

The City of New York
Preliminary Budget
Fiscal Year 2026

Eric Adams, Mayor

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Financial Plan Summary

THE FISCAL YEAR 2026 PRELIMINARY BUDGET

**WORKING EVERY DAY TO MAKE NEW YORK CITY
THE BEST PLACE TO RAISE A FAMILY**

**CRIME IS DOWN, JOBS ARE UP, AND WE
CONTINUE TO MAKE THIS A SAFER, MORE
AFFORDABLE CITY**

**WE DO THIS WITH STRONG FISCAL
MANAGEMENT AND STRATEGIC INVESTMENTS**

We Continue to Deliver for New Yorkers Because of Our Strong Fiscal Management

- **Despite facing challenges, we balanced the FY25 and FY26 budgets with strong fiscal management, savings, and revenue gains from a robust economy**
- **Because we set the table for success, we are protecting critical programs, and investing more in mental health, public safety, education, housing, and affordability**

Reducing Asylum Seeker Costs With Action and Advocacy

- The number of migrants in our care has dropped from a high of 69,000 in January 2024 to below 50,000 today
- This trend is due to actions we have taken to help migrants take the next steps toward self-sufficiency, including our 30- and 60-day notices, and changes in federal border policy that our administration advocated for
- This will save \$2.4 billion over two years and reduce the asylum seeker budget to nearly \$3.3 billion in FY25 and almost \$2.7 billion in FY26
- NYC has spent more than \$6.9 billion to feed, house, and care for nearly 230,000 asylum seekers since spring 2022

**THE NATIONAL AND LOCAL ECONOMIES
REMAIN STRONG, THOUGH WE FACE
UNCERTAINTY AND MUST REMAIN
CAUTIOUS**

National Economic Indicators Are Generally Positive

- National Economy: Growth was strong at 2.7% in 2024, though will slow to 2% in 2025
- Jobs: The U.S. labor market continues to expand but growth is decelerating
- Corporate Profits: At record levels, up over 50% since 2019
- Wall Street: Wall Street profits will strengthen in 2025 and 2026
- Markets: Robust growth in equity markets boosted the S&P index by 23% in 2024 to a record high in December
- Inflation: Price increases are slowing nationwide with the NYC MSA inflation rate expected to dip below the national rate in mid-2025

The City's Economy is Strong

- **Jobs:** NYC's job market continues to expand with annual growth remaining stronger than both NYS and the U.S.
 - NYC has achieved nearly 4.8 million public- and private- sector jobs — more total jobs under this administration than ever before in our city's history
 - 348,300 jobs have been created during the Adams administration — outpacing 46 states over the same time
- **Tourism:** The city welcomed over 64 million visitors in 2024 — the second-highest level in city history and a 3.4% increase over 2023
- **Tourism is projected to exceed pre-pandemic levels this year**

Despite a Strong Economy – We Remain Cautious

- Real Estate: The market is slowing as interest rates are relatively high
- Housing: Market activity remains subdued, though expected interest rate cuts will encourage a slow recovery
- Commercial Office Vacancies: Stubbornly high office vacancy rates appear to have peaked this year and are expected to decline over the financial plan

The Impact of the Incoming Federal Administration's Potential Actions Are Uncertain

- There is uncertainty around how new trade, immigration, regulatory, fiscal, and grant funding policies will impact New Yorkers
- We will remain cautious and will monitor the impact of the incoming administration's actions on the federal, state, and local economies, and our fiscal stability

What Does This Mean for New Yorkers?

