



# ISSUES FACING NEW YORK CITY’S AGENCIES: NEW YORK CITY DEPARTMENT OF EDUCATION

## Overview

The New York City Department of Education (DOE) is the largest public school system in the nation. It serves more than one million students in over 1,800 schools (including charter schools) and employs some 150,000 staff. The DOE’s operating budget, which reached \$31.6 billion in fiscal year (FY) 2022, accounts for 30.7 percent of the City’s total expenditures. Historically, the City has provided the majority of DOE funding; State support has averaged 35.8 percent of the DOE’s budget annually over the past 10 years, while the federal government has supplied an average of 7.8 percent.

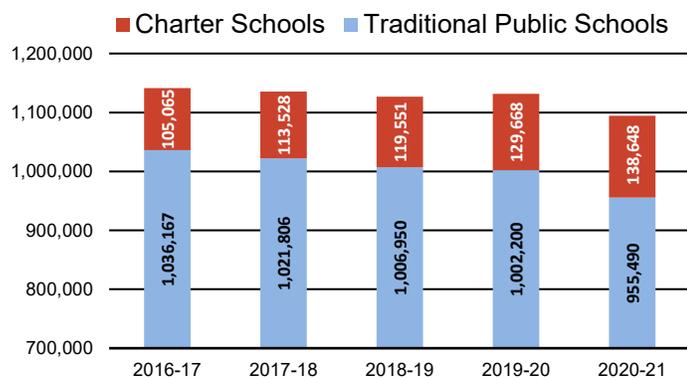
## Pandemic Impact on Agency Operations

Extraordinary emergency federal aid eliminated the [most serious potential fiscal impacts of the pandemic](#). However, school closures, the necessary integration of remote learning, and the inability to provide in-person supplemental services to students have disrupted two consecutive school years, with significant negative impacts on student learning outcomes.

## ISSUES FACING THE AGENCY

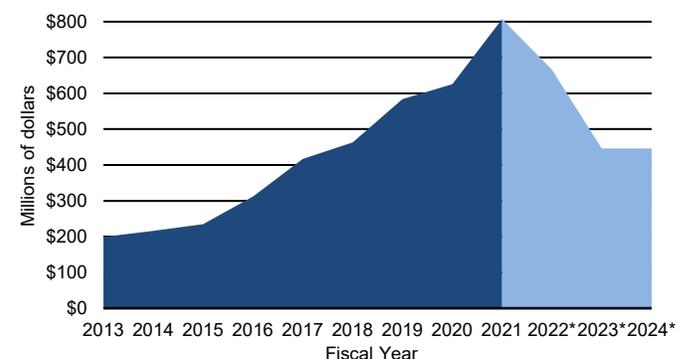
- Pandemic Educational Impact:** The federal government has provided the City with more than \$8 billion over five years in emergency education funding to respond to and recover from the pandemic. The City should use it to ensure that students see real and measurable assistance in overcoming the disruptions of the pandemic. Concerningly, the City plans to fund more than \$1 billion in recurring expenses (including the expansion of its 3-K program) with these one-time federal funds, which could pressure the City to cut services or find new funding sources after FY 2025.
- Falling Enrollment:** The pandemic has exacerbated long-term trends of declining student enrollment. According to City data, New York City schools lost more than 3.3 percent of their total enrollment in the 2020-2021 school year even as charter enrollment grew (see Figure 1). The City expected about half of that number to return to the public school system in the 2021-22 school year, but preliminary data indicates that enrollment has in fact continued to decline. Enrollment numbers serve as a basis for most formulas which allocate education funding to school districts.
- Special Education Services:** City spending on certain federally mandated special education services (called “Carter cases”) has more than tripled in the past decade (reaching \$807 million in FY 2021), driven by a combination of more students receiving services, more services being provided per student, and increasing legal costs (see Figure 2). The City is facing a significant backlog of cases and its ability to provide necessary services during the pandemic has been challenged in court. Both circumstances will likely further increase costs when adjudicated. Nevertheless, the City expects this spending to decline by \$142 million in FY 2022 and by \$220 million more thereafter, a budgetary risk.

**FIGURE 1**  
NYC Public School Student Enrollment



Sources: NYC Department of Education; OSC analysis

**FIGURE 2**  
Federally Mandated Special Education Spending



Sources: NYC Department of Education; OSC analysis

\*City Forecast



# ISSUES FACING NEW YORK CITY’S AGENCIES: CITY UNIVERSITY OF NEW YORK

## Overview

The City University of New York (CUNY) is the nation’s largest public urban university. In 25 colleges spread across the City’s five boroughs, it serves roughly 275,000 students and awards 55,000 degrees each year. Before the pandemic, the City provided 16.7 percent of CUNY’s total budget (an increase from 11.5 percent ten years earlier) while the State provided 42.5 percent. Because tuition makes up less than one-fifth of total revenues, CUNY relies on City and State grants and aid appropriations, which could be endangered by unforeseen economic volatility impacting government revenues.

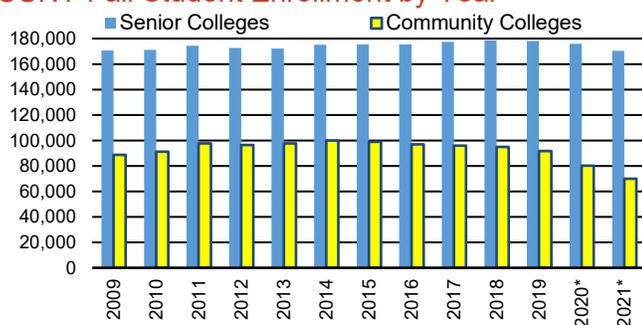
## Pandemic Impact on Agency Operations

The pandemic has disrupted the provision of services to students and precipitated declines in enrollment at CUNY, as in most education systems. CUNY received more than \$1.5 billion in federal aid across three federal relief packages to mitigate the impacts of the pandemic, including a minimum of \$634 million which must be provided directly to students. Only \$386 million of the total remains to be allocated in fiscal years 2022 and 2023.

## ISSUES FACING THE AGENCY

- Falling Enrollment:** CUNY reports that Fall 2020 enrollment was 5.1 percent lower than in Fall 2019, reflecting the impact of the pandemic. At the CUNY community colleges, enrollment fell by 12.5 percent in Fall 2020 and by an estimated 10 percent more in Fall 2021, according to preliminary numbers (see Figure 1). CUNY is one of the major economic mobility engines in the New York City region, and the decline in student enrollment may have lingering impacts on the City’s social fabric and economy. CUNY will use \$132 million in emergency federal funding in FY 2022 to cover projected revenue losses, but only plans to replace \$70 million of lost revenue with such funds in FY 2023.
- Increasing Reliance on Non-Operating Revenues:** Over the past ten years, CUNY’s total budget (excluding capital and endowment revenues) has grown by almost 53 percent. Over the same period, revenues from tuition and fees have grown by just 16 percent (see Figure 2). The difference has been made up largely by increasing non-operating support funds from the State and the City, which have grown by 25.5 and 79.5 percent, respectively. Last year, the CUNY system placed significant reliance on emergency financial aid, which supplied more than one-quarter of its total revenues, but this aid is not expected to recur and will need to be replaced with additional State or City aid to balance the budget in future years.
- Economic Disruption Among Students:** Even before the pandemic, two-fifths of CUNY students earned less than \$20,000 per year and nearly half were first-generation college students; one in ten was a parent or single parent caring for a child. CUNY reports that in 2020 more than 40 percent of students lost their jobs. CUNY plans to spend \$60 million in emergency federal relief funds on student support and retention in FYs 2022 and 2023.

