



Analysis of the May 2025 Executive Budget And 2025-2029 Financial Plan



May 20, 2025

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Introduction

Amid a rapidly changing federal policy landscape, New York City’s Mayor and City Council are heading into negotiations for the 2026 fiscal year budget, which begins on July 1, 2025. Since entering office, the Trump administration has implemented fast-moving, chaotic policy rollouts. Usually during economic downturns, the federal government works to smooth the economic cycle and help state and local governments navigate financially. Now, the federal government is the underlying cause of much of the turmoil. Meanwhile, despite New York City’s status as a sanctuary city and the City Charter Preamble guiding the City to “remedy past and continuing harms ... to promote justice and equity for all New Yorkers,” Mayor Adams remains largely silent. This is in contrast with many other state and local leaders who act as champions of and for their jurisdictions.



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In this report, the Independent Budget Office (IBO) presents its analysis of the Adams administration’s Fiscal Year 2026 Executive Budget and 2025-2029 Financial Plan, as required by Chapter 10 of the New York City Charter. IBO observes ongoing structural budget gaps, assesses the status of the local economy, forecasts a larger surplus for the current year, and calls for more reserves to be added to weather a deeply unpredictable environment.

The Executive Budget was issued under challenging circumstances—during turmoil caused by the federal government, without a State Enacted Budget, and amid other ongoing budgetary challenges facing New York City. IBO recognizes that these challenges also fall in an election year.

Changing Federal Landscape and Late State Budget Cloud Budget Planning

Federal dollars play a direct role in both the State and City’s ability to pay for planned expenses. New York State’s fiscal year 2025 budget of \$240 billion included \$89.2 billion (37% of total State budget) in federal funding. The Adams administration’s fiscal year 2025 budget of \$119.8 billion includes \$10.5 billion in federal funds in 2025 (9% of the total City budget) and \$7.4 billion in 2026 (6%). It is not unusual for the City to budget conservatively for federal aid in the fiscal years following the current one. The Mayor’s Office of Management and Budget (OMB) typically increases budgeted amounts for federal funding as awards or appropriations are announced. Although budget cuts are central to the Trump administration’s agenda, the budgeted reduction in federal funding from 2025 to 2026 in the City’s financial plan largely stems from the winding down of pandemic stimulus dollars.

Meanwhile, efforts to slash the size of the Federal government have abruptly cut off federal agency funding, grants, and staffing—at least temporarily. Furthermore, disbursements of federal funding already appropriated by Congress have been held back or reversed. Previously stable federal funding streams to the City and State, such as the Community Development Block Grant, Section 8 Housing Vouchers, expanded Medicaid coverage, and school funds to support English language learners are now uncertain. Additionally, the Federal Department of Transportation has demanded an end to the Metropolitan Transportation Authority (MTA) congestion pricing program, which is a critical source of revenue for the MTA. Taken together, the Trump administration's actions indicate a new level of federal involvement in overturning existing state and local legislative and policy priorities. Many of these actions now hang in the balance of numerous legal challenges.

President Trump's proposed budget, released earlier this month, includes massive cuts to education, housing, medical research, health and human services programs such as food assistance and Medicaid, alongside many other areas. The House of Representatives recently released a bill that would incorporate the President's proposals, continue, and further expand the 2017 Tax Cuts and Jobs Act. Particularly relevant to states like New York with higher state and local taxes, there is ongoing debate around limits placed on the federal deductibility of state and local taxes. The House bill also proposes \$880 billion in major cuts to Medicaid. If these federal policies are enacted, the State and the City would need to dramatically cut spending, identify new revenues, or both. Furthermore, many academic and public institutions, such as Health + Hospitals and the New York City Housing Authority, are also subject to federal funding reductions. New Yorkers may experience decreased levels of assistance, increasing poverty, unemployment and additional hardship as hospitals and nonprofit service providers face fiscal challenges.

Beyond federal spending, the policies and rhetoric of the Trump administration also impact the national and local economies. Tariffs—central to President Trump's economic policy—have been subject to chaotic shifts in timing, depth, and coverage. Stock and bond markets have responded with volatility, and businesses are starting to indicate a reluctance to expand payrolls and undertake new capital investments as the tariff policies continue to play out. Survey data suggest consumer optimism has declined, although spending has been buoyed by purchases made in anticipation of forthcoming higher costs for imported goods.¹ And on May 15th, Moody's downgraded the U.S. credit rating to Aa1, citing concerns about the federal debt.

Additionally, the Trump administration's actions to identify and rapidly deport people has implications for the fabric of New York City. According to 2023 U.S. Census data, almost 3.1 million of 8.3 million New Yorkers are foreign born (37%). IBO detailed the challenges of tariffs and immigration in its [analysis of the January 2025 Financial Plan](#). Contrary to New York City's status as a sanctuary city, Mayor Adams has signaled support for federal attempts to detain and deport immigrants, including those in custody on Rikers Island. Further, in the context of the Trump administration's actions broadly targeting diversity, equity, and inclusion efforts, the City has delayed implementation of new City Charter requirements mandating the creation of a Racial Equity Plan and Office. This mandate was enacted by voter referendum in 2022, supported by 70% of voters.

Meanwhile, the New York State budget, due before April 1st, was not finalized when the Adams administration released its Executive Budget on May 1st. As a result, OMB had to rely on estimates of what the State budget would be.² The State has indicated that a special legislative session may be called in response to the federal budget. The City's tax revenue estimates and intergovernmental funding will change in subsequent financial plans as budget and policy decisions evolve.

State Budget Outcomes

New York State enacted its budget on May 8th, between the release of the Mayor's Executive Budget on May 1st and the publication of this report. IBO discusses details of two key items from the State Enacted Budget—State Foundation Aid formula changes and support for childcare vouchers—which will affect City finances in the coming fiscal year below. IBO provides further information about State Enacted Budget outcomes in the [Appendix](#).

State Foundation Aid Formula and Other State Education Policy Changes

Foundation Aid is the largest single State revenue stream for school districts in New York. For the 2024-2025 school year, the State has committed to distribute a total of \$24.9 billion in Foundation Aid. Of this total, \$9.9 billion is for New York City (25% of the New York City Department of Education budget). This will increase to \$10.5 billion for the 2025-2026 school year. The Foundation Aid formula is complex, but at the highest level is a per-pupil dollar amount multiplied by a pupil count. The formula accounts for some student need (poverty, English language learners, and students with disabilities), district fiscal capacity, and regional cost variations. However, the State has not updated the formula since its inception in 2007 and only fully funded Foundation Aid in the 2024-2025 school year.