- National and local economic growth and strong Wall Street performance lend stability to the city budget
- The city's ongoing recovery is a reflection of our strong fiscal management and the administration's priorities that keep NYC a safe and clean place to live, work, and raise a family
- We will remain vigilant and maintain fiscal discipline to protect the continuity of service delivery for New Yorkers and promote affordability

THE FY26 PRELIMINARY BUDGET

The Fiscal Year 2026 Preliminary Budget is Balanced at \$114.5 Billion

- We closed the \$5.5 billion FY26 budget gap with a combination of new revenue, savings, and — through careful fiscal management — a \$2.3 billion prepayment from FY25 into FY26
- We reduced outyear gaps below their November 2024 Financial Plan levels to:
 - FY27: \$4.2 billion
 - FY28: \$5.4 billion
 - FY29: \$5.1 billion

Strong Economic Growth Drove an Upward Revision of Tax Revenues

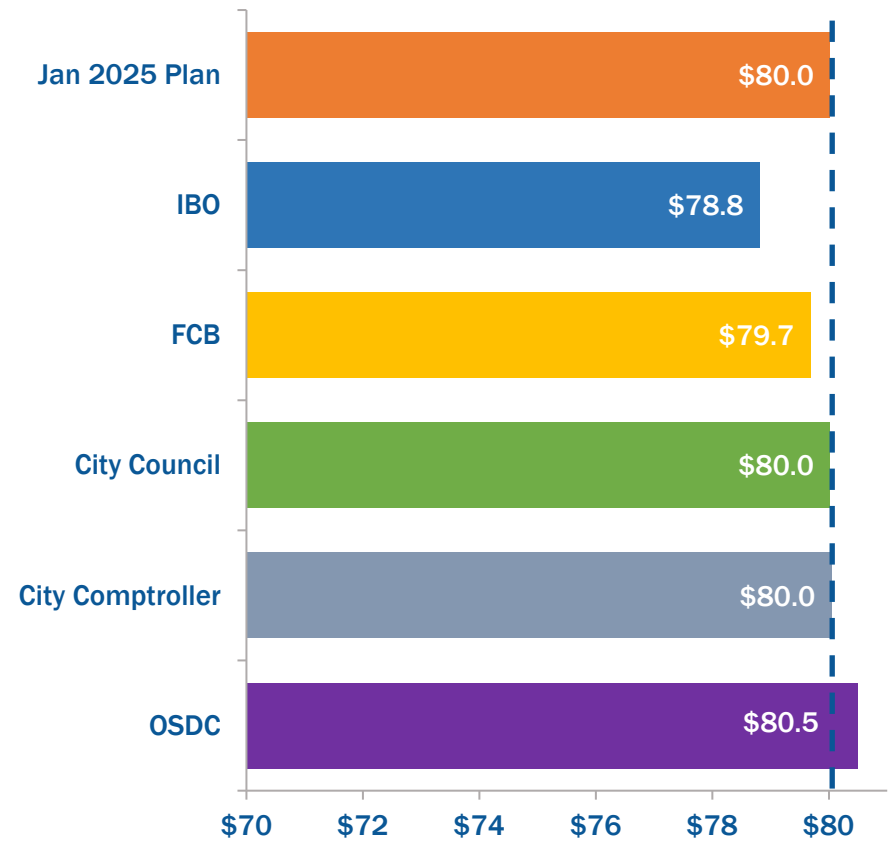
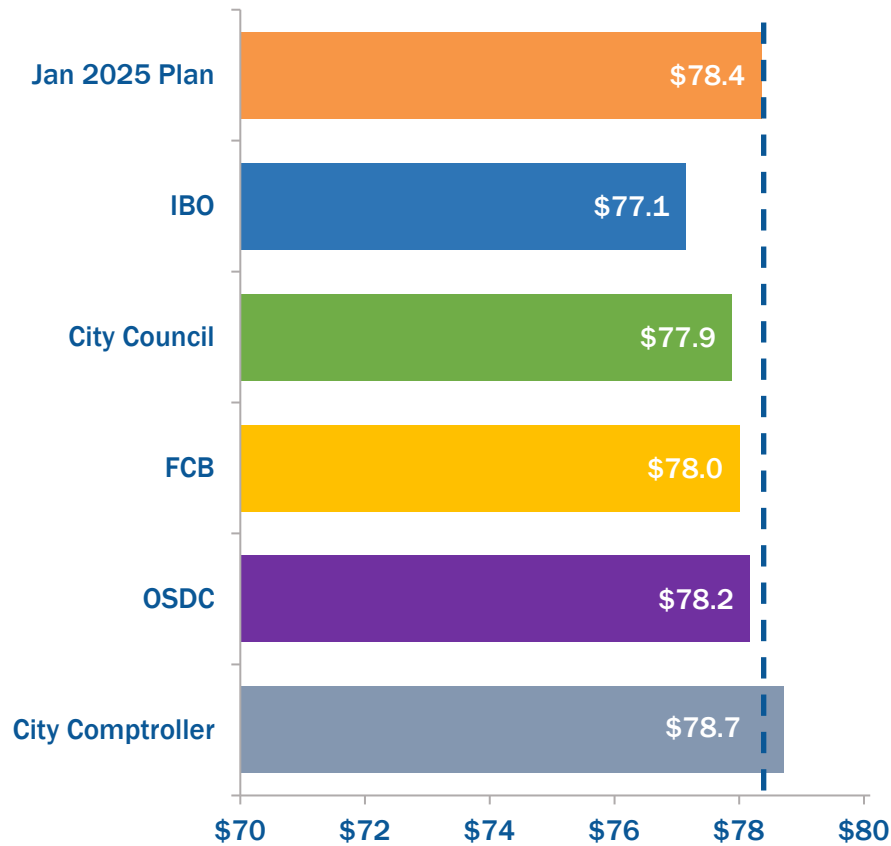
- Tax revenue has been revised up by \$1.1 billion in FY25 and \$2 billion in FY26, compared with the November 2024 Financial Plan Update
 - Gains are driven by growth in business taxes fueled by strong Wall Street performance in 2024 that is expected to continue in 2025 and 2026
- Property tax — the city's single largest revenue source — remains subdued throughout the financial plan