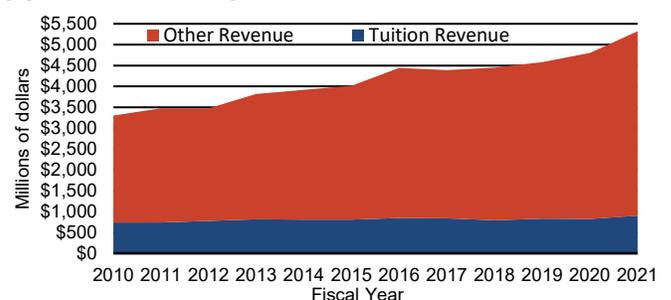
**FIGURE 1**  
CUNY Fall Student Enrollment by Year



Sources: City University of New York; OSC analysis

\*CUNY Estimate

**FIGURE 2**  
CUNY Tuition vs Other Revenues



Sources: City University of New York; OSC analysis  
Note: Excludes capital and endowment revenues.



# ISSUES FACING NEW YORK CITY’S AGENCIES: DEPARTMENT OF HEALTH AND MENTAL HYGIENE

## Overview

The New York City Department of Health and Mental Hygiene (DOHMH) protects and promotes the health and mental health of all City residents, with a budget of \$3 billion in fiscal year (FY) 2022. DOHMH contracts with community-based organizations to deliver services to address mental health, developmental disabilities and substance use disorders, and provides a wide range of direct public health services. The department’s Office of the Chief Medical Examiner (OCME) uses forensic science to conduct independent investigations of deaths.

## Pandemic Impact on Agency Operations

Together with NYC Health and Hospitals (H+H), DOHMH has been at the forefront of the City’s response to the COVID-19 pandemic, conducting disease surveillance, distributing medical equipment to healthcare facilities and coordinating the City’s vaccination efforts. The Test & Trace Corps is managed by H+H in cooperation with DOHMH. OCME coordinated with hospitals to expand and manage morgue capacity. The pandemic impacted the delivery of some core public health services as agency resources were shifted to the COVID-19 response and fewer people sought health care. Responding to the mental health needs of people impacted by the pandemic, the Mayor launched *Mental Health for All*, a comprehensive website and public education campaign that coordinates mental health resources across City agencies, including DOHMH.

## ISSUES FACING THE AGENCY

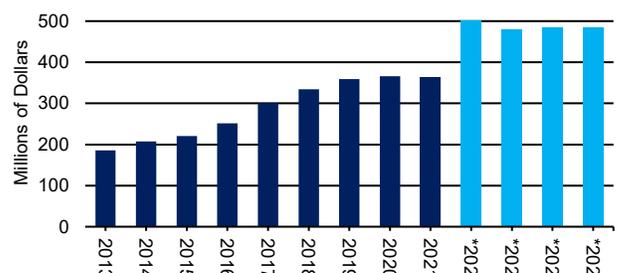
- Pandemic Budgetary Impact:** Almost \$1 billion in COVID-19 federal funding is budgeted in FY 2022; three-quarters of the funding is dedicated to COVID-19 vaccinations and epidemiology (see Figure 1). Cases have spiked with the identification of the new omicron variant, and the duration of the pandemic remains unclear, along with its lingering effects on public health in general, and on those communities hardest hit specifically. Spending in DOHMH is forecast to return closer to prepandemic levels in FY 2024 and FY 2025.
- Mental Health Spending:** Spending increased from \$185 million in FY 2013 to an estimated \$500 million in FY 2022 (see Figure 2). The City has made other investments in mental health services including the launch of NYC Thrive, recently established as the Mayor’s Office of Community Mental Health, which support the delivery of new mental health services across City agencies such as DOHMH, H+H, Department for the Aging, Department of Education, Fire Department and the Police Department, as well as community-based organizations.
- Public Health Programs:** DOHMH will continue partnering with H+H in the delivery of health and mental health services. These agencies will manage the new NYC Public Health Corps (PHC), placing public health workers in communities most affected by the virus. The City has identified initial funding of \$235 million (from federal and City funds) for the program. The City is also required to create a citywide primary care and navigation program (PCNP) but it remains unclear who will manage the PCNP, how the program will function and what its financial impacts will be. It is uncertain when DOHMH will resume prepandemic levels of core public health services.

**FIGURE 1**  
DOHMH COVID-19 Federal Funding (in millions)

SOURCES	FY 2022	FY 2023	FY 2024	FY 2025
FEMA	475	-	-	-
COVID Relief Funds	479	196	87	57
<b>Total COVID-19 Relief</b>	<b>\$954</b>	<b>\$196</b>	<b>\$ 87</b>	<b>\$ 57</b>
USES				
Vaccinations	477	36	18	-
Epidemiology/Lab	250	98	6	-
Public Health Services	174	-	-	-
Mobile Mental Health	23	43	47	47
All Other	31	18	16	9
<b>Total Uses</b>	<b>\$954</b>	<b>\$196</b>	<b>\$ 87</b>	<b>\$ 57</b>

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

**FIGURE 2**  
DOHMH Spending on Mental Health



Sources: NYC Office of Management and Budget; OSC analysis \*City Forecast



# ISSUES FACING NEW YORK CITY’S AGENCIES: NEW YORK CITY HEALTH + HOSPITALS

## Overview

NYC Health + Hospitals (H+H) is the largest municipal public health system in the country and the City’s largest provider of care to Medicaid patients, mental health patients, and uninsured patients. The system includes 11 acute care hospitals, five skilled nursing facilities and over 70 patient community and school-based health centers.

## Pandemic Impact on Agency Operations

H+H initially experienced some challenges with staffing and supply shortages and capacity limitations. As the pandemic unfolded, H+H assumed a significant role in planning for and responding to New York City’s public health emergency, launched the largest test and trace program in the country and implemented a vaccine program. [H+H managed financially early in the pandemic due to the receipt of federal COVID-19 relief funding](#) but, with the rise of new variants and subsequent increase in hospitalizations, costs continue to grow.

