



## Spending on New Arrivals

### Introduction

Beginning in the summer of 2022, a wave of new asylum seekers (referred to here as “new arrivals”) began coming to the City.<sup>1</sup> Since then, the City has welcomed more than 220,000 new arrivals.

In its 2024 Preliminary Budget and Financial Plan, published in January 2023, the Administration first began to estimate the costs related to these new arrivals. (All years refer to City fiscal years.) Most of the costs identified by the Administration – both initially and since – stemmed from the cost to feed and house new arrivals. There have been additional costs related to the provision of other services, such as legal services (for asylum and work authorization applications) and health care.

IBO began to examine the fiscal impact of new arrivals in [November 2022](#) and has updated its analysis four times since, i.e., in [May 2023](#), [December 2023](#), [May 2024](#), and [November 2024](#). Now that data is complete for two full fiscal years—2023 and 2024—IBO can compare the earlier cost estimates with actual spending that occurred during those years. This analysis reveals:

- 1) The City spent 20% less in 2024 than the Administration budgeted for services related to new arrivals in January and April 2024. Budgeted costs, however, have remained elevated since the population surge in summer 2023, even as the number of new arrivals has declined; and
- 2) Over 2023 and 2024, New York State has covered an increasing proportion of the costs of services related to new arrivals.

### Budget for Services Did Not Update Based on The Arrival Trends or Actual Spending

**The Administration increased its cost estimates even as the number of new arrivals declined.** The Administration initially placed new arrivals within the City’s existing shelter system, under the oversight of the Department of Homeless Services (DHS). However, as the pace of new arrivals increased, by the fall of 2022, the Administration began to develop a parallel shelter system specifically for new arrivals. This system relied upon a series of temporary shelter spaces overseen by various different agencies. These were subject to different rules and oversight than the DHS shelter system.<sup>2</sup>

As this new system took shape, the number of new arrivals entering the City fluctuated, peaking during the first half of 2024 (in the face of a well-documented surge of new arrivals during the summer of 2023), but thereafter beginning to fall. Indeed, the number of new arrivals has steadily fallen since January 2024.<sup>3</sup> While December 2023 saw 3,875 new arrivals per week, that influx dropped to 1,550 per week by

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mid-February 2024 and has remained below 1,000 since July 2024.<sup>4</sup> By the end of November 2024, there were approximately 500 entrances per week, according to the most recent data provided by the Office of Management and Budget (OMB). Exits from the City's care have outpaced entries essentially from January 2024 onwards.<sup>5</sup>

After the summer of 2023, the Administration significantly increased its cost estimates. Those projections remained high even as fewer new arrivals entered the City and the number who remained in shelter declined. When real spending in 2024 wound up being \$3.8 billion (\$1 billion lower than it was budgeted to be in January and April 2024), the Administration swapped that money to future year budgets. In the Executive Budget in April 2024, the City reduced the budget for 2025 from \$6.1 billion to \$4.75 billion (\$1.35 billion). It then added \$4 billion to 2026-2027 (\$2 billion more in each year). The total forecasted budget for new arrivals has either increased or remained the same in every budget update between January 2023 up until November 2024.

***The most recent November Plan in particular does not account for changes in the number of new arrivals or previous spending levels.*** In the 2024 November Plan, the Administration reduced its total overall estimate for the first time since it began budgeting for new arrivals, but only very slightly. The reduction amounted to about 3% over 2025 only, and did not reduce future years. The Administration currently projects that the City will spend more money this year (\$4.4 billion in 2025) and next year (\$4.0 billion in 2026) than it did in 2024, despite the current population trends. According to OMB, the City has not revised its population projections since March 2024, although there are plans to do so in the January 2025 Preliminary Budget for 2026.

## **To Date, NY State Has Covered One Third of the Total Costs for New Arrivals**

Historically the cost of sheltering unhoused families has been covered primarily through the use of cash assistance benefits, with [costs split](#) between the City, State, and federal government, in accordance with cost-sharing agreements set by the State. Even though these new arrivals were initially not eligible for existing funding sources, the City's share has been similar to recent trends.

***The City share of new arrival spending is similar to the recent share of shelter costs.*** On average, the City's share of total shelter spending in the DHS shelter system was 59% for the period from 2015 to 2021, a figure that increased to 71% in 2022 due to pandemic-related changes. For shelter costs relating to new arrivals, the City's share of spending started out at 70% in 2023, but declined to 63% by 2024.

The State has provided approximately one third of actual spending for new arrivals. For 2023, this amounted to \$0.4 billion (30% of the total), and in 2024, it rose to \$1.3 billion (34% of the total). State funding also evolved during this period from a reimbursement model to a direct assistance model.<sup>6</sup> (See the [Appendix](#) for more details about the State funding over this time period.)

## **Conclusion**

In looking back at the past two years, IBO found that the City did not accurately adjust the budget for new arrivals services since the initial surge in the summer of 2023, and that the share that New York State has covered has been in line with historical averages. Other entities such as the [Comptroller's Office](#) and the [City Council](#) have analyzed and examined how efficiently the money has been spent.