The City's Tax Revenue Forecast Is At or Above Council and Fiscal Monitors' Estimates

FY 2025 (\$ in billions)

FY 2026 (\$ in billions)

--- Variance from OMB Jan 2025



We Saved Taxpayers \$3.4 Billion Over Two Fiscal Years

- **We achieved citywide savings of \$1.3 billion in FY25 and \$1.4 billion in FY26**
 - Without any service cuts, layoffs, or a single penny in tax hikes
 - Savings will be reinvested in programs and services and helps balance the budget
 - Includes asylum seeker savings of \$1.1 billion in FY25 and \$1.3 billion in FY26
- **In addition, we saved just over \$270 million in pension costs and \$400 million in the labor reserve over the two years**

Filling Gaps to Protect Critical Programs

- We added almost \$1.2 billion in the current fiscal year to protect critical services:
 - Shelter re-estimate (\$554 million)
 - Rental assistance, including CityFHEPS (\$325 million)
 - New York City Public Schools' nurses (\$129 million)
 - New York City Department of Health and Mental Hygiene school nurses (\$96.2 million)
 - Supportive housing (\$64.2 million)

Meeting Federal and State Funding Mandates

- We added more than \$500 million to fund state and federal mandated costs:
 - MTA contribution (\$241 million)
 - Increased state-mandated reimbursement costs for foster parents, adoptive parents, and kinship guardians (\$139 million)
 - Charter schools (\$87 million)
 - Early intervention (\$55 million)

FY26 Budget Reserves Are at a Record High Level

- **Budget Reserves are a record level \$8.5 billion**
 - **General Reserve: \$1.2 billion**
 - **Rainy Day Fund: \$2 billion**
 - **Retiree Health Benefits Trust: \$5 billion**
 - **Capital Stabilization Reserve: \$250 million**

**FY26 INVESTMENTS:
MAKING NEW YORK CITY SAFER, MORE
AFFORDABLE, AND MORE LIVABLE FOR
WORKING-CLASS FAMILIES**

**BUILDING ON OUR COMMITMENT TO
KEEPING NEW YORKERS SAFE**

State of the City Commitment: Tackling Homelessness With Care and Compassion

- A bold plan announced at State of the City 2025 to get homeless New Yorkers the help they need (\$137 million in FY26):
 - Adding 900 Save Haven beds and supporting 24/7/365 citywide street subway outreach to help eliminate obstacles to shelter and encourage care
 - Launching the “Bridge to Home” pilot that provides homeless New Yorkers with serious mental illness with psychiatric and substance abuse treatment and temporary housing
 - Adding 100 additional Runaway Homeless Youth shelter beds bringing the total number of beds to 913
 - Launching a pilot program to connect soon-to-be parents applying for shelter with rental assistance and preventing homelessness before their child is born