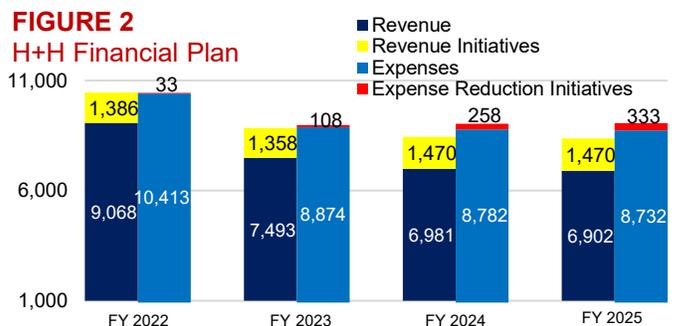
## ISSUES FACING THE AGENCY

- Federal/State/City Funding:** H+H’s financial condition depends on funding from government sources, but the timing of these funds can be inconsistent. H+H expects its COVID-19 costs to reach \$2.5 billion through FY 2022 but has yet to receive \$354 million from the Federal Emergency Management Agency (FEMA), pressuring cash flow (see Figure 1). The recent omicron surge led the City to provide H+H with an additional \$111 million in funding to increase staffing, expected to be reimbursed with FEMA aid. H+H also relies heavily on actions taken by the State for the receipt of supplemental Medicaid payments.
- Strategic Initiatives:** During FY 2021, H+H introduced a plan to increase revenue and reduce costs to generate \$1.4 billion in FY 2022, increasing to \$1.8 billion by FY 2025 (see Figure 2). Two-thirds of this amount in FY 2022 are from additional supplemental Medicaid payments; however, these efforts were delayed and H+H is unlikely to reach its FY 2022 target. The plan also relies on achieving new savings when Medicaid cuts are scheduled to resume (FY 2024).
- Future Role in NYC Public Health:** New initiatives to expand healthcare in underserved communities include the NYC Public Health Corp, co-managed by H+H (\$50 million federal and \$100 million City funds), and street outreach and wellness mobile units (\$11.5 million in FY 2022 and \$8 million annually in City Funds). Recent City legislation will increase access to primary care, but the full operational and financial impacts are unclear at this time.
- Test and Trace (T2):** The T2 program incurred costs of \$1.44 billion in FY 2021 and are forecast at \$1.48 billion in FY 2022. During the recent surge, costs increased for expanded community and school testing and increased staffing. The City has assumed financial responsibility for the T2 program but expects some federal reimbursement.

**FIGURE 1**  
H+H Federal COVID-19 Aid  
(Cash Basis, \$ in millions)

	FY 2020	FY 2021	FY 2022	FY 2023-2024	Total
<b>COVID-19 Costs</b>	<b>\$788</b>	<b>\$1,058</b>	<b>\$654</b>	<b>\$-</b>	<b>\$2,500</b>
CARES Act	1,031	171	-	-	1,201
FEMA	-	266	354	-	620
Received	-	266	-	-	266
Anticipated	-	-	354	-	354
<b>Total COVID-19 Aid</b>	<b>\$1,031</b>	<b>\$437</b>	<b>\$354</b>	<b>-</b>	<b>\$1,822</b>

Note: Does not include aid for costs related to the Test and Trace program.  
Sources: NYC Office of Management and Budget; OSC analysis



Note: FY 2022 Executive Cash Plan, dollars in millions.  
Source: NYC Office of Management and Budget; OSC analysis



# ISSUES FACING NEW YORK CITY'S AGENCIES: HUMAN RESOURCES ADMINISTRATION

## Overview

The Human Resources Administration (HRA) assists more than three million New Yorkers annually through programs such as cash assistance, HIV and AIDS services, homeless prevention, legal assistance, food assistance, rental assistance and Medicaid public health insurance. Homeless services are discussed in a separate brief. With a full-time staff of 13,706 people, HRA's budget is expected to total \$11.3 billion in FY 2022 (\$8.7 billion, or 77 percent, is City-funded). The Medicaid public health insurance program accounts for more than half of the HRA budget at \$6.6 billion, using mostly City funds (see Figure 1).

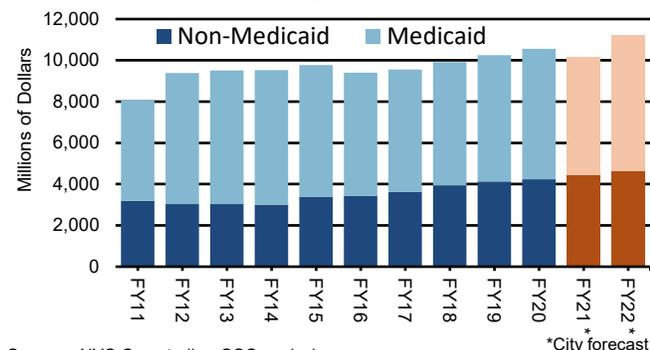
## Pandemic Impact on Agency Operations

Prior to the pandemic, enrollment in the City's cash assistance program had been on the decline, reaching a record-low level of 325,000 people in March 2020. Enrollment then grew sharply, by about 20 percent between February 2020 and September 2020, when the caseload peaked at 391,432 people, before beginning to decline. However, since September 2021, after federal extended unemployment benefits came to an end, enrollment has risen again. The City expects to spend \$891 million a month on cash assistance in FY 2022. Medicaid enrollment also increased by 21 percent between February 2020 and November 2021, when almost 4.1 million City residents (46 percent of the population) were enrolled. The growth in Medicaid enrollment has slowed and may start to fall with the continued reduction in unemployment.

## ISSUES FACING THE AGENCY

- Medicaid:** The Families First Coronavirus Response Act, passed in March 2020, authorized additional federal Medicaid aid for the duration of the COVID-19 public health emergency. OSC estimates the total savings for New York City to be \$855 million through March 31, 2022, but these funds are finite, and the City may bear a higher share of costs going forward.
- Rental Assistance:** The City's FY 2022 budget includes an increase of \$168 million from FY 2021 for housing vouchers, which is not funded in the out-years and represents a budgetary risk of about \$200 million annually beginning in FY 2023. The City budget also benefited from the New York State Emergency Rental Assistance Program (ERAP) which provided relief for renters who had fallen behind on rent payments as a result of the pandemic, including federally funded one-time payments for back rent ("one-shots") that historically have been paid for by the City (see Figure 2). However, as ERAP is accepting fewer applicants due to funding constraints, and the statewide eviction moratorium expired on January 15, 2022, the City may see demand increase going forward.

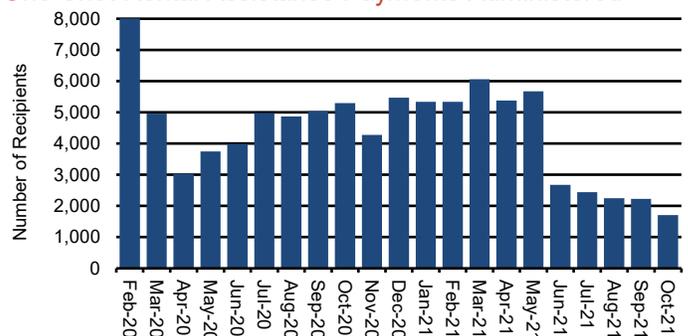
**FIGURE 1**  
Medicaid Share of HRA Costs



Sources: NYC Comptroller; OSC analysis

\*City forecast

**FIGURE 2**  
One-Shot Rental Assistance Payments Administered



Sources: NYC Office of Management and Budget (OMB); OSC analysis  
Note: "One-shots" are generally used for rent arrears and utility payments.



# ISSUES FACING NEW YORK CITY’S AGENCIES: DEPARTMENT OF HOMELESS SERVICES

## Overview

The Department of Homeless Services (DHS) collaborates with nonprofit organizations to provide temporary shelter, outreach and other supportive services to homeless adults and families with children, with the goal of helping them attain permanent housing. Uniquely, New York State has a vast majority of its homeless population residing in shelters (95 percent), partially fueled by the fact that New York City is one of three municipalities in the country with a “right to shelter” mandate which has had significant humanitarian and budgetary impacts. The DHS budget for Fiscal Year (FY) 2022 is \$2.3 billion (\$1.4 billion of which is City-funded) and the department is expected to employ 2,158 full-time staff by the end of June 30, 2022. In December 2021, 45,621 people resided in emergency shelters managed by DHS, of which 14,737 were children.