Last year's 2025 State Enacted Budget included funding and guidance to the Nelson A. Rockefeller Institute of Government (Rockefeller Institute) to study Foundation Aid. The Rockefeller Institute held public hearings across the State in summer 2024, and IBO [testified](#) in July 2024. In December 2024, the Rockefeller Institute released proposed recommendations, which provided statewide estimates of the costs of some proposals. The Governor's Executive Budget included proposals related to updating the student need portion of the formula.

The Executive Budget recognized \$287 million in additional State revenue, reflecting a conservative estimate by the Adams administration of New York City's expected increase in Foundation Aid. (See IBO's estimates for New York City revenue for the [Rockefeller Institute's proposals](#) and the [State legislature proposals](#).) The State Enacted Budget includes changes to the Foundation Aid formula that resulted in less revenue for New York City than it would have received under the prior formula.

The \$287 million in additional annual Foundation Aid anticipated by the Adams administration was dedicated to programs previously funded by COVID-19 funds (see "[Newly Baselined Programs](#)" section).

Changes to the State Foundation Aid Formula Affecting New York City

The State Enacted Budget updated formula measures following the Governor's Executive Budget proposals and Rockefeller Institute proposals. Changes include:

- Adjusting the 2000 census poverty measure to instead use a three-year average of the Small Area Income Poverty Estimates (SAIPE). As the new formula changes the City's poverty rate from 34% to 24%, IBO estimates this will cause substantial reductions in funding.
- Switching from the free and reduced-price lunch measure to the Economically Disadvantaged measure, which includes students whose families participate in a broader range of economic assistance programs.
- Increasing the weight for English language learners from 0.50 to 0.53, a modest increase compared with the Rockefeller Institute and State Assembly proposals.
- Not increasing the regional cost index (RCI) for New York City, even though this was included in the Rockefeller Institute report and both the Senate and Assembly budget proposals. The increase to RCI would have resulted in substantial additional revenue for New York City. Only Westchester County received an increased RCI.

The State Enacted Budget included other additions with fiscal and policy impacts for New York City's public schools. For example, by August 2025, New York City must produce a written policy that reflects the new State prohibition on students' use of internet-enabled devices during the school day, including during instructional and non-instructional time, with limited exceptions.

Insufficient State Funds for Childcare Vouchers

Childcare vouchers (administered by the Administration for Children's Services) serve as an important source of childcare for thousands of children ages 6 weeks through 13 years. These are critical to keeping childcare affordable and supporting working parents. The State Enacted Budget included \$328 million for childcare vouchers, approximately one third of the \$1.0 billion requested by the Adams administration. Further, the funding requires a City match to be paid first.

As of March 2025, the number of vouchers reached 100,000. (Generally, one voucher is used per child in care.) For cost estimate purposes, IBO assumes that this level will remain in 2026 and beyond—especially considering the City's announcement to not enroll any new applicants as of May 5th. IBO estimates that \$720 million in City funds will be needed in 2026 to maintain current enrollment levels, rising to over \$1.0 billion annually starting in 2027 (for a total program budget of \$1.6 billion). If additional State funds are secured, the City will have to contribute less for 2026.

Growth in Number of Vouchers

The City is legally required to prioritize families who qualify for cash assistance (mandated) and families involved with the child welfare system. Separately, the City has also increased voucher usage among other lower-income families because of a New York State initiative and additional State funding (non-mandated lower-income).

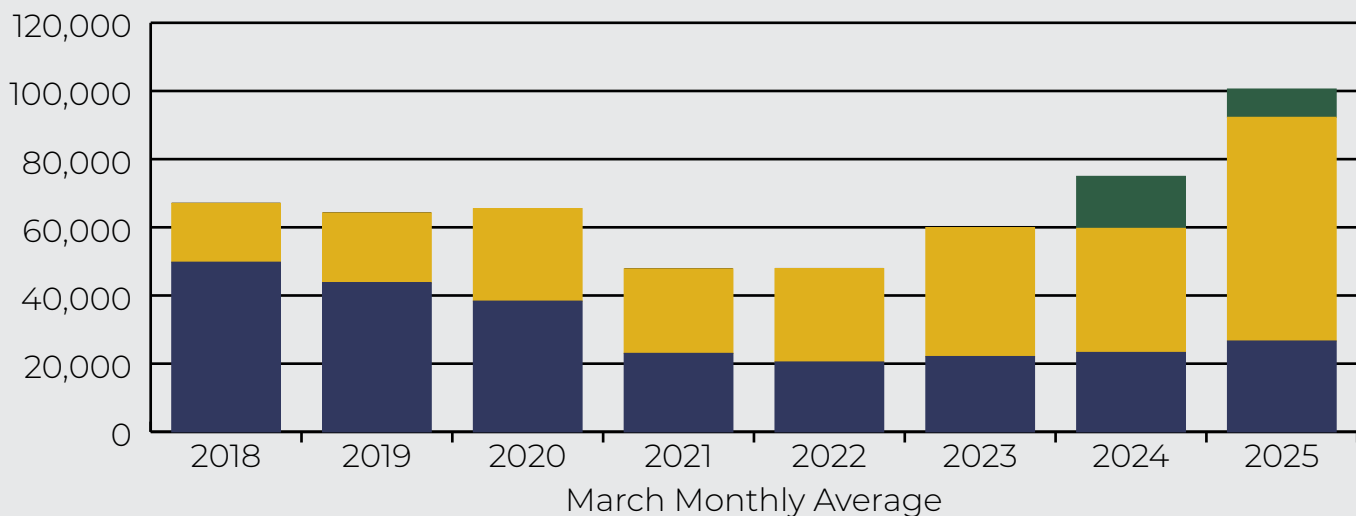
Since 2020, when work requirements for cash assistance were suspended during the pandemic, voucher utilization shifted away from mandated vouchers towards non-mandated lower-income vouchers.

Figure 1

Average Number of Childcare Vouchers in March By Year



Childcare Vouchers



SOURCE: IBO analysis of Administration for Children's Services data

NOTE: March 2025 is the latest month of available data.

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IBO Estimates of Surpluses and Gaps Across Financial Plan Years

As part of its reporting on the Executive Budget, every year IBO examines budgeted revenue and spending levels and compares its estimates to those presented in the Mayor's Executive Budget. IBO based its expenditure estimates on historical spending patterns, caseload trends, and expected program or rule changes.