Keeping New Yorkers Safe

- **Completing infrastructure upgrades at the Woodhull Outposted Therapeutic Housing Unit — a secure hospital unit to help treat patients in custody with serious health conditions that will open in 2027 (\$32 million)**
- **Enhancing Department of Correction recruiting efforts with targeted advertising campaigns, in-person events, and more to help fill vacant positions (\$5 million)**
- **Bolstering security and safety for staff and people in custody at Department of Correction facilities with facility improvements (\$2.5 million)**

Keeping New Yorkers Safe

- Adding hundreds of Daylight Intersection Hardening fixtures, such as granite blocks or bike racks, across the city to increase visibility and improve safety for motorists, pedestrians, and cyclists (\$3.9 million)
- Increasing swim safety programming by adding more lifeguards and staff to offer free swim lessons to an additional 4,800 students (\$5.5 million)

INVESTING IN A MORE AFFORDABLE NEW YORK CITY FOR FAMILIES

Taking Bold and Historic Steps Towards Affordability

- **“City of Yes for Housing Opportunity”**: the most pro-housing zoning proposal in city history
 - Bringing long-overdue change to New York City’s zoning code and building a little more housing in every neighborhood
 - Creating up to 80,000 new homes and investing \$5 billion in housing and infrastructure over the next 15 years
 - Helping more families find homes in the five boroughs by turning New York city into a “City of Yes for Families”

- **“Axe the Tax for the Working Class”**
 - Historic proposal eliminates the New York City Personal Income Tax for eligible working-class families
 - Puts an average of \$350 back into the pockets of eligible families, helping 582,000 New Yorkers
 - We are calling on the state Legislature and the governor to pass “Axe the Tax” in the 2026 state budget

Making New York City Housing More Affordable

- Funding for Anti- Harassment Tenant Protection Program legal services to proactively engage tenants experiencing landlord harassment (\$7.6 million)
- Investing in the PEU Home Support Unit, which works with landlords, real estate agents, and property managers to refer vacant apartments to the rental subsidy programs (\$2.2 million)

Making New York City More Affordable for Families

- Expanding capacity for the Fatherhood Initiative that helps fathers strengthen relationships with their children by promoting engagement, responsibility, and financial support (\$2 million)

Upstream Solutions That Will Make New York City More Affordable

- **Funding administrative support for monthly JobsNYC hiring halls, including identifying venues, liaising with the local community to identify interested employers, and advertising locally within communities experiencing high unemployment (\$2 million)**
- **Supporting a pre-apprenticeship initiative that works with low-income participants to prepare them for building trades apprenticeships as unionized ironworkers, plumbers, painters, and electricians (\$1 million)**

IMPROVING QUALITY OF LIFE FOR NEW YORKERS

Improving Quality of Life For New Yorkers

- Expanding Department of Parks & Recreation second shift cleaning to 100 more hot spots at 64 parks (\$12.4 million)
- Hiring 12 additional staff to visit and treat approximately 4,000 tree beds per year to help reduce the rat population and address public service requests (\$924,000)
- Opening additional school yards for use as public playgrounds as part of the School Yards to Playgrounds initiative and putting 20,000 more New Yorkers in walking distance of a park (\$770,000)

Improving Quality of Life For New Yorkers

- **Creating five additional Cultural Institutions Groups that will receive operating support from the city to help meet basic needs (\$3 million)**
- **Funding for 54 programming and support staff, such as recreation specialists and lifeguards, at the new Shirley Chisholm Recreation Center in East Flatbush that is set to open in July 2025 (\$4.8 million)**
- **Supporting neighborhood development initiatives, including merchant organizing, and Business Improvement District formation, throughout the city to support services like graffiti removal, streetscape beautification, and public arts projects (\$5.3 million)**