## Pandemic Impact on Agency Operations

Before the pandemic, the shelter population had been growing at a somewhat steady rate, peaking at 61,110 people in January 2019 (see Figure 1). Since February 2020, just before the start of the pandemic, however, those numbers had been on the decline, before rising slightly in recent months. The decline was due in part to the federal and state eviction moratoriums that were issued during the pandemic. In April 2020, the City also began relocating shelter residents in congregate settings to private hotel rooms, to allow them to safely practice social distancing. The City was reimbursed for these expenses through federal pandemic aid.

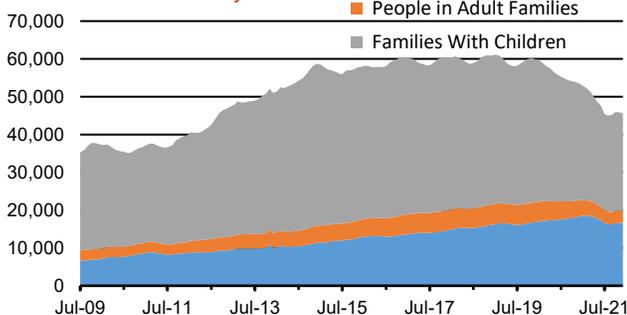
## ISSUES FACING THE AGENCY

**End of Eviction Moratorium:** Before the pandemic, the number of single adults in shelters had been on a steady rise before peaking in January 2021. Although there has been a decline in recent months, on average, the FY 2022 single adult population for the first four months is close to FY 2020 levels during the same period. Total spending in this area for FY 2021 was estimated at \$827 million, which is about 18 percent more than what is planned each year for FY 2023 through FY 2025 (see Figure 2). If the single adult population remains level or rises, or if the family shelter increases after the State eviction moratorium expired on January 15<sup>th</sup>, the City may incur additional costs.

**Increasing Costs:** Costs at DHS have nearly tripled since FY 2011, reaching \$2.7 billion in FY 2021 (about 40 percent City funds), due predominantly to increases in shelter population and shelter costs per day (see Figure 2). The average cost per day for shelter increased sharply beginning in FY 2016 through the City’s shelter model budget reform, which included efforts to make repairs and enhance social services and security at shelters. The cost per day for both single adults and families in shelter increased by roughly 90 percent from FY 2011 to FY 2021.

**FIGURE 1**

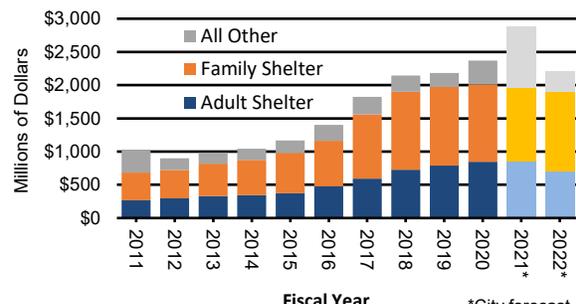
NYC Shelter Census by Month



Sources: NYC Department of Homeless Services; OSC analysis

**FIGURE 2**

Costs by Function at DHS



Sources: NYC Office of Management and Budget; OSC analysis



# ISSUES FACING NEW YORK CITY'S AGENCIES: NEW YORK CITY HOUSING AUTHORITY

## Overview

The New York City Housing Authority (NYCHA), the nation's largest public housing authority, is also the City's largest landlord (maintaining 7.7 percent of all rental apartments) and its greatest source of affordable housing. With as many as 600,000 people residing in its units, NYCHA enables its families, whose annual salaries average less than \$25,000 a year, to pay an average monthly rent of about \$500. The Authority also administers the federal Section 8 voucher program that allows an additional 200,000 people to live affordably in privately owned housing. NYCHA's proposed 2022 budget (which operates on a calendar year) is expected to total \$4.2 billion in 2022, with City funds comprising 7 percent, federal subsidies accounting for 59 percent and tenant rental revenue making up 21 percent.

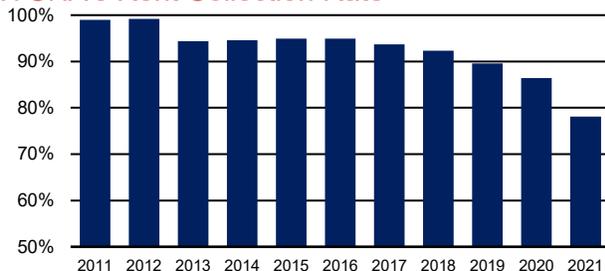
## Pandemic Impact on Agency Operations

NYCHA, like many landlords nationally, faced a significant decline in rent collections due to severe economic disruption and employment losses experienced as a result of the pandemic. The Authority has also seen increased delays in resolution times for non-emergency service requests, resulting from changes to work order guidelines on in-unit repairs during the pandemic.

## ISSUES FACING THE AGENCY

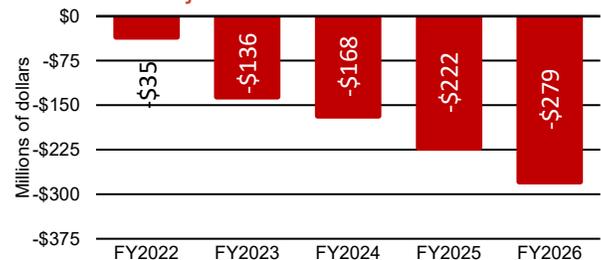
- Declining Rent Collections:** Tenant rental revenue, which typically makes up about a third of NYCHA's operating budget, has been on the decline since 2016 (see Figure 1). In 2021, it was budgeted at \$1 billion but NYCHA estimates it will collect \$100 million less. It is expected to drop further by almost 17 percent (\$149 million) between 2022 and 2026 as expenditures remain virtually flat (decreasing by less than one percent). NYCHA has not yet received funds from the Emergency Rental Assistance Program as a landlord.
- Growing Deficits:** In the coming years, NYCHA faces significant operating deficits that are expected to grow from \$35 million in 2022 to as high as \$279 million in 2026 (see Figure 2). Its projected deficits for 2023 through 2026 average \$201 million annually. NYCHA plans to withdraw \$100 million from its operating reserves in 2022.
- Capital Needs:** NYCHA's aging facilities require \$40 billion in physical repairs and upgrades to bring them into a state of good repair. Costs have grown due to rising construction prices and the ongoing physical deterioration of the properties. The 2017 physical needs assessment estimated that the Authority's capital needs had increased by 87 percent (or \$14.8 billion) from the previous assessment completed in 2011.
- HUD Agreement and Federal Monitor:** In 2019, the City signed an agreement with the U.S. Department of Housing and Urban Development (HUD) certifying that it would pay NYCHA \$1 billion in operating assistance through FY 2027 as well as \$4.2 billion in capital funding through FY 2028, while also covering the costs of the federal monitor tasked with overseeing the Authority's physical rehabilitation and operational reforms.