In the Executive Budget, the Adams administration assumes a surplus of \$2.9 billion that it allocates towards prepaying next year's debt. IBO estimates that there will be an additional \$1.7

FIGURE 2

IBO and OMB Estimates of Revenue, Expenditures, and Budget Gaps

Dollars in Millions

	Fiscal Year									
	2025		2026		2027		2028		2029	
	OMB	IBO	OMB	IBO	OMB	IBO	OMB	IBO	OMB	IBO
Revenue	\$119,791	\$119,302	\$115,065	\$116,590	\$116,586	\$117,473	\$119,470	\$120,753	\$122,539	\$124,251
Expenditures	\$119,791	\$117,637	\$115,065	\$119,909	\$121,216	\$124,708	\$125,281	\$128,604	\$128,205	\$131,315
Suplus/(Gap To be Closed)	\$0	\$1,665	\$0	(\$3,320)	(\$4,630)	(\$7,235)	(\$5,811)	(\$7,851)	(\$5,666)	(\$7,064)

SOURCES: OMB and IBO May 2025 Forecasts

NOTES: When IBO's estimated \$1.7 billion operating surplus from 2025 is used to pre-pay 2026 expenditures, IBO's estimated deficit for 2026 is \$1.6 billion. Revenue and expenditure estimates do not include intra-city transfers.

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The Adams administration's prepayment of \$2.9 billion follows a pattern of shrinking pre-payments year-over-year since 2022, when the prepayment was \$6.1 billion. (See IBO's report on the Preliminary Budget for more details). Over that time, the pre-payment has shrunk from 9% of year-end tax revenues in 2021 to 4% this

year. This means that the Adams administration's practice of spending more than the revenue it brings in is unsustainable with the City's [requirement to maintain a balanced budget](#).

IBO's estimated gaps increase to \$7.2, \$7.9, and \$7.1 billion in 2027, 2028, and 2029, respectively. These gaps are on average 7% of City tax revenues. This is minimally larger than the gaps the City has closed in recent years, which were around 4% to 6% of City tax revenues. IBO's revenue, expense, and gap estimates are presented in Figure 2. (Also see Figure [A2](#) in the Appendix for further details.)

Executive Budget Increases Spending Without Adding to Reserves

The Adams administration has increased its total tax revenue estimates in every year of the financial plan. City total planned spending increased by even more in every year of the financial plan, with gaps growing between \$400 million to nearly \$600 million from 2027 through 2029. Particularly notable is \$2.3 billion in additional City expenses in 2025 (now totaling \$86.6 billion in City funds). The spending increases follow last year's three rounds of planned spending cuts from agencies, of which two were implemented. Most of those cuts have since been reversed.

Much of this funding is slated for key areas that consistently have been underbudgeted. The Adams administration relies on stronger than anticipated tax collections and “savings” (stemming from overly high initial cost projections) in services for asylum seekers to cover these expenses.

Last month, IBO [testified](#) that the Adams administration should more accurately reflect expected expenditures that are perennially underbudgeted and overbudgeted. The Executive Budget moves in that direction, although some spending projections are still out of line with where costs are likely to land.

The Adams administration proposes significant increases in current spending, rather than adding funds to reserves, despite its [acknowledgement](#) that major economic and inter-governmental headwinds are coming.

Not All Budget Risks Addressed

Newly Baselined Programs

The Adams administration added City funds to key areas that have consistently been underbudgeted, which has brought its spending projections more closely into alignment with IBO’s. As specified below, this includes multiple annually baselined additions to the Department of Education (DOE) budget, which now totals \$33 billion:

- \$199 million in State funding was added to baseline DOE programs previously funded with federal COVID-19 relief funds. One example is for 3-K programs, with total funding for 2026 now at \$744 million.
- \$194 million for DOE staffing of school nurses. Separately, the Adams administration added over \$100 million in baselined funding for school health positions in the Department of Health and Mental Hygiene’s budget.
- \$25 million for the expansion of early childhood education extended-day services.
- \$150 million in 2026 and \$200 million starting in 2027 to meet new State class size mandates.

IBO Estimates of Additional Education Costs Over and Above Baselined Adds

Notably, some DOE programs that were previously funded with federal COVID-19 relief funds were not baselined, such as Summer Rising and Learning to Work. IBO estimates additional funds of \$145 million will be needed for 2026 and \$256 million for 2027 and annually thereafter, including \$80 million for Summer Rising.

Beyond additions in the Executive Budget to meet new class size mandates, IBO estimates that [additional funding will still be required](#)—\$103 million in 2027, growing to \$346 million in 2028 and annually beyond.

Federal Support for Arts, Museums, and Libraries

The City's arts, cultural, and library funding additions come at a critical time for artists and arts organizations. The National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH), and the Institute of Museum and Library Services (IMLS) have notified grantees of termination or withdrawal of grants. As of March 2025, IBO estimates that in New York City:

- Nearly \$8 million in NEA grants was awarded to 268 recipients in 2025.
- Almost \$9 million in NEH grants was awarded to 35 recipients in 2024.
- About \$7 million in IMLS grants was awarded to 27 recipients in 2024.

The Adams administration added funding for multiple areas that usually are a part of Adopted Budget negotiations between the Mayor and City Council. This includes:

- \$45 million annually combined for both Cultural Development Fund grants and Cultural Institutions Group subsidies in the Department of Cultural Affairs, bringing the budget total for these grants and subsidies to \$52 million and \$152 million, respectively.
- Around \$31 million annually in the Department of Sanitation baselined for litter basket pickup.
- \$21 million for 2026, \$297 million for 2027, and \$331 million for 2028 and annually thereafter for afterschool programs in the Department for Youth and Community Development. This brings the total budget for 2026 to \$465 million, growing to \$767 million in 2028 and beyond.
- \$16 million across the three library systems for 2026 only, bringing next year's subsidies to \$497 million total.

Risks to the Nonprofit Sector

In 2024, City contracts with nonprofit organizations to deliver critical human services accounted for \$8 billion in spending.³ IBO has [testified](#) multiple times on the risks of chronically delayed payments. The Adams administration recently announced \$5 billion in contract advances for 2026. This change does not address the core issue of late contract registration and payment delays.



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In March 2024, the Administration [announced](#) a Cost of Living Adjustment (COLA). Across five agency budgets, the financial plan includes COLA funding additions of:

- \$28 million 2025 (including \$6 million in City funds).
- \$41 million in 2026 (including \$6 million in City funds).
- \$48 million annually starting in 2027 (with no City contribution).

The majority of these new adds rely on State and Federal funds.

Budget Areas with Funds Added for Only 2025

For several areas in the Executive Budget, the Adams administration added funding for 2025 only, leaving funding cliffs for future years. In Figure 3, IBO estimates the additional funding necessary to carry current spending trends forward.

