



BLOG | CITY BUDGET

Peeking Behind the Curtain

Understanding How Policies, Priorities, Prices, and Mandates Increase NYC Spending

January 28, 2020

Spending growth is not the result of unexplainable phenomena or even revenue increases driven by growth in the underlying economy. Rather, it is the product of the policy, program, and management choices of municipal leaders, mandates from other levels of government and sometimes the courts, and external forces such as increases in the costs of goods purchased.

During Mayor Bill de Blasio's first five years in office, the New York City budget increased from \$72.8 billion in fiscal year 2014 to \$92.0 billion in fiscal year 2019, an average annual rate of 4.8 percent, more than triple the average annual rate of inflation, 1.3 percent.¹ Spending growth can be understood through different lenses. One approach considers growth by agency; prior Citizens Budget Commission (CBC) [analysis](#) showed that about half of the budget growth has been concentrated in four agencies. A second approach considers spending growth by the category of expenditure, such as salaries and wages, overtime, or contractual services. This report combines these two approaches to look at spending growth between fiscal years 2014 and 2019 due to:

1. New programs or initiatives;
2. Expansion of existing programs to serve more New Yorkers or provide a broader range of services; and
3. Cost increases across programs and agencies, such as those due to collective bargaining, contract escalation, or inflation.

These three categories are not mutually exclusive. Policy decisions, such as collective bargaining agreements, increase City expenditures across both new and existing programs and functions. Likewise, factors outside the City's direct control, such as the

changes in the cost of supplies and goods, also affect both new and existing programs and functions.

Understanding how policy, management choices, and external factors drive budget growth is essential to efforts to restrain spending. Had spending growth been restrained, the City would have been able to set aside additional resources to weather an economic downturn when revenues will decline; [spending restraint should be a greater priority](#) in the upcoming budget season.

Recent Growth in the New York City Budget

In fiscal year 2019 total City expenditures reached \$92.0 billion, a \$19 billion increase from fiscal year 2014.²(See Table 1.) Growth averaged 4.8 percent annually, with the annual growth rate increasing from fiscal year 2014 to fiscal year 2016 and exceeding 5 percent in fiscal years 2017 to 2019. City-funded spending, supported by City tax, fee, and fine revenue, increased by \$13.9 billion between fiscal years 2014 and 2019 to reach \$68.3 billion. The average annual increase in City-funded spending was 4.7 percent, with growth in fiscal years 2018 and 2019 exceeding 6 percent.

Table 1: New York City All Funds and City Funds Spending Growth, FY 2014 to FY 2019
(dollars in millions)

	All Funds		City Funds	
	<i>CBC Adjusted Spending</i>	<i>Percent Change</i>	<i>CBC Adjusted Spending</i>	<i>Percent Change</i>
FY 2014	\$72,812	1.8%	\$54,399	6.3%
FY 2015	\$75,480	3.7%	\$55,932	2.8%
FY 2016	\$79,044	4.7%	\$58,146	4.0%
FY 2017	\$83,221	5.3%	\$60,434	3.9%
FY 2018	\$87,435	5.1%	\$64,109	6.1%
FY 2019	\$92,034	5.3%	\$68,342	6.6%
Change, FY 2014 to FY 2019	\$19,222		\$13,943	
Average Annual Growth Rate	4.8%		4.7%	

Note: Spending excludes interfund agreements, deposits to the Retiree Health Benefit Trust, and adjusts for the impact of prepayments. City funds not adjusted for Build America Bonds Federal subsidy, and pollution remediation bonds.

Sources: Office of the New York City Comptroller, *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019* (October 31, 2019), and fiscal year 2014 to 2018 editions.

Drivers of Spending Growth

Spending may increase for reasons such as the creation of new programs or initiatives, expansion of existing programs to broaden the services provided or the population served, or cost increases that cut across agencies and functions. New programs and programmatic expansion may result from mayoral policy priorities, legislative priorities, and mandates enacted by State and federal governments. Spending growth may be caused by external forces, such as the rising cost of supplies, or may be the result of decisions reflected in collective bargaining agreements, to increase headcount, or to borrow to support the capital program, which results in debt service obligations in the operating budget. The examples below illustrate the City's budget growth due to both policy choices and external factors.

New Programs

Universal pre-kindergarten (UPK), anti-eviction legal services, the "Fair Fares" program, and 2019 election reforms illustrate how new programs and new mandates can result in new spending.

Universal Pre-Kindergarten

A signature initiative of the de Blasio Administration, UPK offers all four-year-olds in New York City a preschool education. The program began in fiscal year 2014, when the City already served 19,287 public school pre-k students enrolled in programs such as Head Start. UPK was rapidly implemented, serving 53,120 students in the second year and over 67,000 each year since. In 2017 the de Blasio Administration announced an expansion of the program—3-K for All—to provide seats to three-year-olds (illustrating the often blurry line between new and expanded programs). Rollout has been slower, serving 3,314 students in fiscal year 2019, the second year of its implementation.³

UPK, including funding for 3-K for All, is one of the major drivers of spending growth in the Department of Education (DOE), with the program costing \$1.0 billion in fiscal year 2019, or 3.7 percent of the DOE's budget.⁴ Roughly 93 percent of the expenditures support UPK, while 7 percent support 3-K.⁵ Based on fiscal year 2019 enrollment, the program costs approximately \$14,100 per student.