INVESTING IN OUR CHILDREN'S EDUCATION

Investing in Our Children's Education

- **Continuing support for the Summer Rising academic and enrichment programming, which includes a savings restoration of \$20 million for extended hours and Friday services to about 30,000 middle school participants (\$100 million)**
- **Supporting Learning to Work, which helps re-engage students who have fallen behind earn a high school diploma and prepare for college and careers (\$31 million)**

Investing in Our Children's Education

- **Expanding the Pathways program to provide career readiness opportunities to students at New York City Public Schools (\$17.5 million)**
- **Supporting multiple programs that help young New Yorkers learn, work and develop independent living skills (\$15 million)**
- **Create a Financial Education Resource Hub in schools that offers financial education workshops and trainings on key financial topics (\$4.4 million)**

PRELIMINARY 10-YEAR CAPITAL STRATEGY

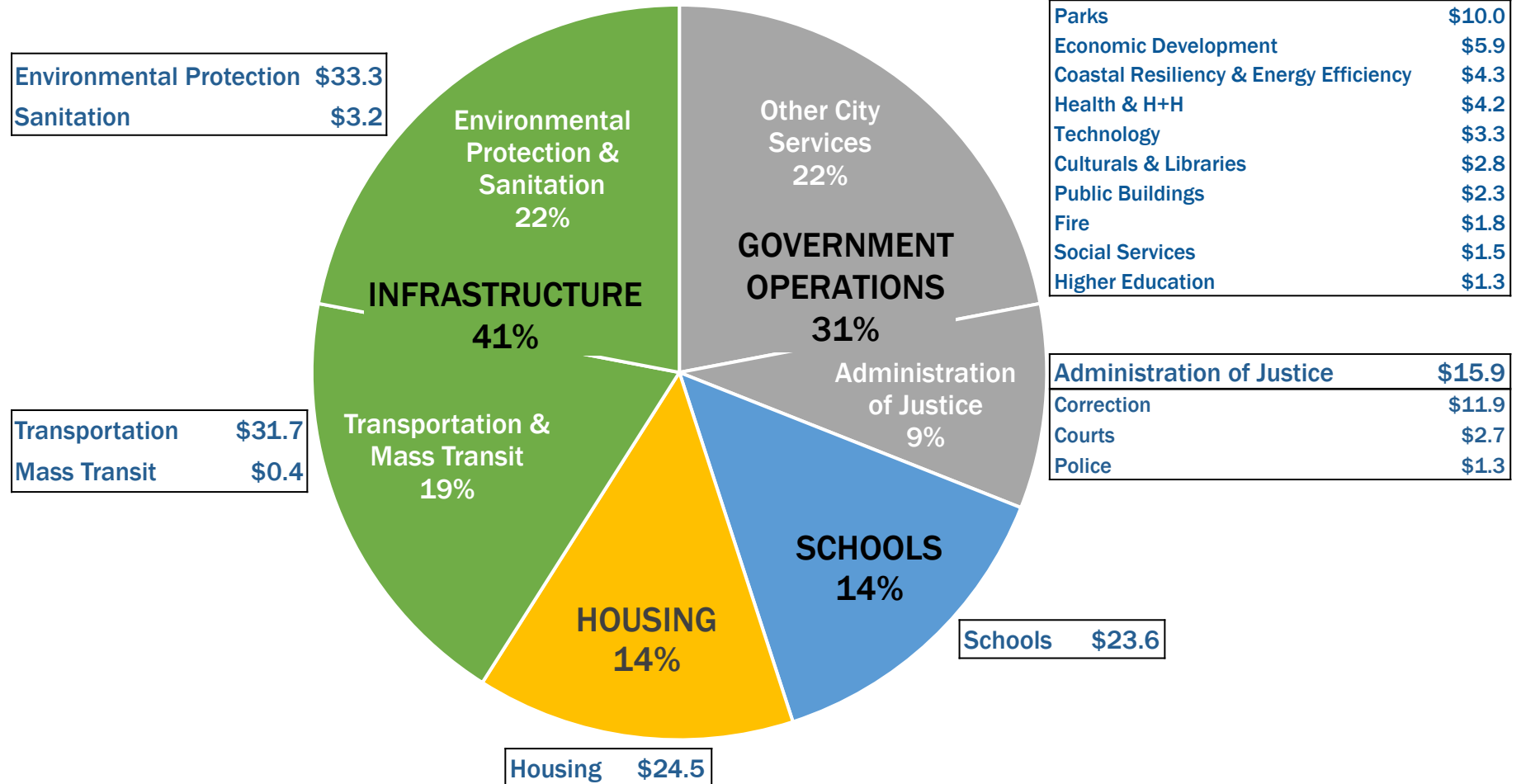
Our Preliminary 10-Year Capital Strategy is \$170 Billion