FIGURE 3

IBO Estimates of Funding Need in Addition Budgeted Amounts in Major Areas

Dollars in Millions

City Agency	Budget Area	Fiscal Year					
		2026			2027		
		OMB Budgeted Amount	IBO Estimated Addition	IBO Estimated Total	OMB Budgeted Amount	IBO Estimated Addition	IBO Estimated Total
Departments of Police, Fire, Correction, and Sanitation	Uniformed overtime costs	\$1,183	\$653	\$1,836	\$1,197	\$280	\$1,477
Department of Education	Due Process Cases	935	258	1,193	1,005	188	1,193
Human Resources Administration	CityFHEPS Rental Assistance	633	639	1,272	616	657	1,273
	Cash Assistance	875	597	1,472	1,255	247	1,502
Department of Homeless Services	Shelter Costs (Non-Asylum Seekers)	1,180	211	\$1,391	1,186	149	1,335

SOURCE: IBO; OMB

NOTES: Due process cases, formerly known as “Carter Cases,” refer to when parents place their students with disabilities in private schools and seek reimbursement from the Department of Education. CityFHEPS estimates are based on continuing 2025 levels of voucher service and cash assistance estimates are based on maintaining the budget at 2025 levels.

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FIGURE 4

Differences in Expense Estimates: IBO Compared With OMB

Dollars in Millions

Numbers in parentheses represent IBO estimates of lower spending.

Numbers without parentheses represent IBO estimates of higher spending.

Expenditures-City Funded	Fiscal Year				
	2025	2026	2027	2028	2029
Fringe Benefits & Pensions	(\$125)	(\$178)	(\$181)	(\$184)	(\$187)
Asylum Seekers	(292)	(212)	(368)	-	-
City-wide Personal Services	(437)	-	-	-	-
City-wide Other Than Personal Services	(40)	-	-	-	-
Debt Service	-	(35)	-	-	-
Youth and Aging	(93)	-	-	-	-
General Government	(14)	67	144	133	127
Public Safety and Judicial	(14)	623	314	183	175
Education	(272)	531	624	830	830
Social Services, Homeless Services	(456)	2,256	2,216	1,950	1,951
Environmental Protection and Sanitation	5	91	56	51	51
Transportation Services	(29)	141	198	79	79
Parks, Recreation, and Cultural Activities	(7)	2	5	7	7
Housing and Buildings	(8)	41	47	44	44
Health	(76)	40	82	82	84
Total City Expenditure Differences	(\$1,858)	\$3,367	\$3,136	\$3,176	\$2,962

SOURCES: IBO; OMB

NOTES: Totals may not sum due to rounding. The categorization of agencies in IBO's chart generally mirrors the presentation of agencies in the Comptroller's Annual Comprehensive Financial Report. Dashes represent areas where IBO did not re-estimate expenses.

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Areas of Overbudgeting

The Adams administration also routinely overbudgets, effectively setting aside funds within the budget. IBO highlights two examples.

IBO examined City employee staffing levels. IBO has reported on [changes in City staffing levels](#). Currently there are about 286,000 City employees, up from around 280,000 in 2023. However, the City still has roughly 5% of its authorized headcount vacant, which is over double the pre-COVID-19 average of 2%. These vacancies will yield savings of \$561 million this year for citywide civilian employee payrolls and \$363 million for DOE pedagogical employee payrolls, including fringe benefits savings.

IBO also analyzed services for asylum seekers. The asylum seeker population has declined 46% since January 2024, from 29,360 households to 15,836 households at the end of April 2025. This has led to the closure of 50 shelters in 2025, including several operated by Health + Hospitals. Most remaining asylum seekers are now housed in shelters run by the Department of Homeless Services (DHS).

The Adams administration reduced projected costs for asylum seekers by a total of \$3 billion across the financial plan (a 32% reduction from the January Plan). IBO's population projections follow similar trends to the Adams administration. However, IBO assumes reduced daily cost rates over the next two years, given lower shelter costs per household in DHS shelter compared with shelter costs in Health + Hospitals. Despite shelter closures and population changes, the Adams administration estimates that daily cost rates will remain the same through 2026. The Adams administration budgets a total of \$3.2 billion for 2025, \$1.5 billion for 2026, \$1.2 billion for 2027, and \$500 million for 2028. IBO projects savings of \$292 million in 2025, \$212 million in 2026, and \$368 million in 2027 beyond those set forth in the Executive Budget.

For the past year, the Adams administration's financial plans projected State revenues of \$1 billion for 2027 and \$350 million for 2028. These were never indicated in State budget materials or public documentation of negotiations. This State funding in the City's budget has been removed in the Adams administration's 2026 Executive Budget and referred to as "savings."

Differences in spending estimates—both overbudgeting and underbudgeting—between IBO's projections and the Adams administration's financial plan show net savings in 2025 and additional spending starting in 2026. These differences across all areas of the City budget are presented and totaled in Figure 4.

Economic and Revenue Forecast

IBO's Forecasting Approach and Recent National Macroeconomic Developments

IBO reports on current conditions and the outlook for the local economy, informed by a consensus view of national [trends](#). IBO uses its local economic model to estimate the City's major tax revenues.⁴ National indicators used in the model include:

- Gross domestic product (GDP).
- Labor force considerations such as the unemployment rate and employment and wages by sector.
- Consumer indices (including prices and inflation).
- Key interest rates.
- Construction activity.
- Government and personal debt.

The underpinning of IBO's forecast—how trends in the national economy translate to New York City's economy—is extremely murky. Many hard economic indicators, such as GDP

growth, unemployment rates, and job growth lag behind soft economic indicators like business and consumer sentiments. For example, while consumer confidence indices represent sentiment in the current month, employment figures become available the following month, and quarterly estimates of GDP growth are revised for up to three months after the close of the quarter.

Many indicators have been evolving more rapidly than normal in response to changing federal economic policy, including tariffs, tax code debates, federal employment cuts, and concerns over the national debt. There is lack of clarity—both as to what the federal government might consistently do and how households, businesses, and state and local governments might respond. The other government forecasters in New York City (OMB, the City Comptroller, and the Council Finance Division) are using similar indicators and are also subject to similar challenges in interpreting the rapidly changing economic environment.

Nevertheless, an assessment of current and likely future economic conditions are requirements of the budgetary process. IBO has used the most up-to-date information available to inform its economic and revenue forecasts. Current macroeconomic signs point to:

- A slowing economy with lower GDP growth (IBO's model reflects 1.3% in 2025 and 0.8% in 2026).⁵
- Higher and more persistent inflation than previously anticipated.
- The increasing possibility of a recession.
- If employment begins to weaken, the Federal Reserve responds by accelerating the pace of interest rate cuts to prop up the economy.⁶

New York City Economy and Revenues

IBO, like most state and local governments, has focused on generating revenue estimates based on where the economy appears to be right now. IBO's April 2025 local economic model assumes:

- Substantially slower job growth but no mass layoffs.
- Personal income remains stable, with the weakest employment growth concentrated in lower wage sectors.
- Heightened trading activity in volatile markets bolstering capital gains.