Citywide implementation of UPK for four-year-olds relied on funding from the State: In fiscal year 2019 State aid was roughly 57 percent of the UPK funding. To date, the City has funded 3-K expansion.

Anti-Eviction Legal Services

In August 2017 the Mayor signed the Universal Access Law, creating new anti-eviction legal services that had been a priority of the City Council and the Mayor.⁶ Households with income below 200 percent of the federal poverty level (\$50,200 for a family of four in 2018) that are facing housing court eviction proceedings are entitled to free legal representation provided by nonprofits under contract with the City. The program is modeled after existing anti-eviction legal service programs (which were previously administered by the Department of Homeless Services and targeted households at risk of homelessness) and the 2015 Anti-Harassment Tenant Protection program, whose goal was to avoid the initiation of eviction proceedings.

The Universal Access Law is being implemented incrementally by zip code, with citywide services expected by fiscal year 2022.⁷ Currently, the program targets 20 zip codes including West Harlem, East Tremont, Norwood, Parkchester, Crown Heights, Bushwick, and Flatbush. . In fiscal year 2018 the Administration launched the program with \$15 million in funding; according to the Office of Civil Justice, 21,335 individuals in 8,267 households were assisted. In fiscal year 2019 the program more than doubled in cost, reaching \$42.6 million, and assisted 34,097 individuals in 13,350 households.⁸ The program has a \$65.4 million budget in fiscal year 2020, and is expected to cost \$155 million annually at full implementation in fiscal year 2022. Total spending on the Universal Access Law, combined with existing anti-eviction and anti-harassment tenant protection programs, was \$77 million in fiscal year 2018, rising to \$166 million in fiscal year 2022.⁹

Fair Fares

“Fair Fares” is a program that provides subsidized half-fare Metrocards to individuals living below the poverty line. Fair Fares was a key City Council priority during the fiscal year 2019 budget negotiations.¹⁰ The Fiscal Year 2019 Adopted Budget allocated \$106 million for the program in fiscal year 2019, 50 percent of the estimated full cost, as the program was expected to be in operation for only the second half of the fiscal year. Advocates for the program estimated the eligible population to be 800,000, with roughly

350,000 expected to sign up by the end of the second year.¹¹ Actual expenditures in fiscal year 2019 were just \$25 million due to slower than expected rollout.¹² The City made the program available to 30,000 public assistance recipients in January 2019 (with just 5,800 signing up by March 2019); by June 2019, 137,000 were eligible and 50,000 had signed up.¹³

As of November 2019 92,541 New Yorkers were receiving subsidized Metrocards through Fair Fares; all eligible New Yorkers meeting income thresholds are able to apply beginning in January 2020. The Fiscal Year 2020 Adopted Budget includes \$106 million for fiscal year 2020; the Fiscal Year 2021 Preliminary Budget added \$106 million for fiscal year 2021. There is no funding in the financial plan beyond that.

Election Reform

Additional spending may also reflect the priorities of the State or federal government, both of which have the power to mandate additional City spending through legislation and regulation. State election reforms enacted in 2019 included early voting, the creation of electronic poll books, and other reforms aimed at making voting easier.¹⁴ Local election boards are charged with implementation of those mandates; however, the State budget did not include substantial funding to support them.¹⁵ The City estimated that implementation will require \$96 million in fiscal year 2020. Cost estimates for future election years are not yet available.

Expanded Services

Expanding existing services can also increase spending. Expanded services encompasses two categories:

1. More services, benefits, or programs to the same or a similarly sized population; or
2. The same services, benefits, or programs to an expanded pool of people.

Homeless Shelters

The increase in spending on Department of Homeless Service (DHS) shelters predominantly reflects expanded services rather than an increase in the number of homeless individuals and families served at City shelters.¹⁶ The number of people in DHS homeless shelters has increased from 51,470 in January 2014 to 61,110 in January 2019, an average annual increase of 3.5 percent.¹⁷

Despite the modest increase in population served, the budget for shelter operations, intake, and administration increased dramatically: between fiscal years 2014 and 2019, spending grew by \$1 billion, an average annual increase of 16.5 percent. DHS shelters are classified as either family shelters or adult shelters; family shelters serve families with children or adult families, and adult shelters serve single adults.¹⁸ Spending grew at roughly the same rate for both types of shelters. (See Table 2.)