**FIGURE 1**  
NYCHA's Rent Collection Rate



Sources: New York City Housing Authority; OSC analysis

**FIGURE 2**  
NYCHA's Projected Deficits



Sources: New York City Housing Authority; OSC analysis



# ISSUES FACING NEW YORK CITY’S AGENCIES: ADMINISTRATION FOR CHILDREN’S SERVICES

## Overview

The Administration for Children’s Services (ACS) is charged with overseeing New York City’s child welfare, juvenile justice, and early care and education services. Child welfare includes investigating allegations of abuse and neglect and managing foster care placement and crisis prevention programs for families. In juvenile justice, ACS provides family support services and secure and non-secure detention for youths whose cases are pending in family or criminal courts. For early care and education, ACS provides child care assistance to income-eligible families. ACS’s Fiscal Year (FY) 2022 budget totals \$2.7 billion, comprising federal (37.8 percent), City (36.4 percent) and State (25.8 percent) funding sources.

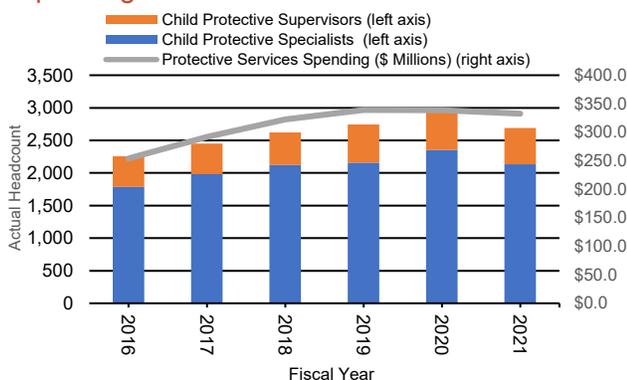
## Pandemic Impact on Agency Operations

ACS has reported sharp declines in service levels during the COVID-19 pandemic. As schools operated remotely, the number of abuse and neglect reports from school staff and other mandated reporters slowed, resulting in fewer ACS investigations. Child care voucher enrollment also declined in this period, from 64,324 in FY 2020 to 50,266 in FY 2021, due in part to program closures and parents’ decisions not to send children to child care. Total admissions to detention also declined, from 1,442 in FY 2020 to 987 in FY 2021.

## ISSUES FACING THE AGENCY

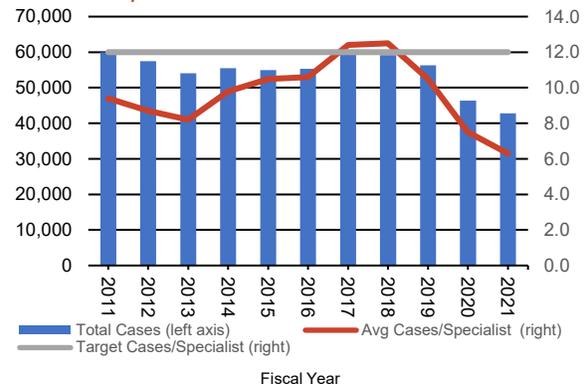
- School & Court Closures and Reopening:** Legal advocates have expressed concern that there could have been an increase in undetected abuse cases while at-home learning was in place. Family courts were also suspended or kept limited operations throughout the pandemic, to which ACS has attributed a number of unexpected changes in agency performance indicators, including longer length of stay at detention facilities.
- Staffing Levels and Caseloads:** The City announced child welfare reform measures following a highly publicized death of a child in October 2016. As part of these efforts, ACS increased the number of child protective specialists and supervisors by almost 20 percent from FY 2017 to FY 2020 (see Figure 1). As the number of reported cases fell significantly during the pandemic, the average caseload per worker also declined, to 7.5 cases in FY 2020 and 6.2 cases in FY 2021 as compared to the agency target of 12.0 (see Figure 2). As schools return to normal operations, the number of reported cases may rise again. Staffing levels will need to be closely monitored going forward to ensure that resources are commensurate with service need.

**FIGURE 1**  
Child Protective Services - Staffing and Spending



Source: NYC Office of Management and Budget. Actual headcount taken from March or April of each fiscal year as available in budget supporting schedules.

**FIGURE 2**  
Cases and Caseloads for Child Protective Specialists



Source: NYC Mayor’s Management Report. Cases are equal to the number of State Central Register consolidated investigations.



# ISSUES FACING NEW YORK CITY'S AGENCIES: NEW YORK CITY POLICE DEPARTMENT

## Overview

The New York City Police Department (NYPD) is the largest municipal police force in the nation, with a FY 2022 budget of \$5.6 billion and approximately 35,000 uniformed and 14,000 civilian full-time employees. The Department operates 77 precincts, 12 Transit Bureau districts, and nine Housing Bureau police service areas and enforces traffic safety on streets and highways and school safety in the public school system.

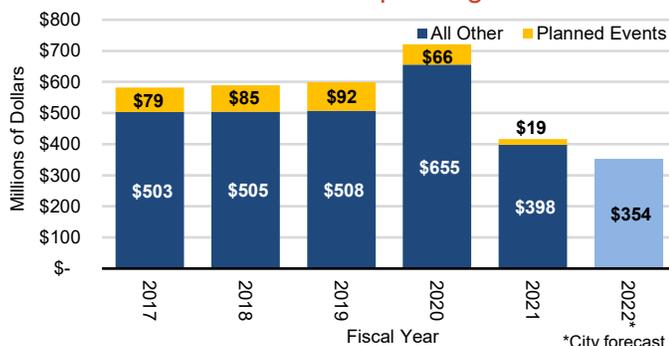
## Pandemic Impact on Agency Operations

Consistent with the citywide trend from February 2020 to October 2021, the NYPD experienced a decline in uniformed staffing levels (of 6 percent, more than 2,000 employees) from February 2020 to September 2021, due to relatively higher rates of officers retiring or otherwise leaving the force. The Department mitigated service impacts through deployment shifts and overtime, assisted by the suspension of planned events requiring police presence (i.e., parades, street fairs, etc.) to reduce the spread of COVID-19. However, the pandemic also seemed to have caused an effect on crime nationwide, and the City experienced a surge in certain crimes, most alarmingly in shooting incidents. The sudden rise in gun violence prompted the NYPD to deploy additional resources to address the issue, including improved targeting of past violent offenders and collaboration with other law enforcement entities and community partners.

## ISSUES FACING THE AGENCY

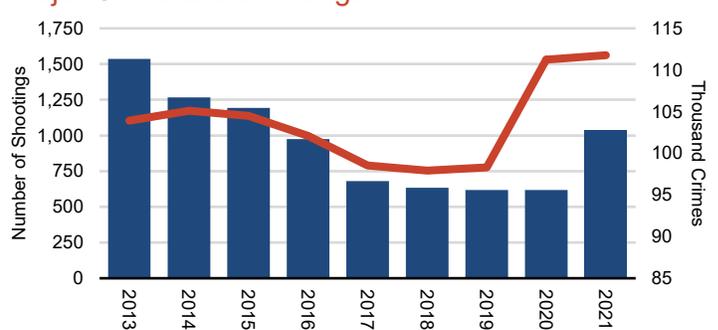
- Uniformed Overtime:** Uniformed overtime spending at the NYPD was significantly lower in FY 2021 (\$417 million), down from about \$600 million annually in recent years, in part because of event cancellations. With COVID-19 vaccines now widely available and large events returning, overtime is likely to return to pre-pandemic levels. However, the Department's FY 2022 uniformed overtime budget is only \$354 million in FY 2022 (see Figure 1).
- Crime:** Major crime in the City declined in consecutive years from 2013 to 2020, but the trend slowed in recent years and reversed in 2021 as major crimes reached the highest level since 2015 (see Figure 2). Additionally, shooting incidents surged nearly 100 percent from 2019 to 2020 and continued to grow in 2021, marking the highest level since 2006 (1,562 shootings).
- Police Reform and Gun Violence Action Plan:** In March 2021, the NYPD announced its commitment to implement 132 reforms published in the [Police Reform and Reinvention Collaborative](#). In January 2022, the new Mayor also released [The Blueprint to End Gun Violence](#), a comprehensive plan to combat elevated shootings in the City. The overall budgetary implications of these initiatives are unclear and should be considered as part of revisions to NYPD spending assumptions in the preliminary budget to be released later this year.