IBO's estimates provide an outlook of where employment across sectors and tax revenues could be in a relatively stagnant economic scenario. A sluggish local economy, even without a sustained downturn, represents fewer employment opportunities and greater economic challenges than the stable, steady growth seen in recent years.

There are differences between IBO's estimates of local economic indicators

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IBO's estimates provide an outlook of where employment across sectors and tax revenues could be in a relatively stagnant economic scenario.

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and tax revenues and OMB's estimates. (See Figure [A3](#) in Appendix for a detailed comparison of IBO and OMB economic forecasts.)

Timing

OMB bases its economic forecast for the Executive Budget on March 2025 indicators. IBO uses April 2025 indicators for its response to the Executive Budget. While in some years there is little difference, in the current fast-changing environment, indicators one month later look different, and May indicators are likely to further shift the economic picture. IBO has incorporated as much of this new outlook into its modeling as possible.

Job Growth

According to the New York State Department of Labor, 9,800 jobs have been added in New York City through April of this year. In contrast, the City added an average of 29,900 jobs per quarter in 2024.⁷ IBO estimates tepid job growth throughout the year and reduced its employment growth forecast for the year compared with its January 2025 forecast. IBO now expects New York City to add only 31,900 jobs (measured on a Q4-to-Q4 basis). The Adams administration projects job growth of 58,200.

Much of the difference between the two forecasts stems from OMB's higher estimates of job growth in the leisure and hospitality and retail sales sectors, both of which are closely related to the tourism industry. IBO's estimates for weak job growth in these sectors reflect the most recent downturn in tourism, particularly from international visitors. Meanwhile, the Adams administration's [forecast](#) anticipates tourism to reach record levels in 2025, despite also listing numerous risks to the tourism industry.

Business Income Taxes

IBO's 2025 estimates of Corporate and Unincorporated Business Taxes are \$190 million lower than OMB's estimates. Two reasons contribute to the difference. First, business income taxes are volatile and therefore challenging to predict in general. Second, accrual accounting rules mean that collections through August are included in the current fiscal year. Because of this, IBO's projection factors in more of its expectation of pronounced economic weakening over the coming months, compared with the Adams administration's stronger economic outlook.

Total Tax Revenue Forecast

Consistent with its economic forecast, IBO projects tax revenues to grow slowly in 2026, from \$79.7 billion to \$81.0 billion. This represents a growth rate of 1.5%, much slower than the 7.4% growth rate seen so far in 2025. IBO's and OMB's overall revenue projections are very similar in 2026. This is despite OMB's notably more robust economic outlook, with OMB anticipating stronger real GDP growth nationally and stronger employment growth locally. OMB has previously presented forecasts with economic and revenue projections that seem incongruous. (A comparison of IBO and OMB total forecasts by tax revenue source is presented in Figure [A4](#) of Appendix.)

[Figure 5](#) presents differences in IBO's and OMB's revenue forecasts.

FIGURE 5

Differences in Revenue Estimates: IBO Compared With OMB

Dollars in Millions

Numbers in parentheses represent IBO estimates of lower tax revenue.

Numbers without parentheses represent IBO estimates of higher tax revenue.

City Taxes	Fiscal Year				
	2025	2026	2027	2028	2029
Property	(\$22)	(\$11)	\$115	\$380	\$720
Personal Income	12	394	453	657	542
General Sales	(22)	(102)	0	(3)	5
Corporate Taxes	(111)	(236)	(34)	128	345
Unincorporated Business	(79)	(39)	(13)	30	78
Real Property Transfer	24	(15)	(15)	(45)	(84)
Mortgage Recording	(45)	22	(18)	(68)	(116)
Commercial Rent	(10)	(8)	(4)	2	13
Hotel Occupancy	12	(3)	1	6	10
Utility	0	0	0	0	0
Cannabis	(2)	(5)	(3)	(1)	2
Other Taxes and Audits	50	50	50	50	50
Total City Tax Differences	(\$193)	\$48	\$531	\$1,136	\$1,564

SOURCES: IBO; OMB

NOTE: Totals may not sum due to rounding. Corporate taxes comprise three separate taxes: the business corporation tax for C corporations, the general corporation tax, and the banking corporation tax for S corporations. Personal income tax is inclusive of revenue generated from the Pass-Through Entity Tax (PTET). Other taxes includes the utility tax and small tax revenue sources including cigarette, liquor, off-track betting, taxi medallion, motor vehicle taxes, and payments made in lieu of taxes.

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Potential Federal Tax Changes Expected to Impact Tax Revenues and Filers

Beyond federal economic policy that changes daily, major federal tax changes also have the potential to impact New York City's tax revenues. President Trump and Congress are gearing up to make permanent and expand many of the expiring tax provisions in the 2017 Tax Cuts and Jobs Act (TCJA). Further, they plan to enact other tax cuts, such as exemptions for tips and overtime earnings.

New York State and City tax policies track to ("couple with") the federal tax code, so tax reform at the national level would have direct implications for State and City revenues. Proposed changes to the federal tax code could result in State efforts to decouple from federal tax definitions. It may be exceedingly difficult to operationalize this, such as if tip income is no longer reported on federal income tax returns.

Some filers in New York State and City have a particular interest in the elimination or expansion of the cap TCJA placed on the federal deduction of state and local taxes

(SALT). Legislation put forth in the House of Representatives proposes to increase the cap from \$10,000 to \$30,000; prior to TCJA, there was no cap. New York State and several other higher-tax states created a workaround to the cap, with New York State's called the Pass-Through Entity Tax (PTET). PTET allows filers to shift personal income tax liability through a closely held corporation to avoid the cap on federal deductions. PTET plus personal income tax payments generate the same amount of total tax revenue for New York State and City. The House of Representatives bill seeks to eliminate New York's use of PTET. While this change would not affect revenues collected by the State and City, it would impact the federal tax liability of individual tax filers.

Reserves

In the Executive Budget, the Adams administration did not increase reserves, which currently total \$8.4 billion, including \$2.0 billion in the Rainy Day Fund (Figure 6).

New York City is [required to have a balanced budget](#) for the current and upcoming fiscal years. The City maintains several reserve accounts, which allow funds to be set aside outside of the current or upcoming fiscal year that can be drawn down when unforeseen circumstances place the City in a tighter financial position. While different reserve accounts have different rules around their purpose and use, they are all flexible in how they can be used. The City does not have a target benchmark for the size of reserves, nor specific rules on when it would be appropriate to draw down reserve funds.

For the Rainy Day Fund, the City is allowed to draw down 50% of the balance at a time, or more if the mayor declares a "state of emergency" certifying a compelling fiscal need to tap this reserve fund.

