and reimbursement changes imposed by the State or federal government could also impact H+H's financial condition and put pressure on the City to provide additional financial support or require H+H to reduce or restructure services.

New York City Housing Authority

The May Plan provides \$542 million in FY 2026 operating revenues for the New York City Housing Authority (NYCHA), down by about \$12.6 million from February due to a reduction in federal Community Development Block Grant Disaster Relief (CDBG-DR) funding. City support for NYCHA includes \$336.8 million in City funding and \$204.8 million in pass through federal grants. The City added about \$77.2 million in cumulative spending on initiatives between FY 2027 and FY 2030, including \$40 million for the Vacant Unit Readiness Program, and \$35.9 million for repair resources and services. This is partially offset by an additional \$17.9 million in CDBG-DR reductions in FY 2027. Capital funding for traditional Section 9 housing, unchanged in FY 2026, has been increased to \$118 million FY 2027 due to technical adjustments and new Mayoral and Borough President funding.

At the outset of 2026 (NYCHA operates on a calendar year), NYCHA assumed operating expenditures of \$5.6 billion and capital expenditures of \$3.6 billion. NYCHA relies heavily on federal funding for both operating and capital, much of which comes from the Department of Housing and Urban Development (HUD). HUD provides Section 8 and operating subsidies which comprise around 70 percent of operating budget revenues in 2026. As such, recent uncertainty surrounding federal funding levels poses a risk to NYCHA's operations.

Budget bills for FFY 2026 passed in March included a 14.4 percent cut to the federal HUD operating fund. This could mean a reduction of \$150 million or more in funding for NYCHA. While HUD has recently announced a total of \$337 million in nationwide shortfall assistance to support public housing agencies facing budget gaps, NYCHA has noted they have historically not received competitive shortfall funding, despite eligibility.

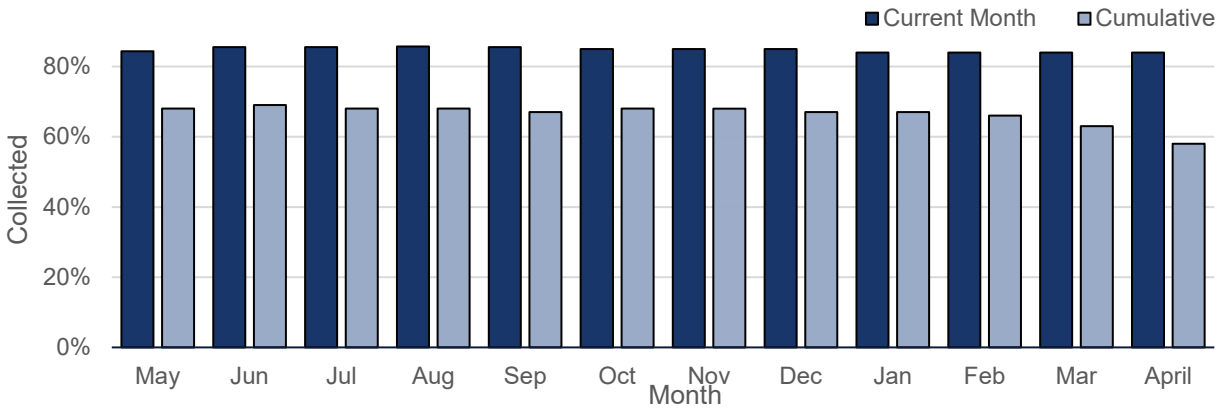
HPD and NYCHA are also facing impending cuts to HUD's Emergency Housing Voucher (EHV) program, which will likely be fully depleted of funding before the end of 2026. The program was created through the federal American Rescue Plan in March of 2021 to provide support to families and individuals facing homelessness and housing instability due to several qualifying circumstances, including domestic violence, sexual assault, and recent homelessness.

