

**Fiscal 2020 Executive Financial Plan Summary***Dollars in Millions*

	FY19	FY20	FY21	FY22	FY23	Average Annual Change
<b>REVENUES</b>						
Taxes	\$60,883	\$63,125	\$65,021	\$67,229	\$69,120	3.2%
Miscellaneous Revenue	8,065	6,955	6,911	6,884	6,879	(3.7%)
Unrestricted Intergovernmental Aid	201	-	-	-	-	
Less: Intra-City and Disallowances	(2,129)	(1,834)	(1,832)	(1,830)	(1,829)	(3.5%)
<b>Subtotal, City Funds</b>	<b>\$67,020</b>	<b>\$68,246</b>	<b>\$70,100</b>	<b>\$72,283</b>	<b>\$74,170</b>	<b>2.6%</b>
State Aid	\$15,473	\$15,333	\$15,719	\$16,186	\$16,693	1.9%
Federal Aid	8,494	7,226	7,069	6,998	6,966	(4.6%)
Other Categorical Grants	1,207	928	870	863	863	(7.5%)
Capital Funds (IFA)	657	735	672	672	672	0.8%
<b>TOTAL REVENUES</b>	<b>\$92,851</b>	<b>\$92,468</b>	<b>\$94,430</b>	<b>\$97,002</b>	<b>\$99,364</b>	<b>1.7%</b>
<b>EXPENDITURES</b>						
Personal Services	\$49,629	\$51,323	\$52,876	\$53,848	\$55,493	2.8%
Other Than Personal Services (OTPS)	39,822	37,992	37,977	38,284	38,523	(0.8%)
Debt Service	6,630	7,238	7,625	8,315	9,070	8.2%
General Reserve	50	1,000	1,000	1,000	1,000	475.0%
Capital Stabilization Reserve	-	250	250	250	250	
Less: Intra-City	(2,220)	(1,819)	(1,817)	(1,815)	(1,814)	(4.6%)
<b>Spending Before Adjustments</b>	<b>\$93,911</b>	<b>\$95,984</b>	<b>\$97,911</b>	<b>\$99,882</b>	<b>\$102,522</b>	<b>2.2%</b>
Surplus Roll Adjustment (Net)	(1,060)	(3,516)	-	-	-	
<b>TOTAL EXPENDITURES</b>	<b>\$92,851</b>	<b>\$92,468</b>	<b>\$97,911</b>	<b>\$99,882</b>	<b>\$102,522</b>	<b>2.5%</b>
<b>Gap to be Closed</b>	<b>-</b>	<b>-</b>	<b>(3,481)</b>	<b>(2,880)</b>	<b>(3,158)</b>	

Source: OMB Fiscal 2020 Executive Financial Plan for Fiscal Years 2019-2023

Both Fiscal 2019 and 2020 are balanced by prepayments from prior years. In order to prepay for Fiscal 2019 and Fiscal 2020 expenses, the Executive Budget uses a total of \$4.6 billion in surplus money, of which \$1.1 billion is used in Fiscal 2019 and \$3.5 billion is used in Fiscal 2020. This means that Fiscal 2019, a year with a healthy economy and reasonably strong tax collections, still has a structural imbalance, and the budget is only balanced through the use of reserves.

There are outyear budget gaps ranging from \$3.5 billion to \$2.9 billion for Fiscal 2021, Fiscal 2022 and Fiscal 2023. However, the Plan also includes a \$1 billion general reserve and a \$250 million capital stabilization reserve for each year. After taking these reserves into account, the Plan's outyear gaps average less than two percent of expenditures. The City has managed gaps of this size in recent years without difficulty.

### Balancing the Budget

The Plan grows City Funds spending in Fiscal 2019 by a modest \$618 million over the Preliminary Plan. About a quarter of that reflects increased revenue recognized in the savings program, and another two actions account for the remainder of the increase. First, is a fine levied against Standard Chartered Bank as part of a global settlement<sup>1</sup> accounts for \$141 million of the \$260 million increase in other revenues. Second, the tax revenue forecast is up by \$202 million, largely driven by a \$284 million increase in expected Personal Income Tax (PIT) revenue for Fiscal 2019.<sup>2</sup>

<sup>1</sup> [https://www.dfs.ny.gov/reports\\_and\\_publications/press\\_releases/pr1904091](https://www.dfs.ny.gov/reports_and_publications/press_releases/pr1904091)

<sup>2</sup> This increase in PIT revenues is partially offset by reductions in the forecasts of other tax revenues, which is why the total tax revenue change is less than the PIT change.