The general reserve and capital stabilization reserve are intended to deal with unexpected expenses or make up for lower than anticipated tax revenues in the current fiscal year. These funds are appropriated in the budget but remain unallocated, and generally unused portions of these funds become part of the surplus used to prepay expenses for the next year.

The Retiree Health Benefits Trust fund is used to pay retirees' health benefits.

FIGURE 6

Reserves Balances as of May 2025 Financial Plan

Dollars in Millions

	Annual, 2026-2029
Reserve Fund Balances	
Revenue Stabilization Fund (Rainy Day Fund)	\$1,950
Retiree Health Benefit Trust	5,000
Subtotal-Reserve Fund Balances	\$6,950
General Fund Reserves	
General Reserve	\$1,200
Capital Stabilization Reserve	250
Subtotal-General Reserve Funds	\$1,450
Total Reserves Available	\$8,400

SOURCE: OMB

New York City Independent Budget Office

“

In the Executive Budget, the Adams administration did not increase reserves, which currently total \$8.4 billion, including \$2.0 billion in the Rainy Day Fund.

”

The fund must have a balance sufficient to cover the cost of retiree health benefits for one year; when the fund's balance exceeds the estimated cost of benefit for that year, the City can generate budget relief by appropriating less.

Conclusion

The fiscal realities outlined in this report behoove the leadership of the City to consider the future. IBO encourages the City Council and the Adams administration's negotiations to weigh the merits of two options: placing funds into reserves or using them to prepay next year's expenses as they negotiate the budget. While pre-payment may offer short-term flexibility and offset existing costs, it will not address the root causes of those costs and increases the Adams administration's control of where funds are spent. Strengthening reserves provides more ability to address future shocks. Since resources are limited, adding to the reserve fund will require the City to control near-term expenses, such as uniformed overtime.

Some against increasing the reserve funds are concerned that federal cuts may be informed by the size of the reserves. The Trump administration has cut programs without obvious regard for whether states or local governments can otherwise cover the funding. This indicates that putting money into City reserves has no impact on funding decisions by the Trump administration.

Appendix

Additional State Enacted Budget Impacts on New York City's Budget

The State Enacted Budget included a mix of outcomes for New York City. Some funding choices were anticipated and already reflected in the Executive Budget, while others will need to be addressed in revisions to the City's financial plan.

Further Funding for MTA, But With Costs to the City

The State Enacted Budget introduced several new sources of funding for the MTA. Overall, these changes are expected to increase annual operating contributions from the City to the MTA.

Paratransit

Since July 2023, the State has required the City to cover 80% of paratransit operating costs, after accounting for paratransit fares and dedicated tax revenues. This obligation is capped at no more than 50% of net costs plus \$165 million. Paratransit cost \$718 million in calendar year 2024; the City's contribution was \$490 million. The State budget extended the 80% subsidy level through City fiscal year 2027. The MTA currently estimates an average 5% growth in Access-A-Ride operating costs per year. Given the cost-sharing requirements, the City's subsidy payments will grow as the overall cost of paratransit operations grows. The Adams administration has added \$165 million per year to the Executive Budget to reflect the subsidy extension but does not account for other growth in paratransit costs.

Payroll Mobility Tax

Each year, the MTA receives several billion dollars in operating revenue from the [Payroll Mobility Tax](#) on employers and self-employed individuals in the MTA service region. The State Enacted Budget:

- Entirely exempted the smallest employers (those with quarterly payroll under \$312,500 and self-employed individuals earning less than \$150,000 a year).
- Decreased rates on small employers (those with quarterly payroll between \$312,500 and \$437,500).
- Kept the same rate for employers with quarterly payroll between \$437,500 and \$2.5 million).
- Introduced a new, higher rate for the largest employers (those with quarterly payroll of \$2.5 million or more).

The tax has separate rate schedules for New York City (Zone 1) and the surrounding counties (collectively Zone 2).⁷ Payroll tax rates were adjusted for both zones. Rates are the same for the lowest payroll brackets, but New York City employers in the two highest payroll brackets will face higher rates than the surrounding counties. The State budget was generous to local governments: those in the counties surrounding New York City are now exempt from the tax,

while New York City will continue to pay the same rate as before on its employee payroll (0.6%) instead of the new highest rate (0.895%).

“Fully Funding” the MTA 2025-2029 Capital Plan

As IBO has [analyzed previously](#), the MTA faced a \$33.4 billion funding gap in its \$68.4 billion 2025-2029 Capital Plan (Plan). [State officials](#) have declared that the Plan is fully funded, following three changes in the State Enacted Budget:

- The State and the City will each dedicate \$3 billion to the Plan.
- The State will redirect \$1.2 billion in Penn Station renovation funds to the Plan.
- Starting in September, the State will direct 28.5% of Payroll Mobility Tax revenues to the Plan.

IBO identified several areas of concern:

- Given federal policy changes, the Plan’s expected \$14 billion in federal funding might be optimistic.
- The MTA is expected to find an additional \$3 billion in yet-to-be-defined efficiencies.
- If all funding sources produce revenue as planned by the MTA, IBO estimates that the Payroll Mobility Tax would need to finance \$31.2 billion in capital projects. Based on past MTA financing estimates for congestion pricing, \$1 billion in recurring revenue (such as the congestion pricing tolls) pays the debt service on approximately \$15 billion in bonds. This would require the new Payroll Mobility Tax rates to produce approximately \$2.1 billion in new revenues per year dedicated to the 2025-2029 Plan, to cover the remainder of the \$33.4 billion gap.

State Enacted Budget Includes Cost Sharing for Overnight Subway Policing Initiative

In January 2025, Governor Hochul announced an increase in police patrols on New York City subway platforms and trains overnight for at least six months, coupled with the installation of barriers on subway platforms and enhanced station lighting. The State and City would split the total cost evenly, and the State Enacted Budget includes \$77 million, half of the State’s estimated total cost of \$154 million. IBO [estimated](#) that this cost largely reflected the use of more senior police officers working overtime. If more junior officers were used, IBO estimated the total cost to be around \$61 million. The Adams administration has not specifically added funds to reflect this initiative, although the additional cost to the City may be captured in the broader overtime spending within the Police Department budget.

State Support for City of Yes and New York City Affordable Housing

The State Enacted Budget includes \$1 billion for New York City housing initiatives. Governor Hochul announced this funding in November 2024 to indicate State support for the City of Yes for Housing Opportunity local legislation that was passed by the City Council in December 2024. This State funding is for a variety of initiatives related to City of Yes and existing New York City housing needs, presented in Figure A1. The timeframe for these

FIGURE A1

State Enacted Budget Funding for City of Yes and Other New York City Housing Initiatives

Dollars in Millions

Program Area	Funding
New Construction and Preservation of Affordable Housing	\$500
New York City Public Housing Authority	200
Mitchell-Lama Housing Preservation	80
Mixed-Income Revolving Loan Fund	50
Supportive Housing	30
Older Adult Supportive Housing	20
Mold and Asbestos Abatement	30
Lead Abatement	20
Housing for the Future Rental Program	25
Housing for the Future Co-op Program	25
Preservation of Regulated Affordable Housing	20
Total	\$1,000

SOURCE: New York State 2026 Enacted Budget
New York City Independent Budget Office

State capital investments has not been presented.