- The city will invest \$170 billion over the next decade to improve infrastructure, including roads, bridges, schools, water and sewer facilities, libraries, and transportation systems, in neighborhoods across the five boroughs
- This includes:
 - \$36.5 billion for DEP and DSNY
 - \$32.1 billion for transportation and mass transit
 - \$24.5 billion for affordable housing
 - \$23.6 billion for schools
 - \$15.9 billion for DOC, courts, NYPD
 - \$37.4 billion for other city services, including
 - \$10 billion for NYC Parks & Recreation
 - \$2.8 billion for cultural institutions and libraries

Preliminary Ten-Year Capital Strategy 2026 - 2035

Totals \$170.0 Billion in All Funds

\$ in Billions



REVENUE AND EXPENSE CHANGES

January 2025 Financial Plan

City Funds - (\$ in Millions)

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Gap to be Closed - November 2024 Financial Plan	\$--	(\$5,457)	(\$5,572)	(\$6,336)	(\$8,887)
REVENUE CHANGES:					
Tax Revenues	\$1,111	\$2,041	\$1,262	\$1,343	\$4,250
Axe the Tax	---	(63)	(65)	(68)	(70)
Non-Tax Revenues	60	50	45	38	43
Unrestricted Aid	2	---	---	---	---
Total Revenue Changes	\$1,173	\$2,028	\$1,242	\$1,313	\$4,223
EXPENSE CHANGES:					
Agency Expense Changes	\$2,550	\$508	\$363	\$379	\$385
Projected PS & OTPS Savings	(148)	(56)	(56)	(56)	(56)
Asylum Seekers	(1,090)	(1,340)	(400)	---	---
Labor Reserves	(400)	---	---	---	---
Pensions	3	(274)	13	14	15
Debt Service	(40)	(19)	(3)	21	73
General Reserve	(1,150)	---	---	---	---
Capital Stabilization Fund	(250)	---	---	---	---
Re-estimate of Prior Years' Expenses and Receivables	(550)	---	---	---	---
Total Expense Changes	(\$1,075)	(\$1,181)	(\$83)	\$358	\$417
Gap to be Closed Before Prepayments	\$2,248	(\$2,248)	(\$4,247)	(\$5,381)	(\$5,081)
FY 2025 Prepayment	(\$2,248)	\$2,248	\$--	\$--	\$--
Gap to be Closed - January 2025 Financial Plan	\$--	\$--	(\$4,247)	(\$5,381)	(\$5,081)
Total Asylum Seekers Plan					
	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
City Funds	\$1,906	\$1,601	\$1,600	\$500	\$500
State Funds	1,317	1,000	1,000	350	350
Federal Funds	60	59	---	---	---
Total	\$3,283	\$2,660	\$2,600	\$850	\$850

Five Year Financial Plan Revenue And Expenditures

City Funds - (\$ in Millions)