HPD and NYCHA received about 7,800 vouchers, which were distributed to qualifying applicants beginning in July of 2021. Currently, about 7,200 of these EHV's remain in use. As the program winds down, HPD and NYCHA have encouraged EHV holders to apply for alternative subsidized housing. As of May, NYCHA reported matching more than 300 EHV tenants with units within its subsidized housing portfolio, with plans to continue matching additional households.

Subject to HUD approval, the City plans to reallocate alternative federal funding sources and stand up a new HOME-Tenant Based Rental Assistance (TBRA) program to benefit EHV holders. HOME-TBRA provides households with transferrable subsidies they may be able to apply to their existing rental unit. In City Council testimony, NYCHA noted this reallocated funding may assist up to 1,700 EHV households. Finally, other federal and City programs

available to EHV residents may allow NYCHA to help nearly 100 additional eligible households remain in some form of subsidized housing. While it is unclear how many EHV holders will receive transitional support at this time, taken together, HPD and NYCHA anticipate converting a majority of EHV households to other forms of subsidized housing in 2026.

FIGURE 37
Current Month vs. Cumulative Rent Collection Rates
12-Month Rolling Average



Source: New York City Housing Authority

As of April 2026, NYCHA’s rental arrears balance, a tally of all tenants’ unpaid rent, stands at \$493 million. Discounting rent in arrears, NYCHA is currently collecting an average of 84 percent of all new rent charged each month, below its 88 percent target. Including arrears, NYCHA’s average collection rate drops to 58 percent of total monthly rent owed (see Figure 37).

NYCHA’s Permanent Affordability Commitment Together (PACT) program, an extension of the federal Rental Assistance Demonstration (RAD) initiative, partners NYCHA with private developers and property managers in an effort to renovate as many as 62,000 units by 2028. As of April, repairs to 31,472 units were completed or underway, with another 14,222 units in the planning and resident engagement process. Serving as a PACT alternative, NYCHA’s Housing Preservation Trust is a public benefit corporation through which NYCHA may access federal Section 8 funding without the need for a third-party property management partner. The Trust currently oversees an additional 1,776 units in the planning and resident engagement phase.

Appendix A: City-Funded Agency Spending Levels

(Agency totals exclude asylum seeker funds)

(dollars in millions)

	Final June Plan		FY 2027 May Plan			FY 19-25 CAGR	FY 26-30 CAGR
	FY 2019	FY 2025 (adj)	FY 2026 (adj)	FY 2027 (adj)	FY 2030 (adj)		
Agency Expense							
Uniformed Forces							
Police	\$5,321	\$6,297	\$6,368	\$6,282	\$6,458	2.8%	0.4%
Fire	1,855	2,517	2,492	2,291	2,287	5.2%	-2.1%
Correction	1,368	1,337	1,376	1,257	1,343	-0.4%	-0.6%
Sanitation	1,746	1,841	2,338	2,096	2,296	0.9%	-0.4%
Subtotal	\$10,290	\$11,992	\$12,574	\$11,925	\$12,385	2.6%	-0.4%
Health and Welfare							
Social Services	7,729	10,244	11,782	11,831	13,440	4.8%	3.3%
Homeless Services	1,339	2,221	2,524	2,368	2,749	8.8%	2.2%
Health and Mental	860	1,351	1,473	1,543	1,580	7.8%	1.8%
Children's Services	1,069	1,161	1,414	1,403	1,536	1.4%	2.1%
All Other	1,810	3,694	3,432	3,587	3,765	12.6%	2.3%
Subtotal	\$12,806	\$18,672	\$20,626	\$20,733	\$23,071	6.5%	2.8%
Education	13,590	17,595	20,698	20,705	23,048	4.4%	2.7%
City University	858	997	1,136	1,176	1,258	2.5%	2.6%
Subtotal	\$14,448	\$18,592	\$21,834	\$21,881	\$24,306	4.3%	2.7%
Environmental	1,222	1,619	1,704	1,749	1,714	4.8%	0.1%
Transportation	616	882	981	1,034	1,077	6.2%	2.4%
Parks and Rec.	432	573	632	615	613	4.8%	-0.8%
Citywide Admin.	331	461	501	468	464	5.7%	-1.9%
Housing Pres. and	242	498	580	630	650	12.8%	2.9%
All Other	3,179	4,295	4,638	4,323	4,120	5.1%	-2.9%
Subtotal	\$6,022	\$8,328	\$9,036	\$8,819	\$8,638	5.6%	-1.1%
Elected Officials	709	968	1,036	1,067	1,033	5.3%	-0.1%
General Reserve	20	20	---	100	1,200	0.0%	---
Agency Total	\$44,295	\$58,573	\$65,105	\$64,525	\$70,632	4.8%	2.1%
Other Expense							
Pension	9,801	9,885	9,603	8,514	8,577	0.1%	-2.8%
Miscellaneous	7,561	11,076	12,393	12,957	17,966	6.6%	9.7%
Debt Service	6,155	6,848	5,255	8,134	12,478	1.8%	24.1%
Citywide Savings	---	---	(212)	---	(89)	0.0%	-19.4%
All Other	(300)	(816)	(1,709)	(400)	414	18.1%	---
Subtotal	\$23,217	\$26,994	\$25,330	\$29,205	\$39,346	2.5%	11.6%
Total	\$67,512	\$85,567	\$90,436	\$93,730	\$109,97	4.0%	5.0%
Asylum Seeker (City)	---	1,510	1,258	1,160	500	---	-20.6%
Total City	\$67,512	\$87,077	\$91,693	\$94,890	\$110,47	4.3%	4.8%