Medicaid Risks for Health + Hospitals

Health + Hospitals (H+H), is the largest public municipal health system in the country. Through its 45 locations (11 hospitals and 34 community health centers and long-term care centers), it serves over one million New Yorkers each year and employs about 45,000 health care professionals.

H+H's 2026 Executive Financial Plan projects approximately \$13 billion in operating revenues in 2025, of which \$3.7 billion is attributed to the City operating subsidy. H+H also relies on Medicaid funding. There are two areas of funding contained in the State Enacted Budget that rely on federal approvals. Absent federal approval for the proposed State actions described below, the City may need to increase its H+H subsidy.

The State Enacted Budget reflects the funding switch from indigent care pool (ICP), a program to help pay for lower-income individuals, to directed payment template (DPT), which allows states to direct managed care organizations to pay providers on set fee schedules or at increased rates. If the federal government denies the request, the State may revert to the ICP payment model.

The federal government also has threatened to revoke existing approval of New York State's Managed Care Organization tax—included in last year's State Enacted Budget—which allows the State to draw down additional federal funds.

IBO also continues to monitor funding for distressed hospitals.

Adams Administration Requests for the State Budget

The Adams administration saw the passage of its announced "Axe the Tax" initiative, which was already incorporated into the City's financial plan in January. (IBO's [analysis](#) found that this tax break will impact fewer than 4% of filers.)

The following initiatives were excluded or deferred, although it is still possible for the legislature to pass bills to address some of these areas outside of budget negotiations.

The State Enacted Budget did not renew the Relocation and Employment Assistance

Program (REAP), and the business tax credit is set to expire on June 30, 2025. The new job relocation tax incentive proposed by the Adams administration called Relocation Assistance Credit for Employees (RACE) was also excluded. RACE set incentive goals that appeared to be at odds with the goals for REAP. Read IBO's [report](#) for more details.

The State Enacted Budget also excluded a proposed solution to reset or initialize a “Fresh Start” to the amortization schedule for three of the City’s five pension systems (New York City Employees' Retirement System, New York City Teachers' Retirement System, New York City Board of Education Retirement System). This change would have addressed a contribution cliff in 2032. See IBO's [report](#) for more details.

Supplemental Tables

FIGURE A2

IBO Total Revenue and Expenditure Projections

Dollars in Millions

	Prior Year Actuals 2024	Projections					Annual Average Change 2024-2029
		2025	2026	2027	2028	2029	
Total Revenue, Less Intra-City	\$113,130	\$119,302	\$116,590	\$117,473	\$120,753	\$124,251	1.9%
Taxes	74,049	79,742	80,957	83,318	86,576	89,827	3.9%
Other City & Interfund Revenue (Less Intra-City)	7,570	7,489	7,113	6,970	7,011	7,047	(1.4%)
State, Federal, and Other Categorical Grants	31,510	32,071	28,520	27,185	27,166	27,376	(2.8%)
Total Expenditures, Less Intra-City	\$111,355	\$117,637	\$119,909	\$124,708	\$128,604	\$131,315	3.4%
IBO Additional Operating Surplus/(Deficit)		\$1,665	(\$3,320)	(\$7,235)	(\$7,851)	(\$7,064)	
IBO Prepayment Adjustment 2024/2025		(\$1,665)	(\$1,665)	\$0	\$0	\$0	
IBO Surplus /(Gap) Projections		0	(\$1,655)	(\$7,235)	(\$7,851)	(\$7,064)	
Adjustments for Prepayments and Non-Recurring Expenses							
Net Prepayments	\$1,082	\$1,447	\$2,950	\$0	\$0	\$0	
FY23 Budget Stabilization	5,479	0	0	0	0	0	
FY24 Budget Stabilization	(4,397)	4,397	0	0	0	0	
FY25 Budget Stabilization		(2,950)	2,950				
General Fund Reserves	0	50	1,450	1,450	1,450	1,450	
Other Adjustments	0	(816)	0	221	324	409	
Total Expenditures Incurred in Fiscal Year	\$112,437	\$119,850	\$121,409	\$123,037	\$126,830	\$129,456	2.9%
City-Funded Expenditures Incurred in Fiscal year	\$84,319	\$89,290	\$93,557	\$93,020	\$96,412	\$99,782	3.4%

SOURCES: IBO; OMB

NOTES: Totals may not sum due to rounding. Net prepayments include payments for debt service. Total Expenditures Incurred in Fiscal Year is the sum of Total Expenditures and Net Prepayments, less General Fund Reserves and Other Adjustments. Total Expenditures Incurred in Fiscal Year removes the effect of prepayments and other adjustments to present the total expenditures incurred in a given fiscal year, rather than the cash paid for expenditures.

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FIGURE A3

Economic Forecasts: IBO Compared with OMB

	Calendar Year				
	2025	2026	2027	2028	2029
National Economy					
Real GDP Growth					
IBO	1.3	0.8	2.1	2.4	2.5
OMB	1.9	1.9	1.6	1.8	1.7
Inflation Rate					
IBO	3.3	3.1	2.2	2	1.9
OMB	3.2	2.6	2	2	2
Personal Income Growth					
IBO	5.4	5	5	4.7	4.7
OMB	4.7	5.2	5	4.7	4.4
Unemployment Rate					
IBO	4.2	4.8	4.8	4.5	4.2
OMB	4.3	4.6	4.7	4.7	4.5
10-Year Treasury Bond Rate					
IBO	4.2	4.2	4.3	4.3	4.2
OMB	4.4	4.1	3.9	3.9	3.9
Federal Funds Rate					
IBO	4.1	3.2	3	3	2.9
OMB	4.3	3.7	3.1	3.1	3.1

Table continues on next page

FIGURE A3 CONTINUED

Economic Forecasts: IBO Compared with OMB

	Calendar Year				
	2025	2026	2027	2028	2029
New York City Local Economy					
Nonfarm New Jobs (thousands)					
IBO (Q4 to Q4)	31.9	52.2	51.8	41.6	39.6
OMB (Q4 to Q4)	58.2	79.2	84.3	86.8	97.3
Nonfarm Employment Growth					
IBO (Q4 to Q4)	0.7	1.1	1.1	0.8	0.8
OMB (Q4 to Q4)	1.2	1.6	1.7	1.7	1.9
Inflation Rate (CPI-U-NY)					
IBO	3.6	2.6	2.5	2.4	2.4
OMB	3.9	2.8	2.2	2	2.1
Personal Income (\$ billions)					
IBO	840	880	920	958	996
OMB	819	855	896	937	978
Personal Income Growth					
IBO	3.6	4.7	4.6	4.1	3.9
OMB	4.1	4.4	4.8	4.6	4.4

SOURCES: IBO; OMB

NOTES: Rates reflect year-over-year percentage changes except for unemployment, 10-Year Treasury Bond Rate, and Federal Funds Rate. The local price index for urban consumers (CPI-U-NY) covers the New York/Northern New Jersey region. Personal income is nominal. IBO and OMB measure New York City income differently, making data and forecasts not directly comparable.