**Table 2: Expenditures and Funding for NYC Department of Homeless Services
Adult and Family Shelters, FY 2014 to FY 2019**

	FY 2014	FY 2019	Dollar Change	Annual Percent Change
EXPENDITURES				
Adult Shelters	\$344.7	\$744.9	\$400.2	16.7%
Family Shelters	\$541.4	\$1,160.3	\$618.9	16.5%
Total	\$886.1	\$1,905.2	\$1,019.1	16.5%
FUNDING				
City Funded	\$413.6	\$1,166.1	\$752.5	23.0%
State and Federal Funded	\$472.5	\$739.1	\$266.6	9.4%
Percent City Funded	46.7%	61.2%		

Note: Adult Shelter spending includes: Adult Shelter Operations, Adult Shelter Administration and Support, and Adult Shelter Intake and Placement. Family Shelters include: Family Shelter Operations, Family Shelter Administration and Support, and Family Shelter Intake and Placement. 2014 spending as reported in the 2015 Adopted Budget. 2019 spending as reported in the 2020 Adopted Budget. Actual spending for fiscal year 2014 spending was \$877.4 million, \$8.7 million lower than shown in the table. In fiscal year 2019, actual spending was \$1,974.6 million, \$17.1 million higher than shown in the table.

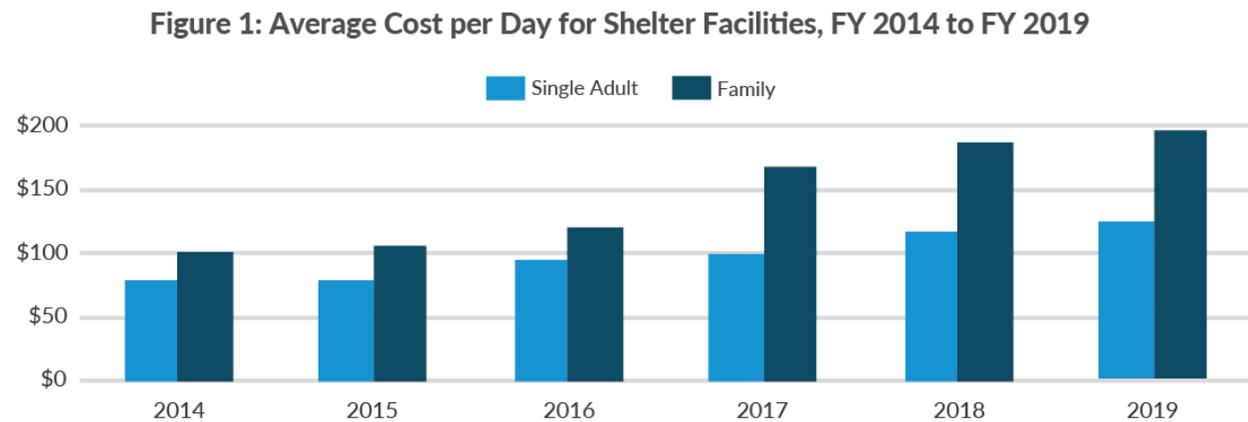
Sources: City of New York, Office of Management and Budget, *Fiscal Year 2020 Adopted Budget Function Analysis* (June 20, 2019), and fiscal year 2017 edition.

Spending growth has been driven by increasing average daily costs of shelter per person and per family. The average daily cost of shelter for a single adult increased from \$78 to \$124 between fiscal years 2014 and 2019, an average increase of 9.7 percent per year. The average daily cost for an entire family increased from \$102 to \$196 over the same period, an average increase of 14.0 percent per year. (See Figure 1.) Based on the average census in 2014 and 2019, roughly three-quarters of the increase in shelter spending is due to higher average cost per day, with one-quarter due to the larger population.¹⁹

According to testimony from Department of Social Services Commissioner Steve Banks, one factor contributing to higher daily costs is additional spending on commercial hotels

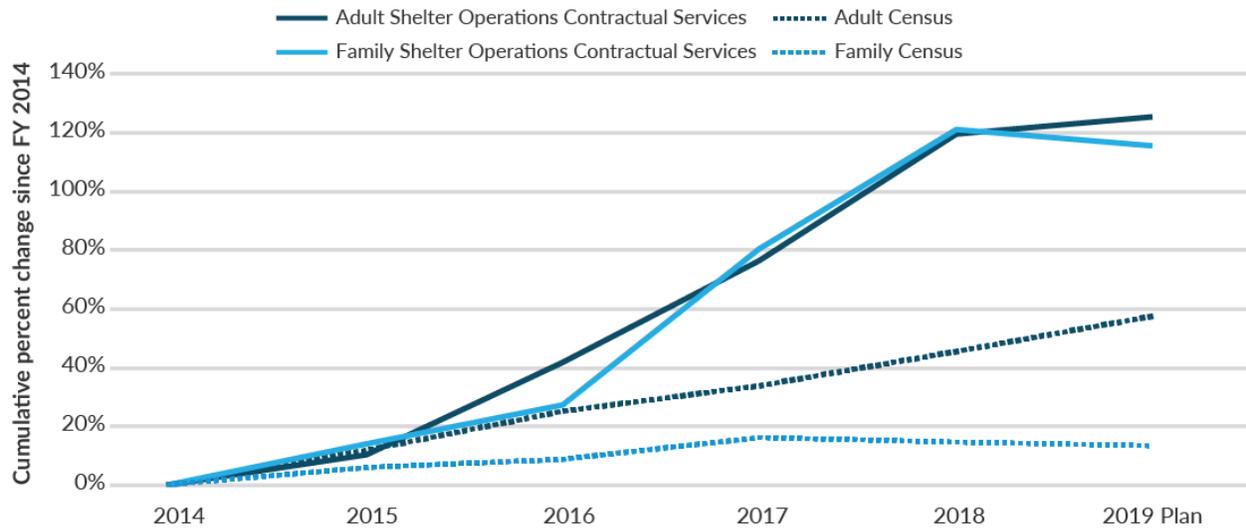
as the City phases out temporary cluster shelters.²⁰ New York City Comptroller Scott Stringer reported that the number of hotel rooms booked by the City increased from 324 on November 1, 2015 to 2,069 on October 31, 2016 to 2,852 on February 28, 2017.²¹