Notes: The Department of Education and City University plan numbers include fringe benefits. FY 2019 Miscellaneous budget is adjusted to exclude Criminal Justice and Indigent Defense contracts that were previously budgeted in Miscellaneous. "All Other" under Other Expense includes prior year payable adjustments, energy, lease and OTPS adjustments, and Retiree Health Benefits Fund.

Sources: NYC Office of Management and Budget; OSC analysis

Appendix B: Full-Time Staffing Levels

(Number of full-time Employees)

					Variance – Better/(Worse)		
	Actual	Actual	Forecast	May Plan	Mar. 2026 Actual to June 2027 Forecast		
	June 2020	Mar. 2026	June 2026	June 2027	City Funds	Non-City Funds	Total Funds
Public Safety	85,806	76,997	81,208	81,176	4,203	(24)	4,179
Police Uniformed	35,910	33,568	35,025	35,370	1,798	4	1,802
Civilian	15,519	12,674	13,579	13,386	801	(89)	712
Fire Uniformed	11,047	11,094	11,294	11,294	195	5	200
Civilian	6,366	5,950	6,409	6,430	492	(12)	480
Correction Uniformed	9,237	5,638	6,674	6,474	837	(1)	836
Civilian	1,741	1,549	1,752	1,747	195	3	198
District Attys.& Prosec.	4,843	5,680	5,426	5,426	(210)	(44)	(254)
Probation	1,116	815	1,018	1,018	93	110	203
Board of Correction	27	29	31	31	2	0	2
Health & Welfare	27,878	25,405	28,594	28,554	2,050	1,099	3,149
Social Services	12,330	10,842	12,445	12,443	732	869	1,601
Children's Services	7,039	6,445	7,018	7,025	489	91	580
Health & Mental	5,530	5,568	6,070	6,098	431	99	530
Homeless Services	2,119	1,623	2,021	1,932	340	(31)	309
Other	860	927	1,040	1,056	58	71	129
Environment & Infra.	26,365	26,665	28,212	28,614	444	1,505	1,949
Sanitation Uniformed	7,755	8,311	7,957	8,080	(231)	0	(231)
Civilian	2,107	1,608	1,668	1,694	75	11	86
Transportation	5,120	5,206	5,907	6,046	243	597	840
Parks & Recreation	4,236	4,836	5,102	5,141	223	82	305
Environmental	5,891	5,567	6,380	6,439	106	766	872
Other	1,256	1,137	1,198	1,214	28	49	77
General Government	12,634	11,635	12,958	13,124	1,501	(12)	1,489
Finance	1,996	1,720	2,003	2,009	287	2	289
Law	1,713	1,398	1,609	1,807	402	7	409
Citywide Admin. Svcs.	2,403	2,018	2,427	2,429	298	113	411
Taxi & Limo. Comm'n.	584	462	494	494	32	0	32
Investigations	361	275	302	282	7	0	7
Board of Elections	682	693	517	517	(176)	0	(176)
Info. Tech. & Telecom.	1,673	1,457	1,536	1,596	146	(7)	139
Other	3,222	3,612	4,070	3,990	505	(127)	378
Housing	4,088	4,065	4,660	4,725	362	298	660
Buildings	1,676	1,601	1,837	1,855	253	1	254
Housing Preservation	2,412	2,464	2,823	2,870	109	297	406
Dept. of Education	134,684	138,334	140,511	141,414	1,472	1,608	3,080
Pedagogues	121,077	124,695	127,777	128,516	2,273	1,548	3,821
Non-Pedagogues	13,607	13,639	12,734	12,898	(801)	60	(741)
City University of NY	6,288	5,724	6,028	6,024	300	0	300
Pedagogues	4,545	4,261	4,289	4,289	28	0	28
Non-Pedagogues	1,743	1,463	1,739	1,735	272	0	272
Elected Officials	2,703	2,927	3,418	3,540	555	58	613
Total	300,446	291,752	305,589	307,171	10,887	4,532	15,419