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FIGURE A4

City Tax Projections: IBO Compared with OMB

	Prior Year Actuals	Financial Plan Projections By Fiscal Year					Annual Average Change 2024-2028
		2025	2026	2027	2028	2029	
Property							
IBO	\$32,859	\$34,412	\$35,349	\$36,700	\$38,044	\$39,498	3.8%
OMB		34,434	35,360	36,585	37,664	38,778	3.4%
Personal Income							
IBO	15,671	18,241	18,078	18,733	19,836	20,525	5.6%
OMB		18,229	17,684	18,280	19,179	19,983	5.0%
General Sales							
IBO	9,914	10,266	10,588	11,041	11,481	11,916	3.8%
OMB		10,288	10,690	11,041	11,484	11,911	3.7%
Corporate Taxes							
IBO	6,886	7,200	7,230	6,912	7,091	7,500	1.7%
OMB		7,311	7,466	6,946	6,963	7,155	0.8%
Unincorporated Business Taxes							
IBO	2,789	3,254	3,231	3,315	3,418	3,540	4.9%
OMB		3,333	3,270	3,328	3,388	3,462	4.4%
Real Property Transfer							
IBO	1,130	1,324	1,319	1,377	1,408	1,432	4.8%
OMB		1,300	1,334	1,392	1,453	1,516	6.1%
Mortgage Recording							
IBO	597	725	834	843	846	845	7.2%
OMB		770	812	861	914	961	10.0%
Commerical Rent							
IBO	918	921	943	962	981	1,005	1.8%
OMB		931	951	966	979	992	1.6%

Table continues on next page

FIGURE A4 CONTINUED

City Tax Projections: IBO Compared with OMB

	Prior Year Actuals	Financial Plan Projections By Fiscal Year					Annual Average Change 2024-2028
		2025	2026	2027	2028	2029	
Hotel Occupancy							
IBO	\$706	\$767	\$780	\$812	\$844	\$ 876	4.4%
OMB		755	783	811	838	866	4.2%
Cannabis							
IBO	4	17	22	28	33	39	58.8%
OMB		19	27	31	34	37	57.1%
Other Taxes & Audit							
IBO	2,165	2,615	2,582	2,596	2,594	2,652	0.6%
OMB		2,565	2,532	2,546	2,544	2,602	0.2%
Total Tax Revenue							
IBO	\$74,049	79,742	80,957	83,318	86,576	89,827	3.9%
OMB		79,935	80,909	82,787	85,440	88,263	3.6%

SOURCE: IBO; OMB

NOTES: Totals may not sum due to rounding. Corporate taxes comprise three separate taxes: the business corporation tax for C corporations, the general corporation tax, and the banking corporation tax for S corporations. Personal income tax is inclusive of revenue generated from the Pass-Through Entity Tax (PTET). Other taxes includes the utility tax and small tax revenue sources including cigarette, liquor, off-track betting, taxi medallion, motor vehicle taxes, and payments made in lieu of taxes.

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FIGURE A5

IBO Revenue Projections Fiscal Years 2024-2029

Dollars in Millions

	Prior Year Actual 2024	Financial Plan Projections					Annual Average Change 2024-2028
		2025	2026	2027	2028	2029	
City Tax Revenue	\$74,049	\$79,742	\$80,957	\$83,318	\$86,576	\$89,827	4.0%
Other City Revenue	9,188	8,867	8,200	8,030	8,062	8,096	(2.5%)
State Categorical Grants	19,231	20,500	19,790	18,675	18,727	18,879	(0.3%)
Federal Categorical Grants	11,294	\$10,453	\$7,588	\$7,373	\$7,306	\$7,366	(7.6%)
Other Categorical Aid	985	\$1,118	\$1,142	\$1,138	\$1,133	\$1,131	(2.9%)
SUB-TOTAL REVENUE	\$114,748	\$120,680	\$117,677	\$118,534	\$121,804	\$125,299	1.80
Interfund Revenue	742	783	797	795	796	799	1.5%
Intra-City Revenue	\$2,360	\$2,161	\$1,884	\$1,856	\$1,847	\$1,847	(4.6%)
TOTAL REVENUE, Less Intra-City	\$113,130	\$119,302	\$116,590	\$117,473	\$120,753	\$124,251	1.9%

SOURCES: IBO; OMB

NOTES: Totals may not sum due to rounding. Other City Revenue refers to STAR reimbursements, miscellaneous revenue, unrestricted intergovernmental aid, and disallowances.

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Endnotes

- ¹ See University of Michigan [Consumer Sentiment Survey](#), presented by the Federal Reserve Bank of St. Louis and Brian Scheid (May 1, 2025), "[US consumer spending rises in anticipation of tariffs](#)," S & P Global.
- ² Two expected State policy changes were reflected in the 2026 Executive Budget—increases to the City's contributions for the MTA for paratransit costs and transportation costs for elementary school students attending school until 4pm. Elsewhere, OMB budgeted State dollars in the Executive Budget based on what Governor Hochul proposed in the Executive Budget, released in January.
- ³ See Robert Callahan and Dan Roboff (April 29, 2025), "[Nonprofit, Nonpayment: An Analysis of Payment Delays for the City's Human Service Contractors](#)," New York City Comptroller's Office.
- ⁴ IBO uses projections of national indicators in a simultaneous equations model to estimate what might happen in the local New York City economy over the period covered by the financial plan.
- ⁵ IBO's economic report is presented in calendar years. Tax revenue forecasts reflect City fiscal years.
- ⁶ Comments made by Federal Reserve Bank of Cleveland President Beth Hammack in [CNBC interview](#) on April 24, 2025.
- ⁷ The surrounding counties subject to the Payroll Mobility Tax (officially the Metropolitan Commuter Transportation Mobility Tax) include Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.



IBO's mission is to enhance understanding of New York City's budget, public policy, and economy through independent analysis.

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