Another factor is rising costs for operating traditional shelters due to increased investments in shelter security, shelter maintenance, provision of social services, and increased reimbursement rates for providers.²² The growth in contract costs for both adult and family shelters accelerated sharply beginning in fiscal year 2015 and 2016. (See Figure 2.)



Sources: City of New York, Mayor's Office of Operations, *Mayor's Management Report: Fiscal 2019* (September 2019), and fiscal year 2015 edition.

Figure 2: Growth in Contractual Services Expenditures for Homeless Shelter Operations and Shelter Census, Indexed to FY 2014, FY 2014 to FY 2019



Sources: City of New York, Office of Management and Budget, *Fiscal Year 2020 Adopted Budget Function Analysis* (June 20, 2019), and fiscal year 2018 edition; City of New York, Mayor's Office of Operations, *Mayor's Management Report: Fiscal 2019* (September 2019), and fiscal year 2018 edition.

Funding for the shelter system comes from federal, State, and City governments. In general, the City pays a smaller share of family shelter costs as the families are eligible for federal reimbursement from the Temporary Assistance for Needy Families (TANF) program, but covers a larger share of the cost of adult shelters.²³ Between fiscal years 2014 and 2019 the City's overall share of the shelter spending increased, as various State policies shifted more of the cost to the City.²⁴ The City paid for 72.7 percent of adult shelter costs in fiscal year 2014, which increased to 87.7 percent by fiscal year 2019. For family shelters, the City paid for 30.1 percent of the costs in fiscal year 2014, which increased to 44.2 percent in fiscal year 2019.²⁵

Youth Programs

Youth services are another policy priority of Mayor de Blasio and the City Council. While new programs have not been launched, the City has substantially increased the number of children participating in Department of Youth and Community Development (DYCD) programs.

Between fiscal year 2014 and fiscal year 2019 DYCD's budget increased from \$404 million to \$872 million. Spending on two programs, the Comprehensive After School

System (COMPASS) and Summer Youth Employment (SYEP) grew due to both expansion and cost escalation and account for 67.6 percent of the agency's \$468 million increase.²⁶

Comprehensive After School System (COMPASS)

The City has substantially expanded COMPASS, which sponsors afterschool programs for New York City students enrolled in K-12 education. Expansion occurred early in Mayor de Blasio's first term, with enrollment increasing from 71,585 in fiscal year 2014 to 112,600 in fiscal year 2015. Enrollment continued to increase to 122,390 in fiscal year 2019.²⁷

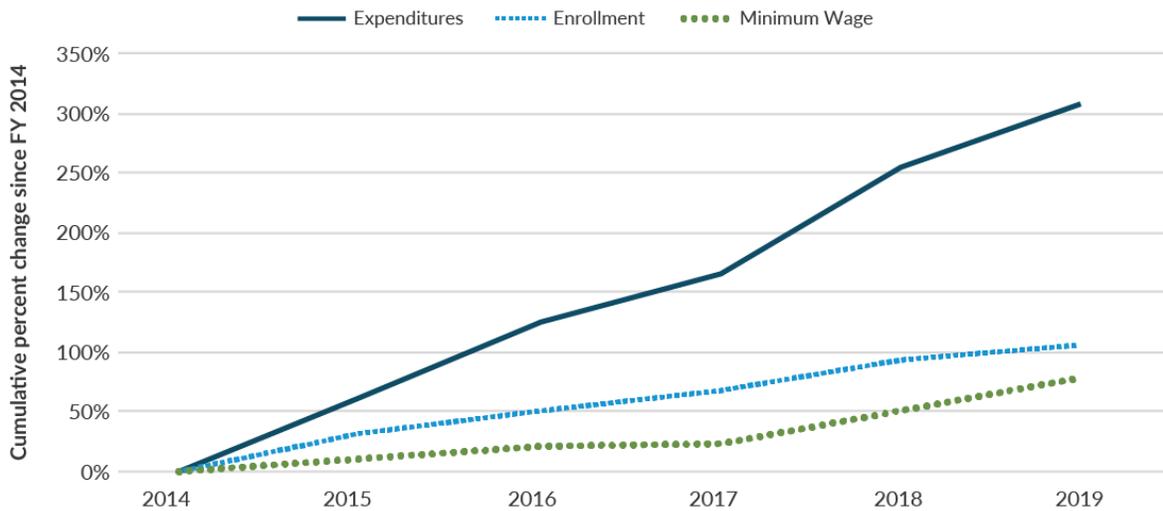
Between fiscal years 2014 and 2019 the COMPASS budget more than doubled, increasing from \$152 million to \$345 million. While some of the budget growth is attributable to serving more students, the cost per student served increased from \$2,123 in fiscal year 2014 to \$2,821 in fiscal year 2019.²⁸