**FIGURE 1**  
NYPD Uniformed Overtime Spending



Source(s): Financial Management System, New York City Police Department

**FIGURE 2**  
Major Crime and Shootings



Source: New York City Police Department



# ISSUES FACING NEW YORK CITY’S AGENCIES: FIRE DEPARTMENT OF THE CITY OF NEW YORK

## Overview

The Fire Department of the City of New York (FDNY) is the largest fire department in the nation, with a Fiscal Year (FY) 2022 budget of \$2.2 billion and approximately 11,000 uniformed and 6,000 civilian employees, including about 4,000 Emergency Medical Services (EMS) personnel. The FDNY maintains 219 firehouses and 37 EMS stations citywide and responds to more than a million emergencies every year. The Department also conducts investigations to enforce public safety codes and provides educational services in fire prevention, life safety and disaster preparedness.

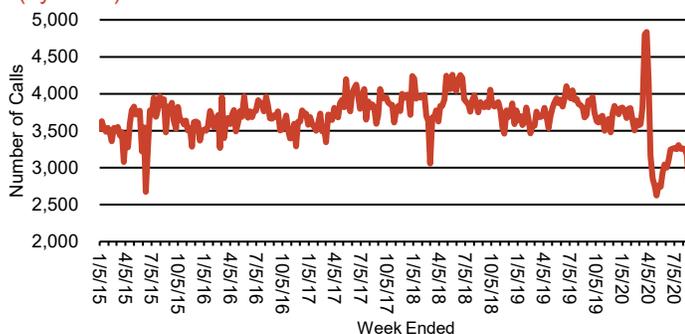
## Pandemic Impact on Agency Operations

Immediately following the start of the COVID-19 pandemic, about one-fifth of firefighters and a quarter of EMS staff were unavailable for duty on medical leave. Meanwhile, medical emergency calls to 911 surged to the highest daily number in FDNY history (over 6,500). In comparison, there was an average of about 3,750 calls daily between 2015 and 2019 (see Figure 1). The Federal Emergency Management Agency (FEMA) provided ambulances and trained personnel to help respond to the surge in calls. Call volume following the spike fell below pre-pandemic levels and remains low, caused by a reduction in the City’s daytime population and possibly, a reticence to visit hospitals during the pandemic.

## ISSUES FACING THE AGENCY

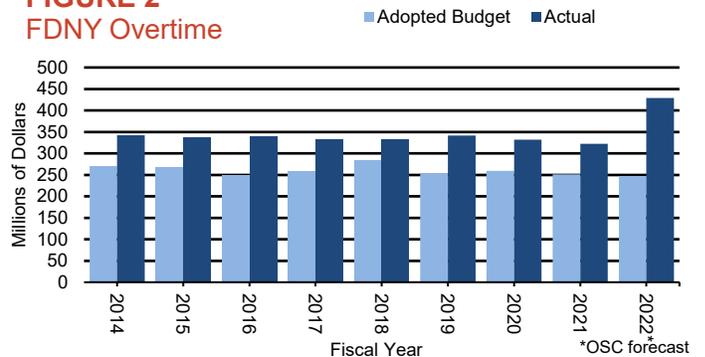
- **Overtime:** FDNY overtime spending has remained relatively level for almost a decade, but the City’s estimates are consistently lower than actual costs. Historically, only the current year’s budget has been adjusted to reflect true spending, and as a result, the City is forced to find additional funding for unfunded overtime costs every fiscal year (see Figure 2). Overtime in FY 2022 is projected to grow to its highest year on record, primarily because of lower-than-planned uniformed staffing levels and high rates of employee unavailability related to the pandemic.
- **Medical Emergency Response:** Medical emergency call volume dropped below pre-pandemic levels in the summer of 2020 and has remained low. However, the Omicron COVID-19 variant has placed many first responders on medical leave, particularly for EMS staff. Omicron and potential future variants could subject more employees to medical leave and severely restrict response capacity if there is another surge in medical emergency calls.
- **EMS Pay Parity:** FDNY EMS personnel are compensated less than other first responders in the City and other EMS departments nationwide. According to the Chief of EMS, many employees apply for the exam for promotion to firefighter in search of higher pay, resulting in higher attrition rates following the exam. The last promotion exam was offered in December 2016; exams are normally administered every four years.

**FIGURE 1**  
Average Daily Medical Emergency Calls  
(by week)



Sources: NYC OpenData

**FIGURE 2**  
FDNY Overtime



Sources: Office of Management and Budget; Financial Management System



# ISSUES FACING NEW YORK CITY’S AGENCIES: NEW YORK CITY DEPARTMENT OF CORRECTION

## Overview

The Department of Correction (DOC) is responsible for the security and safety of individuals 18 years or older in the DOC’s custody, including: persons who are awaiting trial; persons who have been convicted and sentenced to less than one year of incarceration; and persons held on State parole warrants. The DOC operates nine facilities housing people in custody, the court holding facilities in each of the five boroughs, and two hospital prison wards. DOC also provides supportive services, including vocational training, to prepare individuals in custody to successfully return to their communities. The Department has a Fiscal Year (FY) 2022 budget totaling \$1.2 billion, and a June 30, 2022 targeted headcount of 7,460 uniformed and 1,962 civilian employees.

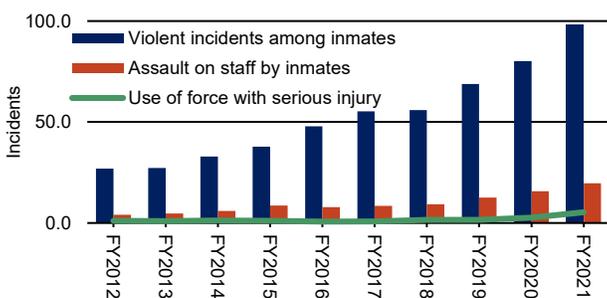
## Pandemic Impact on Agency Operations

To alleviate population density during the pandemic, the City accelerated the release of some inmates utilizing reintegration hotels with support services run by non-profit organizations. However, more than 1,200 correction officers had been reportedly infected with COVID-19 through March 2021. The agency has faced a highly publicized staffing crisis, in which some officers were asked to work triple shifts to cover posts. Court closures also led to longer stays for inmates awaiting trial, averaging 87 days in 2021 versus 75 days in 2019. Violent incidents among individuals in custody, assaults on staff, and departmental use of force all increased in this period (see Figure 1), and the Governor declared a [disaster emergency](#) due to conditions at the Rikers Correctional Center in September 2021.

