



Spending in Focus

NYC Fiscal Year 2022 Adopted Budget Obligations Total \$103 Billion

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New York City published its Fiscal Year 2022 Adopted Budget Financial Plan showing that expenditures will total \$98.7 billion for fiscal year 2022. While technically correct, this figure does not fully reflect the City’s spending obligation for the year. The City routinely prepays some bills, which allows it to “roll” money forward from one year to the next. This can be a helpful fiscal management tool, but distorts the City’s spending in a given year, and its spending trends over time.

Taking this into account, the City’s fiscal year 2022 expenditure obligation is actually \$103.3 billion, a full \$4.6 billion higher than the \$98.7 billion in the plan. Table 1 shows the four necessary adjustments:

1. Increase expenditures by \$6.1 billion to add back fiscal year 2022 obligations that were prepaid in fiscal year 2021 with available funds;
2. Decrease expenditures by \$500 million—the deposit to the Rainy Day Fund. The City essentially is depositing these funds to a saving account, not spending them;
3. Decrease expenditures by the \$300 million in the General Reserve, which effectively is a budgeted contingency fund, and unless allocated to a specific purpose may be “rolled” into the following year;
4. Subtract \$725 million in Interfund Agreements, which represents spending on capital projects that are not funded by operating budget revenues, but rather by a transfer from the capital projects fund.

Table 1: NYC FY 2022 Adjusted Expenditures

(dollars in millions)

	FY 2022
Reported Expenditures	\$98,723
plus FY21 prepayment of FY22 expenses	\$6,107
less deposit to Rainy Day Fund	(\$500)
less General Reserve	(\$300)
less Interfund Agreements	(\$725)
Adjusted Expenditures	\$103,305

Source: City of New York, Mayor’s Office of Management and Budget, *Fiscal Year 2022 Adopted Budget: Financial Plan* (June 30, 2021), <https://www1.nyc.gov/site/omb/publications/finplan06-21.page>

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