Summer Youth Employment Program (SYEP)

Spending on SYEP more than tripled from \$40 million in fiscal year 2014 to \$163 million in fiscal year 2019.²⁹ The program connects youth ages 14 to 24 to summer employment opportunities and pays for their salaries or stipends. Participants apply for the program and are typically chosen via a lottery.

As the Mayor and City Council increased the number of slots, total enrollment more than doubled from 35,957 in fiscal year 2014 to 74,354 in fiscal year 2019.³⁰ Despite enrollment growth, the City still does not accept all program applicants. However, the increase in enrollment is not enough to explain the 307 percent increase in expenditures from fiscal year 2014 to fiscal year 2019. (See Figure 3.)

Figure 3: Growth in SYEP Enrollment, the NYS Minimum Wage, and Programmatic Spending on SYEP, FY 2015 to FY 2019 (Indexed to FY 2015)

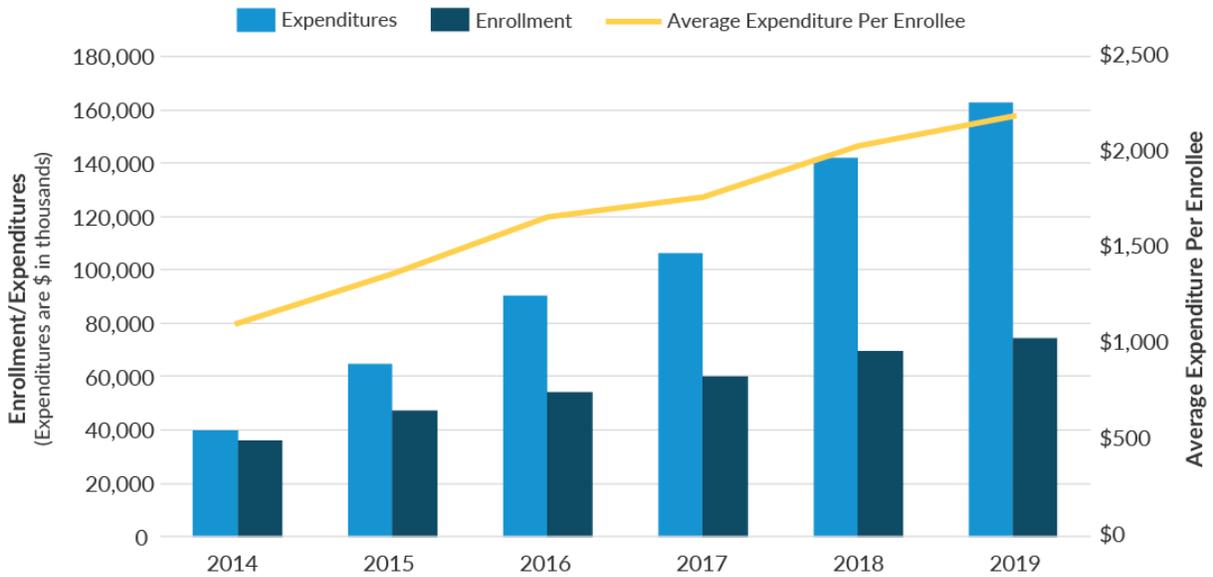


Sources: City of New York, Office of Management and Budget, *Fiscal Year 2021 Preliminary Budget Function Analysis* (January 16, 2020), and fiscal year 2017 edition; City of New York, Mayor’s Office of Operations, *Mayor’s Management Report: Fiscal 2019* (September 2019), and fiscal year 2015 edition; City of New York, Department of Youth and Community Development, *Summer Youth Employment Program (2019 Annual Summary)*, and 2014 to 2018 editions.

SYEP spending growth has outpaced enrollment growth. The average expenditure per enrollee increased from \$1,113 to \$2,191 from fiscal year 2014 to fiscal year 2019, an average annual increase of 14.5 percent, attributable in large part to increases in the minimum wage. (See Figures 3 and 4.) While students who are 14 and 15 years old receive a stipend for the summer, students who are 16 years or older are paid the minimum wage. Minimum wage increases have been substantial, increasing from \$7.25 per hour in fiscal year 2014 to \$13 per hour in fiscal year 2019, a 79.3 percent increase (or an average annual increase of 12.4 percent). For example, in 2018 \$20 million was added to the fiscal year 2019 budget to adjust for minimum wage increases, and similar adjustments were made in prior years.³¹

About one-third of the increase in the cost of SYEP program (\$42.7 million) was due to enrollment growth, while the remaining two-thirds (\$80.2 million) was due to higher per enrollee costs. Had the per enrollee cost stayed at the 2014 level (\$1,113), the cost of the program would have increased from \$40.0 million in fiscal year 2014 to \$82.8 million in fiscal year 2019 (based on enrollment). The increase in per enrollee spending, driven in large part by the minimum wage increase, further increased the program cost to \$162.9 million.

