

Mayor Adams, Speaker Adams Reach Early Handshake Agreement for a Balanced and Responsible Fiscal Year 2023 Budget

June 10, 2022

Video available at: <https://youtu.be/vqt3ggho>

Budget Prioritizes Public Safety, Uplifting City's Youth, Helping Working Families, Improving Public Spaces, Boosting Affordable Housing, and Combatting Food Insecurity

Sets Aside \$8.3 Billion in Budget Reserves — Highest Level in City History

Builds on Investments Administration Secured in Albany This Session, Including Major Expansion of Earned Income Tax Credit and Historic Funding for Childcare

New York – New York City Mayor Eric Adams, New York City Council Speaker Adrienne Adams, New York City Council Finance Chair Justin Brannan, and members of the City Council today announced an agreement for an early and balanced city budget for Fiscal Year 2023 (FY23). The budget protects the city's fiscal health by building record levels of reserves — more than \$8.3 billion — and making prudent investments that support an equitable recovery and that make New York City safer, more prosperous, and a better place to live, work, and raise a family.

“At this critical moment for our city, this budget delivers early on the issues that matter most and makes the investments that will improve the lives of millions of our fellow New Yorkers,” said **Mayor Adams**. “With upstream investments to promote public safety, give young people real opportunities, provide relief for working families, improve our

public spaces, boost affordable housing, combat food insecurity, and so much more, this budget promotes an equitable recovery for New Yorkers throughout the five boroughs. At the same time, we are protecting New Yorkers from the unexpected and building on the fiscally responsible approach our administration has taken throughout the budget process by increasing reserves to the highest level in city history. This is a historic agreement, and I thank Speaker Adams, Finance Chair Brannan, and our colleagues in the Council for their partnership and for ‘Getting Stuff Done’ for all New Yorkers.”

The agreement on the approximately \$101 billion budget builds on fiscally responsible planning by the Adams administration throughout the budget process. It includes a number of new and expanded investments, including investments in low-income and immigrant childcare vouchers, as well as in adult literacy. To help keep public spaces clean, the budget adds resources for additional litter basket service, a waste containerization study, lot cleaning, and rat-resistant litter baskets. And out of a mutual commitment to parks equity, the agreement funds additional Urban Park Rangers, tree stump removal, and improvements to the city’s community gardens and forested areas.

The budget additionally includes an annual contract adjustment to help human and legal services providers who were on the front lines of the pandemic, relief to property owners with a property-tax rebate, and funding for the city’s Cultural Development Fund and Cultural Institutions Group.

The administration and City Council also partnered this year to secure first expansion of the New York City and State Earned Income Tax Credit in 20 years and \$4 billion in childcare funding.

Given the importance of planning for the future, the administration and City Council have agreed to deepen their commitment to building reserves; boosting them to \$8.3 billion — the highest level in city history. This budget adds \$750 million to the Rainy-Day Fund, \$750 million to the Retiree Health Benefits Trust, and \$500 million to the General Reserve. There is now \$1.9 billion in the Rainy-Day Fund, \$4.5 billion in the Retiree Health Benefits Trust, and \$1.6 billion in the General Reserve, as well as \$250 million in the Capital Stabilization Reserve.

Separately, almost \$3 billion has been added to the Labor Reserve over the financial plan in anticipation of negotiating labor agreements with the entire represented

workforce. In total, the Labor Reserve has been replenished by nearly \$4.7 billion over this budget cycle.

Driven primarily by growth in personal income taxes related to a record level of Wall Street activity, the city's tax revenue forecast has been revised upward over the Executive Budget estimate by just under \$3 billion in Fiscal Year 2022 (FY22) and nearly \$1.5 billion in FY23. These revenues allowed the city to increase reserves to a record level and reduce the FY23 budget gap by prepaying expenses.

Outyear gaps are manageable, and the budget reflects almost \$300 million in savings over FY22 and FY23, bringing total savings achieved by this administration over those years to more than \$2.7 billion and \$4 billion in financial plan outyears. Additionally, the budget reflects more than \$250 million in pension savings in FY23.