Sources: NYC Office of Management and Budget; OSC analysis

Endnotes

- ¹ Zillow, “Zillow Home Value Index, All Homes, Smoothed & Seasonally Adjusted,” for New York MSA, accessed on June 4, 2026, <https://www.zillow.com/research/data/>.
- ² MarketBeat Manhattan Office Q1 2026,” Cushman & Wakefield, <https://www.cushmanwakefield.com/en/usa/insights/us-marketbeats/new-york-city-area-marketbeats>.
- ³ “New York City Office Market Update” Newmark, April 2026, <https://www.nmrk.com/insights/market-report/manhattan-market-reports>.
- ⁴ The SFY 2022-23 Enacted Budget created the PTET for the City which went into effect in FY 2023. When combined with PIT, the PTET is expected to be revenue neutral for the City. See OSC’s [June Plan report](#).
- ⁵ Federal Reserve, *The Beige Book*, April 2026.
- ⁶ Conditional Meeting Probabilities, FedWatch Tool, CME Group, accessed May 14, 2026, <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html>.
- ⁷ Outstanding Residential Mortgage Statistics, National Mortgage Database Aggregate Statistics, Federal Housing Finance Agency, accessed on May 14, 2026, <https://www.fhfa.gov/data/nmdb>.
- ⁸ To date, approximately 98 percent of the City’s unionized workforce have settled contracts based on the five-year pattern framework. The civilian pattern established under the DC 37 agreement provides for base wage increases totaling 16.21 percent compounded over five years beginning the day after the expiration of the previous civilian contract. The uniformed pattern established under the PBA agreement provides for base wage increases totaling 18.98 percent compounded over five years (including 0.21 percent in funding for entry and early tenure pay).
- ⁹ Samantha Maldonado, “Candidate Mamdani Backed Expanding Housing Vouchers. As Mayor, He’s Appealing a Court Order To Do So.,” *The City*, March 24, 2026, <https://www.thecity.nyc/2026/03/24/cityfheps-mamdani-vouchers-court-appeal/>.
- ¹⁰ New York City Office of Management and Budget, *NYC Climate Budgeting Report: Climate Alignment Assessment and Capital Climate Investments*, uploaded to NYC Open Data on May 19, 2026, <https://data.cityofnewyork.us/d/c99a-c5ux>.



Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236

(518) 474-4044

www.osc.ny.gov

Prepared by the Office of the State Deputy Comptroller for the City of New York

Name, Title



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