Figure 4: NYC Summer Youth Employment Program Enrollment and Expenditures, FY 2014 to FY 2019



Sources: City of New York, Office of Management and Budget, *Fiscal Year 2021 Preliminary Budget Function Analysis* (January 16, 2020), and fiscal year 2018 edition; City of New York, Department of Youth and Community Development, *Summer Youth Employment Program* (2019 Annual Summary).

General Cost Increases

Economic and policy factors also can lead to increased spending. Some cost increases reflect inflationary pressures, such as the increasing cost of supplies and food that affect consumers and businesses alike. Rising costs may often be in excess of these inflationary increases because they reflect policy decisions. For example, the increase in minimum wage discussed previously also increased the cost of salaries and wages for certain City titles; furthermore, the de Blasio Administration increased funding for employees at the minimum wage employed by social services organizations under City contracts.³²

The NYC budget separates expenditures into personal service (PS) costs (such as salaries, overtime, or fringe benefits) and other-than-personal service (OTPS) costs (such as contracts, leases, or supplies). (See Table 3.)

Table 3: New York City Expenditures by Object, FY 2014 to FY 2019

	FY 2014	FY 2019	Dollar Change	Total Percent Change	Annual Percent Change
PERSONAL SERVICES					
Full-Time Salaries & Wages	\$18,035.7	\$22,877.3	\$4,841.6	26.8%	4.9%
Overtime	\$1,439.6	\$1,782.6	\$343.0	23.8%	4.4%
Pensions	\$8,265.4	\$9,940.9	\$1,675.5	20.3%	3.8%
Other Fringe Benefits	\$8,298.7	\$10,411.8	\$2,113.1	25.5%	4.6%
Other Pay (includes PT employees)	\$4,787.6	\$4,404.3	(\$383.3)	-10.5%	-1.7%
Total PS	\$40,827.0	\$49,416.9	\$8,589.9	21.0%	3.9%
OTHER THAN PERSONAL SERVICES					
Supplies, Property, & Equipment	\$4,912.6	\$6,124.0	\$1,211.4	24.9%	4.5%
Social Services	\$8,429.6	\$8,491.7	\$62.1	0.7%	0.1%
Contracts	\$10,028.8	\$17,078.8	\$7,050.0	70.3%	11.2%
Fixed & Misc. Charges	\$3,614.5	\$5,146.6	\$1,532.1	42.4%	7.3%
Debt Service	\$5,535.1	\$6,428.2	\$893.1	16.1%	3.0%
Total OTPS	\$32,520.6	\$43,269.3	\$10,748.7	33.1%	5.9%
GRAND TOTAL (less IFA)	\$72,812.3	\$92,034.3	\$19,222.0	26.4%	4.8%

Note: Expenditures by object are adjusted by CBC staff to exclude deposits to the Retiree Health Benefits Trust (RHBT) and adjust for the impact of prepayments, but include interfund agreements (IFA). Expenditures do not reflect prepayment of debt service in fiscal year 2012 that reduced fiscal year 2014 debt service by \$37 million. Grand total is less IFA.

Sources: Office of the New York City Comptroller, *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019* (October 31, 2019), and fiscal year 2014 to 2019 editions.

Personal Service Cost Increases

Increases in collectively bargained salaries affect nearly all City programs and functions and contribute significantly to City budget growth. Between fiscal year 2014 and fiscal year 2019, total PS expenditures increased 3.9 percent annually on average.

Nearly two-thirds of the total PS increase is attributable to growth in pay for full-time employees, the number of which has been increasing. Full-time salaries and wages increased by \$4.8 billion from \$18.0 billion in fiscal year 2014 to \$22.9 billion in fiscal year 2019, or an average increase of 4.9 percent per year (and one-quarter of the total Citywide increase over this time). (See Figure 5.) This growth stems from both higher salaries following new collective bargaining agreements and an 11 percent expansion of the full-time municipal workforce from 271,767 to 300,442.³³ Based on the full-time workforce and average pay, CBC estimates that 61 percent of the \$4.8 billion increase in

full-time salaries and wages stems from higher salaries for existing employees, while the remaining 39 percent is attributable to the increase in the workforce.³⁴

Overtime grew at an average rate of 4.4 percent from \$1.4 billion in fiscal year 2014 to \$1.8 billion in fiscal year 2019. Increases in overtime costs depend not only on the hours of overtime worked, but on the salaries of employees; collective bargained salary increases generally result in higher overtime spending unless overtime hours are reduced or overtime is shifted to junior staff with lower salaries.