Highlights of this year's budget include:

Public Safety is a Prerequisite to Prosperity

- Resources for the Subway Safety Plan, including funds to expand the Behavioral Health Emergency Assistance Response Division (B-HEARD) initiative, and the addition of 1,400 new Safe Haven and stabilization beds by mid-2023 (\$226 million in FY23).
- Expansion of the Precision Employment Initiative to connect as many as 3,000 individuals at risk of participating in gun violence with green jobs (\$54 million in FY23).
- Resources for New York City Department of Correction dyslexia screenings (\$1.5 million in FY23).

Supporting Human and Legal Services Providers

- Baseline contract adjustment for human and legal services providers who were on the front lines of the pandemic (\$60 million).
- Increase access to benefits for New Yorkers in need by expanding capacity of community-based organizations (\$14 million in FY23).

Improving Education and Expanding Career Pathways for Young New Yorkers

- Provide enriching summer activities for 10,000 more K-12 students in Summer Rising, bringing the total funded by the New York City Department of Youth and Community Development to 110,000 slots, for a total program capacity of 210,000 slots (\$101 million in FY23).
- Upgrade school cafeterias at 100 schools located in Taskforce on Racial Inclusion & Equity (TRIE) neighborhoods to improve the dining environment and encourage proper nutrition (\$50 million in capital funds).
- Ensure annual funding for 100,000 summer jobs for city youth, including 90,000 in the Summer Youth Employment Program (\$79 million in FY23 for a total baselined investment of \$236 million).
- Increase the city's commitment to Fair Futures, which provides youth aging out of foster care with mentoring, tutoring, and other important services (\$13.5 million in FY23 for a total investment of \$30 million).

Boosting Working Families

- Put more money in working families' pockets by expanding the New York City Earned Income Tax credit (\$250 million in FY23).
- Provide a property tax rebate for about 600,000 eligible New Yorkers (\$90 million in FY23).
- Add resources for the New Family Home Visits program, which provides comprehensive health screenings, regular home visits, and referral services for first-time moms in the 33 neighborhoods hit hardest by COVID-19 (\$30 million in FY23).
- Create more childcare space with a property tax abatement for property owners who retrofit property (\$25 million in FY23).
- Help parents get back to work with tax credits for businesses that provide free or subsidized childcare (\$25 million in FY23).
- Provide low-income and immigrant childcare vouchers (\$19.2 million in FY23).
- Enhance adult literacy programming with additional support services (\$6.7 million in FY23).
- Provide eligible one to four family homeowners with low-interest home repair loans and funding for critical repairs through the Homefix Program (\$1 million in FY23, and existing capital resources).

Supporting Cultural Institutions

- Add resources for the city’s Cultural Development Fund and Cultural Institutions Group (\$40 million in FY23).

Providing Clean and Safe Public Spaces

- Upgrade and maintain New York City’s world-class parks (\$43 million in FY23).
- Tackle the city’s traffic violence crisis and deliver a safer, healthier, and greener city by advancing the goals in the NYC Streets Plan (\$53 million in FY23, and a capital investment of nearly \$580 million).
- Increase litter basket service above pre-pandemic levels (\$22 million in FY23).
- Expand organics collection and drop-off sites at schools and annual funding for existing organics programs (\$20 million in FY23).
- Add precision cleaning teams and lot cleaning staffing remove litter and debris (\$12.4 million in FY23).
- Add 50 Urban Park Rangers to provide programming, wildlife management, and staffing at nature centers (\$4 million in FY23).
- Fund a waste containerization study and 1,000 rat-resistant litter baskets (\$5 million in FY23).
- Add funding for improved management of forested and natural areas (\$2.5 million in FY23).
- Restore twice-per-week alternate side parking (\$2 million in FY23).
- Increase resources for tree stump removal from city streets, parks, playgrounds, and other public spaces (\$2M in FY23).
- Fund parks improvement projects, including planting 20,000 trees per year to reduce citywide heat vulnerability; enhancing and adding new greenways in Brooklyn and Queens; and rehabilitating critical infrastructure, like pools (\$488 million in capital funds).

Investing in Affordable Housing

- Support for the New York City Housing Authority and the New York City Department of Housing Preservation and Development affordable housing programs (\$5 billion in capital funds, bringing the city’s investment in affordable housing to a record \$22 billion).

Fighting Food Insecurity and Improving Nutrition

- Increase funding for Emergency Food Assistance Program (\$30 million in FY23, for a total investment of \$53 million).
- Launch the Groceries to Go pilot program to provide New Yorkers living with food insecurity with access to an online marketplace for local grocery stores (\$10 million in FY23).

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