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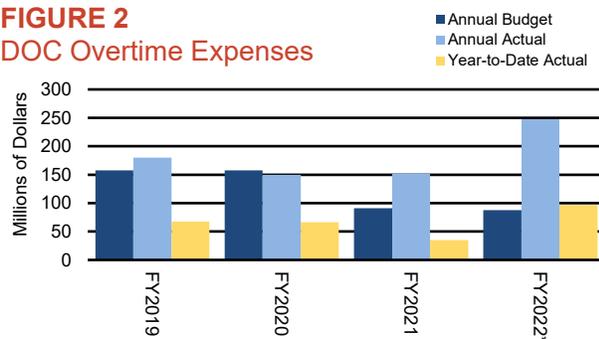
- Closing Rikers:** Even before the pandemic, the City had announced its plan to close Rikers by 2026, and to build “smaller,” “safer” and “fairer” borough-based jails instead. This plan includes substantially reducing the number of people in jail through a combination of crime reduction, bail reform, greater use of “alternatives to incarceration” programs, and decriminalization of low-level offenses. These plans were delayed by one year during the pandemic, and are dependent upon a sustained reduction in the jail population. The plan also assumes that uniformed staffing will continue its decline, by 4.9 percent (382 officers) from October 2021 levels.
- Overtime:** Overtime costs at the Department have grown rapidly since the beginning of FY 2021 largely due to staff unavailability (see Figure 2). While the City planned for a significant reduction in uniformed overtime due to declining jail population, higher rates of employees out on sick leave and absent without leave have forced available staff to work double and triple shifts. The City has not modified the FY 2022 overtime budget since November 2020, although costs through the first five months have totaled \$97 million, already exceeding the entire fiscal year budget of \$88 million for DOC overtime and nearly tripling last year’s costs through the same period.

**FIGURE 1**  
Incidents Per 1,000 Average Daily Population



Sources: NYC Mayor’s Management Report; OSC analysis

**FIGURE 2**  
DOC Overtime Expenses



Sources: Office of Management and Budget; OSC Analysis  
\*Actual based on OSC’s forecasts



# ISSUES FACING NEW YORK CITY'S AGENCIES: NEW YORK CITY DEPARTMENT OF SANITATION

## Overview

The New York City Department of Sanitation (DSNY) is the largest sanitation department in the world, with a Fiscal Year (FY) 2022 budget of \$1.9 billion and approximately 7,800 uniformed and 2,000 civilian employees. DSNY provides recycling and waste collection, street and vacant lot cleaning, and ice and snow removal services on approximately 6,300 miles of City streets. The Department operates 59 district garages and a large fleet including about 2,000 collection trucks, 150 dump trucks, 450 mechanical brooms and 700 salt spreaders, among other equipment. DSNY also enforces cleaning laws and issues notices of violation for a variety of sanitation infractions.

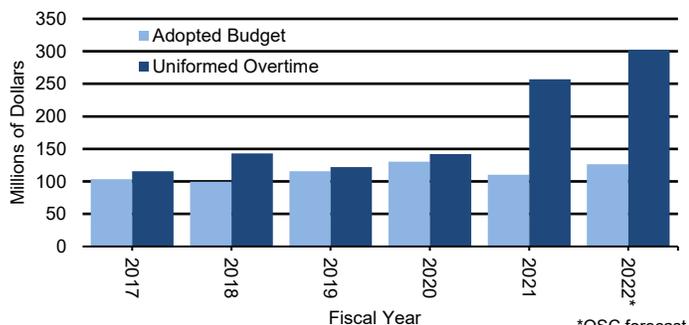
## Pandemic Impact on Agency Operations

The DSNY experienced a surge in medical leave during the first few weeks of the pandemic and has continued to experience spikes in employee unavailability. This factor, coupled with a FY 2021 hiring freeze which reduced uniformed staff by 9 percent (nearly 700 employees) between February 2020 and June 2021, has resulted in higher overtime costs. Several services were initially reduced or suspended because of pandemic-related budget cuts, but most funding has been restored. Simultaneously, the Department managed the GetFoodNYC Emergency Home Food Delivery Program, distributing nearly 130 million meals to City residents from March 2020 through September 2021. The program ended October 1, 2021, but deliveries ran through November 30, 2021.

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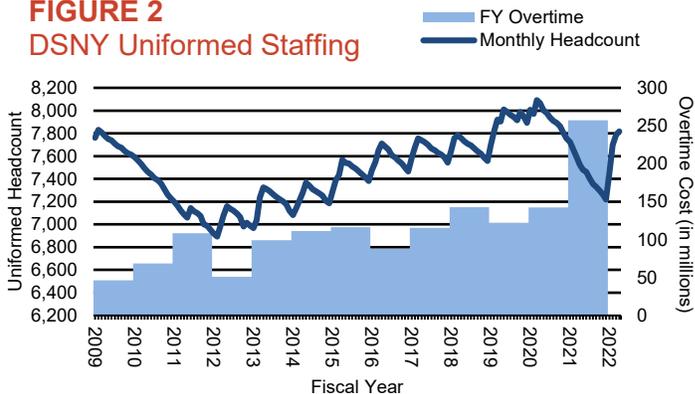
- Uniformed Overtime:** Uniformed overtime spending at the DSNY increased by more than 80 percent from FY 2020 to FY 2021, reaching the highest level on record (\$257 million), and is projected to cost about \$300 million in FY 2022 (see Figure 1). High employee unavailability due to medical leave continues to contribute to higher overtime, and there remains the potential for future COVID-19 variants to diminish the available work force, as seen with the Omicron variant.
- Staffing:** The DSNY typically hires uniformed personnel during the first few months of the fiscal year and allows attrition to reduce its staffing level over the course of the year (see Figure 2). A hiring freeze, like the one imposed on the Department in FY 2021, necessitates the use of additional overtime to mitigate the impact of vacant posts, especially as the workforce is already strained by the pandemic. The agency also attributed a decline in some non-refuse performance indicators to a redeployment of uniformed staff to handle refuse and recycling operations.

**FIGURE 1**  
DSNY Uniformed Overtime Expense



Sources: Office of Management and Budget; Financial Management System

**FIGURE 2**  
DSNY Uniformed Staffing



Sources: Office of Management and Budget; Financial Management System



# ISSUES FACING NEW YORK CITY’S AGENCIES: DEPARTMENT OF ENVIRONMENTAL PROTECTION

## Overview

The New York City Department of Environmental Protection (DEP) manages the City’s water supply, and reduces air, noise, and hazardous materials pollution. Each day it delivers more than 1 billion gallons of drinking water, treats 1.3 billion gallons of wastewater, and maintains a network of over 7,400 miles of sewer pipes. DEP’s budget totals \$1.6 billion in fiscal year (FY) 2022, and capital commitments are projected to total \$24.3 billion in City funds from FY 2021 through 2031. The City’s water and sewer infrastructure (the “System”) is primarily funded through revenue it collects from user fees. While DEP is responsible for operating and maintaining the System, the Municipal Water Finance Authority (MWFA) issues the bonds to finance capital needs, and the New York City Water Board sets the user rates. Fees cover operations and maintenance costs, debt service, and a rental payment that the Water Board pays to the City.