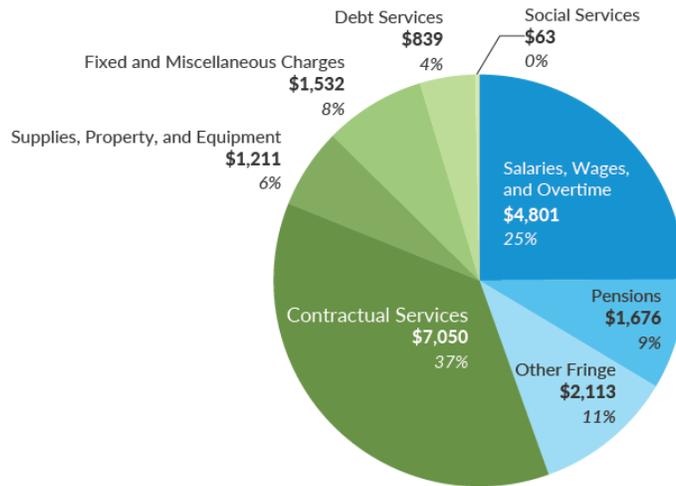
Pension costs are determined by the City's Actuary based on complex projections of future liabilities; increases in headcount and average salary will be reflected in higher pension contributions. Pension contributions grew from \$8.3 billion to \$10.0 billion between fiscal year 2014 and fiscal year 2019, about 3.8 percent per year on average. Other fringe benefits, including health insurance, supplemental welfare benefits, and other benefits increased an average of 4.6 percent per year, in part reflecting efforts by the City to control health insurance costs through agreements with the Municipal Labor Committee.

Other than Personal Service Cost Increases

OTPS spending increased an average of 5.9 percent per year, faster than PS expenditures. Growth has been fastest in contractual services, though spending on all areas other than social service spending has also increased.

Spending on contractual services increased by \$7.1 billion, from \$10.0 billion in fiscal year 2014 to \$17.1 billion in fiscal year 2019, or an average increase of 11.2 percent per year. These expenditures include the [City's purchases of goods and materials](#) (for example, pencils, food, and road salt), as well as services, including social services and consulting services. Some of these increases affect spending across City agencies, while some of the growth is concentrated in specific agencies or programs. For example, because DHS homeless shelters are operated by non-profit providers under contract with the City, the increase in shelter spending is also reflected in higher contract costs; homeless service contracts increased from \$835.8 million in fiscal year 2014 to \$2,091.9 million in fiscal year 2019.³⁵

Figure 5: Change in NYC Expenditures, by Object, FY 2014 to FY 2019
(dollars in millions)



Note: Expenditures exclude deposits to the Retiree Health Benefits Fund and adjusted for the impact of prepayments. Expenditures include interfund agreements (IFA) and do not reflect prepayment of debt service in fiscal year 2012 that reduced fiscal year 2014 debt service by \$37 million.

Source: Office of the New York City Comptroller, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019 (October 31, 2019), and fiscal year 2014 edition.

Fixed and miscellaneous charges increased from \$3.6 billion in fiscal year 2014 to \$5.1 billion in fiscal year 2019, a rate of 7.3 percent per year. This category includes transfers to public authorities such as the Metropolitan Transportation Authority (MTA), the New York City Housing Authority (NYCHA), and NYC Health + Hospitals. Despite not being a part of the City budget, fiscal pressures at all three public authorities in recent years has been alleviated by increases in City subsidies and operating support, some of which were mandated by the State and some of which were policy decisions made by City leaders.³⁶ For example, between fiscal years 2014 and 2019 transfers to the MTA increased from \$800 million to \$1.2 billion.³⁷

Conclusion

Many factors contribute to New York City’s growing spending, some of which are outside the control of the City’s elected officials. However, much of the growth in the last five years has resulted from policy priorities of the Mayor and the City Council. New and expanded programs come with costs. Policy decisions regarding collective bargaining, the level of capital investment, and contract management also increase spending across City agencies and programs.

Understanding the drivers of spending growth is especially critical to restraining spending growth ahead of a potential economic downturn. If revenues decline, the City may need to reduce services or increase taxes to balance the budget. Managing the factors that have led to rapid spending growth, such as the rising cost of contracts, overtime, or headcount growth, could help reduce the City's need to take drastic actions when the inevitable downturn occurs.