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## Appendix: State Funding Details

The New York State 2023-2024 Enacted State Budget provided \$1 billion to the City for new arrivals using a reimbursement model, with 29% reimbursement for costs incurred from April 2022 through March 2024. This was modeled on the cost-sharing framework of the State cash assistance program, Safety Net Assistance (SN), which reimburses the City at 29%. To receive the full \$1 billion in the 2023-2024 State Budget, the City needed to submit \$3.45 billion in claims. As of the end of December 2024, the City has submitted \$2.476 billion in gross expenditures and received \$1 billion in advance payments. According to the Office of Management and Budget (OMB), the State has approved claims totaling \$224.5 million and is still reviewing the remaining claims.

The 2025 Enacted Financial Plan moves towards a streamlined direct payment model, for a total of \$2.6 billion in State funds through 2026 for new arrivals, a significant increase from 2024. Instead of tracking advance payments and claims, the State allocated \$2.4 billion as a lump sum to be distributed at the discretion of the State Budget Director for a wide range of needs related to new arrivals, as well as some additional funds for specific facilities. For more detail, see IBO's [analysis of the 2025 State Enacted Budget](#). The [2025 Enacted New York State Financial Plan](#) lists funding through 2026. According to OMB, the City will not begin receiving this aid until it wraps up its reimbursement from the prior fiscal year, but it expects this to begin soon. The City has also included an additional \$1.35 billion in state aid in 2027 and 2028 in the November Plan, which the State has not announced or budgeted as of this publication.<sup>7</sup>

In addition to this direct funding, the State also expanded its SN cash assistance program in May 2023, extending eligibility to multiple new groups including those who had applied for asylum or Temporary Protected Status (TPS), a time-limited immigration status extended to specific countries by the federal government.<sup>8</sup> To cover this expanded group, the State added \$26 million in 2023 and \$67 million in both 2025 and in 2026. Unlike the other state funding for new arrivals, this increase in SN is not designated within the budget specifically for new arrivals, but instead is folded into the larger cash assistance budget.

In 2023, the City spent only \$4 million in federal funding from larger federal grants focused on immunization (not specifically designated for new arrivals). In 2024, the City recognized \$120 million in federal funds (\$156.4 million awarded), and in 2025, the City received an additional \$81.4 million from the Federal Emergency Management Agency (FEMA) as of November 2024. These new awards, as well as the remaining 2024 grant balance of \$36.4 million, are reflected in the November Plan, bringing the federal total to \$237 million over 3 years.

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## Endnotes

- <sup>1</sup>Rajamani, M. & Rivoli, D. (2022, Aug 5.) Texas governor sends bus of migrants to NYC. Spectrum NY News 1. [Texas governor sends bus of migrants to NYC \(ny1.com\)](#)
- <sup>2</sup>Donaldson, S. (2024, Dec 12.) Following the asylum-seeker odyssey: a timeline. City & State New York. [Following the asylum-seeker odyssey: a timeline - City & State New York](#).
- For more detail on the differences between the two systems, see [IBO testimony from November 2024](#).
- <sup>3</sup>Office of New York City Comptroller Brad Lander. (Last Updated 2024, Nov 21.) Accounting for Asylum Seeker Services: Asylum Seeker Census. [Asylum Seeker Census: Office of the New York City Comptroller Brad Lander](#)
- Title 42 Ending: Covid-Era Border Policy Expires. (2023, May 11.) New York Times. [Title 42 Ending: Covid-Era Border Policy Expires - The New York Times](#)
- Jordan, M. (2022, May 14.) Title 42 is Gone, but Not the Conditions Driving Migrants to the US. New York Times. [Title 42 Is Gone But What Happens to Migrants Heading to the U.S.? - The New York Times](#)
- <sup>4</sup>Office of New York City Comptroller Brad Lander. (Last Updated 2024, Nov 21.) Accounting for Asylum Seeker Services: Asylum Seeker Census. [Asylum Seeker Census: Office of the New York City Comptroller Brad Lander](#)
- <sup>5</sup>Office of New York City Comptroller Brad Lander. (Last Updated 2024, Nov 21.) Accounting for Asylum Seeker Services: Asylum Seeker Census. [Asylum Seeker Census: Office of the New York City Comptroller Brad Lander](#)
- Goodman, J., Collins, K., Sandoval, E. & White, J. (2024, Jul 20.) Bus by Bus, Texas' Governor Changed Migration Across the US. New York Times. [Bus by Bus, Texas' Governor Changed Migration Across the U.S. - The New York Times](#)
- <sup>6</sup>Yilek, C. (2023, May 21.) Mayor Eric Adams on migrant crisis: NYC carrying "burden" of "national problem." CBS News. [Mayor Eric Adams on migrant crisis: NYC carrying "burden" of "national problem" - CBS News](#)
- <sup>7</sup>New York State Division of the Budget. Our New York, Our Future: FY2025 NYS Executive Budget Financial Plan. [Financial Plan | FY 2025 NYS Executive Budget](#)
- New York State Division of the Budget. (2024.) FY 2025 Enacted Budget: Localities. [Aid to Localities Appropriations Bill | FY 2025 NYS Executive Budget](#)
- <sup>8</sup>New York State Office of Temporary and Disability Assistance. (2023, May12.) General Information (GIS) Message: Non-citizens recognized as Permanently Residing Under Color of Law (PRUCOL) for Safety Net Assistance (SNA) Eligibility. [Untitled \(state.ny.us\)](#), <https://otda.ny.gov/policy/gis/2023/23DC039.pdf>