

THE CITY OF NEW YORK  
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**FACT SHEET: MAYOR DE BLASIO RELEASES PRELIMINARY BUDGET FOR  
FISCAL YEAR 2022**

“After one of the most painful years in our City’s history, this budget puts us on a path to recovery while making responsible choices in light of steep revenue losses due to COVID-19. President-elect Biden will help our recovery by increasing FEMA reimbursement, and new Democratic majorities in Congress must move us forward with a federal COVID relief package that includes direct local aid.” - *Mayor Bill de Blasio*

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Today, Mayor Bill de Blasio presented New York City’s Preliminary Budget for Fiscal Year 2022 (FY22).

The FY22 Preliminary Budget is \$92.28 billion. This budget:

- Demonstrates caution in the face of steep revenue shortfalls and risk of State cuts
- Is fiscally responsible — the budget is balanced and includes an agency wide Program to Eliminate the Gap (PEG)
- Makes critical new investments to defeat COVID-19 and put New York City on a path to recovery

Read the FY22 Preliminary Budget [here](#).

**COVID-19’S IMPACT ON THE BUDGET AND PROPERTY TAXES**

This budget was crafted in light of the devastating impact COVID-19 has had on our city and economy. The City’s suffered a substantial \$10.5 billion drop in its tax revenue over FY20-22; this includes a \$1.5 billion decline since November in this fiscal year and the next.

Property tax revenue declined by \$2.5 billion dollars in FY22 due to a reduction in assessed property values, however this is partially offset by growth in Business and Personal Income taxes. This is the largest decline in property tax revenue since 1996.

**LOCAL AID FROM FEDERAL GOVERNMENT IS KEY**

The City has had to spend \$5.9 billion on COVID-19 related expenses, approximately \$1.3 billion of which is not currently covered by federal reimbursement. The incoming Biden Administration recently announced he plans to raise the reimbursement rate to 100 percent,

which will provide approximately \$1 billion in immediate relief. But the federal government has so far failed to pass a COVID relief package with direct local aid that makes up for our revenue loss. With Democratic majorities in Congress, a federal COVID relief package must be passed to speed up recovery. With direct local aid, New York City can be made whole again.

## **STATE RISKS**

The State of New York has threatened to cut \$8 billion from localities, which could mean up to \$4 billion in cuts for New York City. In addition to aid from the federal government, the State should raise taxes on the wealthy to avoid devastating cuts that affect working people. The City will fight any cuts that harm New Yorkers, especially those concerning education, healthcare and Medicaid.

Meanwhile, the Federal Government has allocated to New York State a total of \$4 billion in federal stimulus aid for K-12 schools, and New York City is owed at least half (approximately \$2 billion). The State must release this aid without supplantation. This money will go toward reopening costs the City has already incurred, reopening needs for September and closing the COVID achievement gap.

## **RESPONSIBLE BUDGETING**

Facing these challenges, New York City continues to demonstrate fiscal responsibility:

- **Savings:** In the Preliminary Budget, the City has achieved a total of \$2.2 billion in savings over Fiscal Years 2021 and 2022 including \$1.3 billion in PEG savings.
- **Hiring and attrition management:** The City has already reduced headcount by 7000 since January 2020. Using a 3:1 hiring ratio, the City will reduce this number further by 5000 positions in FY22, saving \$349 million over FY21-22. This brings the total reduction to 12,000 since January 2020.
- **Stronger pension system:** The City Actuary is proposing changes that add savings in FY21-FY23 while reducing long term risk, including: allowing the City to use our pension investment gains now instead of having to wait and take them in increments over six years, and lowering the expected rate of return on City pension funds to strengthen the long-term solvency of our pension systems. This will save \$430 million in FY21 and \$300 million in FY22.

## **INVESTMENTS FOR CRITICAL NEEDS**

The FY22 Preliminary Budget invests in critical needs and COVID-19 related recovery, including:

- **Stop COVID with Test & Trace Corps:** \$200 million in FY21
- **Learning Bridges for students in hybrid learning:** \$62 million in FY21
- **Ensuring no New Yorker goes hungry by providing food relief through GetFood NYC:** \$52 million in FY21

- **Social and emotional learning for our students:** \$35 million in FY22
- **Continue the expansion of WiFi in shelters:** \$14M in FY21, \$3 million in FY22
- **Extra resources for answering 311 calls when traffic is high due to COVID-19:** \$10 million in FY21 and \$10 million in FY22.
- **70,000 slots for Summer Youth Employment:** \$132 million in FY22

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