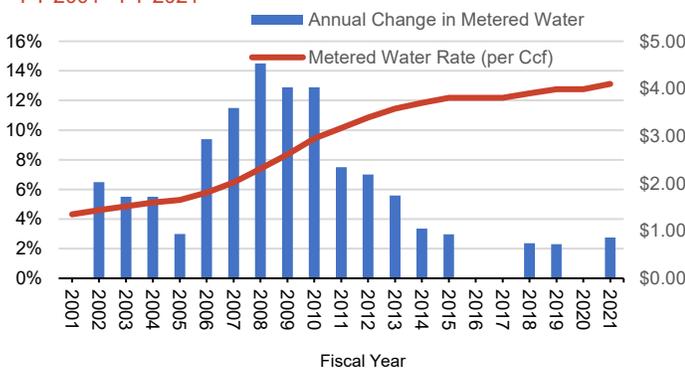
## Pandemic Impact on Agency Operations

The MWFA reports that drinking water quality, water supply, and wastewater treatment were not impacted by COVID, but the pandemic has negatively affected revenues. The System’s total operating revenues declined by nearly \$164 million (4.3 percent) from FY 2019 to FY 2021. The City also requested base rental payments of \$128 million and \$137 million in FYs 2020 and 2021, respectively, for budget relief after not requesting the payment for fiscal years 2017 through 2019.

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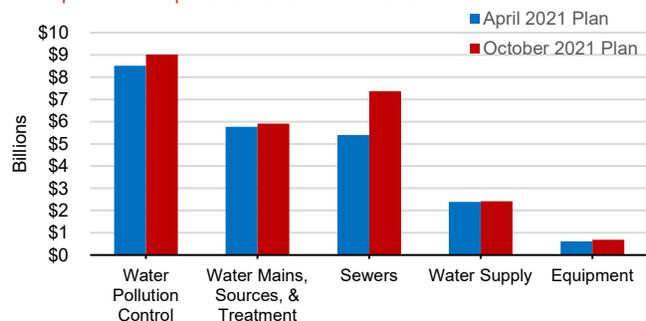
- User Rates:** After years of sustained growth stemming from higher debt service and operating costs, rate increases slowed in recent years (see Figure 1). This was due in part to the City not requesting the Water Board’s base rental payment. The City assumes higher revenue from water and sewer fees beginning in FY 2022, and rates may increase further if the City turns to this source for additional budget relief. As of February 2021, the City ranked 10<sup>th</sup> for Single Family Residential, 15<sup>th</sup> for Commercial, and 20<sup>th</sup> for Industrial user charges when compared to 30 large cities in the United States.
- Extreme Weather:** In response to the effects of Hurricane Ida last year, the City created a new taskforce and released a [blueprint](#) to prepare for and respond to extreme weather. DEP collaborated in this effort, and was tasked to work with other agencies to improve stormwater drainage and incorporate projected future rainfalls into planning by 2025. \$2.1 billion of resiliency-related funding was added to DEP’s capital budget as part of the FY 2022 capital plan released October 2021 (see Figure 2), including \$1.8 billion for sewer improvements.

**FIGURE 1**  
NYC Annual Water Rate Change and Water Rates  
FY 2001 - FY 2021



Source: New York Municipal Water Finance Authority Offering Statements

**FIGURE 2**  
NYC DEP FY 2021 - FY 2031 Capital Commitments  
Comparison of April 2021 and October 2021 Plans



Source: NYC Office of Management and Budget



# ISSUES FACING NEW YORK CITY'S AGENCIES: DEPARTMENT OF TRANSPORTATION

## Overview

The operating budget of the New York City Department of Transportation (DOT) is about \$1.2 billion in Fiscal Year (FY) 2022. Department operations include management of more than 6,300 miles of streets, highways and public plazas, 13,250 signalized intersections, 315,000 streetlights, and 350 million linear markings. DOT also oversees the City's bike share system, maintains 1,316 miles of cycling network, and manages over 140 miles of on-street protected bicycle lanes as well as capital infrastructure investment and maintenance for bridges, street resurfacing, pothole repair and street and sidewalk reconstruction.

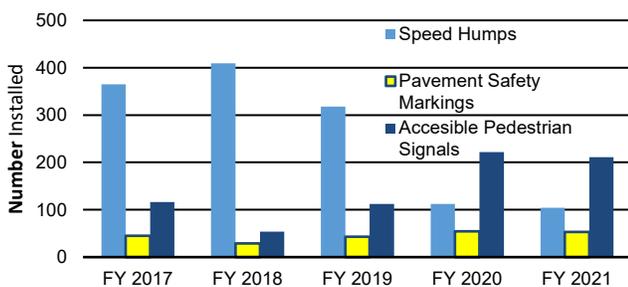
## Pandemic Impact on Agency Operations

The pandemic required a shift in DOT operations, initially changing traffic patterns and requiring a pause in construction and repair work. As the City began its recovery, adaptations were needed to expand outdoor public space to encourage economic activity amid the public health crisis. DOT managed the administration and enforcement of the Open Streets and Open Restaurants programs. Additionally, as traffic patterns have returned, the City has indicated that driver behavior has become more erratic, leading to a significant increase in the number of traffic fatalities in FY 2021.

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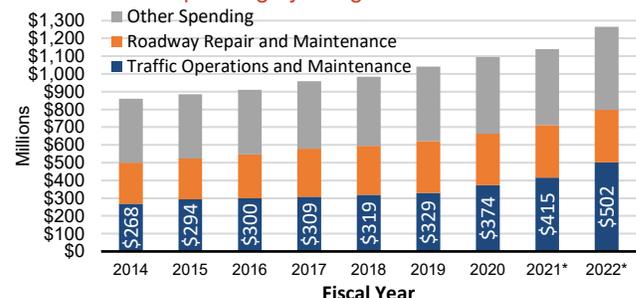
- Future of Vision Zero:** Launched in 2014, Vision Zero is the City's initiative to eliminate all traffic-related fatalities. After a period of slowdown during the pause in construction in 2020, DOT sped up the installation of certain safety measures in FY 2021, including accessible pedestrian signals and pavement safety markings, although speed humps remain behind the agency target of 250 (see Figure 1). Despite these improvements, traffic deaths rose to 275 in FY 2021, the highest level since 2014. The City expense budget includes funding to continue efforts to enhance safety measures, the largest new investment of which is for the continued expansion of DOT's traffic camera program.
- Maintenance and Repair Catch-up:** Pothole repair and lane mile resurfacing both declined in FY 2021. The City has attributed the decline to a lack of contract work for resurfacing, which exacerbated pandemic-related staffing issues. The DOT Roadway Repair, Maintenance and Inspection budget is about \$295 million in FY 2022, similar to levels over the past three fiscal years (see Figure 2).
- Potential Use of Infrastructure Funds:** It will take some time for discretionary projects to be selected by the U.S. Department of Transportation; however, the City may take advantage of funds in the federal Infrastructure Investment and Jobs Act (IIJA) for projects that focus on safety, reliability, and expanding sustainability. IIJA includes \$6 billion in funding for vision zero plans and \$15 billion for projects that focus on advancing sustainability and equity. DOT may be able to advance non-vehicular modes of travel and safety programs with these funds, but it will likely have to coordinate with other large transit agencies in the region for transit funds.

**FIGURE 1**  
Selected Street and Pedestrian Safety Measures



Sources: NYC Mayor's Office of Operations; OSC analysis

**FIGURE 2**  
Selected DOT Spending by Budget Function



Sources: NYC Office of Management and Budget; OSC analysis. \*City forecast.