REVENUES	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Taxes					
General Property Tax	\$34,223	\$34,839	\$35,831	\$36,659	\$37,491
Other Taxes	43,364	44,409	45,429	46,975	49,047
Tax Audit Revenue	773	773	773	773	773
Subtotal: Taxes	\$78,360	\$80,021	\$82,033	\$84,407	\$87,311
Miscellaneous Revenues	8,328	7,901	7,837	7,866	7,899
Unrestricted Intergovernmental Aid	16	---	---	---	---
Less: Intra-City Revenue	(2,058)	(1,808)	(1,796)	(1,791)	(1,791)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Total City Funds	\$84,631	\$86,099	\$88,059	\$90,467	\$93,404
EXPENDITURES					
Personal Service	\$43,692	\$46,136	\$48,025	\$50,431	\$51,412
Other Than Personal Service	35,249	32,165	33,380	33,554	34,317
Debt Service ^{(1), (2)}	7,693	8,692	9,451	10,413	11,306
FY 2024 Budget Stabilization ⁽¹⁾	(4,397)	---	---	---	---
FY 2025 Budget Stabilization ⁽²⁾	2,344	(2,344)	---	---	---
Capital Stabilization Reserve	---	250	250	250	250
General Reserve	50	1,200	1,200	1,200	1,200
Total Expenditures	\$84,631	\$86,099	\$92,306	\$95,848	\$98,485
Gap To Be Closed	\$---	\$---	(\$4,247)	(\$5,381)	(\$5,081)

(1) Fiscal Year 2024 Budget Stabilization total \$4.397 billion, including GO of \$1.954 billion and TFA-FTS of \$2.443 billion.

(2) Fiscal Year 2025 Budget Stabilization total \$2.344 billion.

Five Year Financial Plan Revenue And Expenditures

All Funds - (\$ in Millions)

REVENUES	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Taxes					
General Property Tax	\$34,223	\$34,839	\$35,831	\$36,659	\$37,491
Other Taxes	43,364	44,409	45,429	46,975	49,047
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Less: Intra-City Revenue	(2,058)	(1,808)	(1,796)	(1,791)	(1,791)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$84,631	\$86,099	\$88,059	\$90,467	\$93,404
Other Categorical Grants	1,186	1,116	1,111	1,109	1,108
Inter-Fund Revenues	766	777	778	778	778
Federal Categorical Grants	9,689	7,371	7,190	7,244	7,305
State Categorical Grants	20,220	19,161	19,185	18,680	18,843
Total Revenues	\$116,492	\$114,524	\$116,323	\$118,278	\$121,438
EXPENDITURES					
Personal Service					
Salaries and Wages	\$32,834	\$34,019	\$34,956	\$35,897	\$36,688
Pensions	10,071	10,574	10,927	11,770	11,312
Fringe Benefits	14,022	14,688	15,264	15,875	16,515
Subtotal: Personal Service	\$56,927	\$59,281	\$61,147	\$63,542	\$64,515
Other Than Personal Service					
Medical Assistance	\$6,743	\$6,583	\$6,733	\$6,883	\$7,033
Public Assistance	2,570	1,650	2,000	2,463	2,905
All Other	46,453	40,896	41,467	40,602	41,010
Subtotal: Other Than Personal Service	\$55,766	\$49,129	\$50,200	\$49,948	\$50,948
Debt Service ^{(1),(2)}	7,860	8,816	9,569	10,510	11,397
FY 2024 Budget Stabilization ⁽¹⁾	(4,397)	---	---	---	---
FY 2025 Budget Stabilization ⁽²⁾	2,344	(2,344)	---	---	---
Capital Stabilization Reserve	---	250	250	250	250
General Reserve	50	1,200	1,200	1,200	1,200
Less: Intra-City Expenses	(2,058)	(1,808)	(1,796)	(1,791)	(1,791)
Total Expenditures	\$116,492	\$114,524	\$120,570	\$123,659	\$126,519
Gap To Be Closed	\$ --	\$ --	(\$4,247)	(\$5,381)	(\$5,081)

⁽¹⁾ Fiscal Year 2024 Budget Stabilization total \$4.397 billion, including GO of \$1.954 billion and TFA-FTS of \$2.443 billion.

⁽²⁾ Fiscal Year 2025 Budget Stabilization total \$2.344 billion.

BUDGET
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GET STUFF DONE