By Ana Champeny and Adrian Pietrzak

Footnotes

1. Expenditures adjusted by CBC to exclude interfund agreements, deposits to the Retiree Health Benefits Trust, General and Capital Stabilization Reserves, and to adjust for the impact of the surplus roll between years. Inflation is calculated by CBC staff as the average percent change in CPI-U for the New York City region from fiscal year 2014 to 2019, based on: Bureau of Labor Statistics, "CPI for All Urban Consumers (CPI-U), Series CUURS12ASA0, All items in New York-Newark-Jersey City, NY-NJ-PA" (accessed December 30, 2019), <http://data.bls.gov/cgi-bin/dsrv?cu>.
2. Expenditures differ from what is reported because they are adjusted by CBC to exclude interfund agreements, deposits to the Retiree Health Benefits Trust, General and Capital Stabilization Reserves, and to adjust for the impact of the surplus roll between years to more accurately reflect spending in a fiscal year.
3. The program was first announced in 2017. In the first year, just 824 students were served. The City intends to provide 3-K to 19,000 by 2022. See: City of New York, Office of the Mayor "Mayor de Blasio Announces 3-K for All," (press release, April 24, 2017), <https://www1.nyc.gov/office-of-the-mayor/news/258-17/mayor-de-blasio-3-k-all/#/0>; and City of New York, Office of the Mayor, "Mayor de Blasio Speeds up 3-K for All Rollout and Announces 4 New Districts" (press release, February 2, 2019), <https://www1.nyc.gov/office-of-the-mayor/news/078-18/mayor-de-blasio-speeds-up-3-k-all-rollout-announces-4-new-districts#/0>.
4. CBC staff identified expenditures for UPK as Units of Appropriation (UA) 407 and 408; does not include the pension cost of DOE UPK employees. See: Office of the New York City Comptroller, *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019* (October 31, 2019), <https://comptroller.nyc.gov/wp-content/uploads/documents/CAFR2019.pdf>.
5. Actual spending from the comprehensive annual financial report does not distinguish between UPK and 3K. The breakdown in text is based on detailed spending data for fiscal year 2019. See: City of New York, Mayor's Office of Management and Budget, *Adopted Fiscal Year 2020 Budget: Supporting Schedules* (June 21, 2019), <https://www1.nyc.gov/assets/omb/downloads/pdf/ss6-19.pdf>.
6. Universal Access was sponsored by Councilmember Mark Levine, and incorporated various elements of the Councilmember's original bill in the final legislation. See: City of New York, Office of the Mayor, "Mayor de Blasio Signs Legislation to Provide Low-Income New Yorkers with Access to Counsel for Wrongful Evictions" (press release, August 11, 2017), <https://www1.nyc.gov/office-of-the-mayor/news/547-17/mayor-de-blasio-signs-legislation-provide-low-income-new-yorkers-access-counsel-for#/0>; and Gloria Pazmino, "Sources: Mayor to announce right to counsel initiative for housing court," *Politico* (February 11, 2017), www.politico.com/states/new-york/city-hall/story/2017/02/sources-de-blasio-to-announce-right-to-counsel-initiative-in-housing-court-109538.
7. Universal Access zip codes were selected based on factors such as shelter entries, the prevalence of rent-regulated housing, and the volume of eviction proceedings. See: City of New York, Department of Social Services, Office of Civil Justice, *Universal Access to Legal Services: A Report on Year One Implementation in New York City* (Fall 2018), <https://www1.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ-UA-2018-Report.pdf>.
8. The total number of individuals and household assisted in Universal Access zip codes only, as per the Office of Civil Justices' Administrative Data. This includes both full legal representation (provided to 90% of individuals assisted in fiscal year 2018) and legal briefing and advice (provided to the remaining 10%). Cost of Universal Access in Universal Access zip codes based on Department of Social Services UA 107, "Legal Services," budget code 9455, "Access to Counsel," per the fiscal year 2018 modified amount as of June 14, 2018 in the fiscal year 2019 Adopted Budget supporting schedules. The same budget code is used for the modified amount as of June 19, 2019 in the fiscal year 2020 Adopted Budget supporting schedules. See: City of New York, Department of Social Services, Office of Civil Justice, *Universal Access to Legal Services: A Report on Year One Implementation in New York City* (Fall 2018), <https://www1.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ-UA->

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 13. Community Service Society, *Fair Fares - A New Commitment from Mayor de Blasio* (March 5, 2019), www.cssny.org/news/entry/fair-fares-a-new-commitment-from-mayor-de-blasio; and City of New York, Mayor's Office of Management and Budget, Email to Citizens Budget Commission staff (January 17, 2020).
 14. New York State Senator Andrea Stewart-Cousins, "Protecting New York's Democracy: Senate Democratic Majority Passes Historic Election Reforms" (press release, January 14, 2019), www.nysenate.gov/newsroom/articles/2019/andrea-stewart-cousins/protecting-new-yorks-democracy-senate-democratic.
 15. The City received \$8.5 million from the State toward election reform, according to City of New York, Mayor's Office of Management and Budget, email to Citizens Budget Commission staff (January 17, 2020).
 16. Other City agencies operate shelters for specific populations, including shelters for domestic violence victims, runaway and homeless youth, and households without shelter due to fire or vacate orders.
 17. Based on the monthly average of the DHS Daily Report of the number of families and individuals residing in the DHS shelter system. NYC OpenData, "DHS Daily Report," (accessed January 21, 2020, last updated January 20, 2020), <https://data.cityofnewyork.us/Social-Services/DHS-Daily-Report/k46n-sa2m>.
 18. Adult families are two or more related adults over the age of 18; for example, a married couple without children or a mother and child over the age of 18. See: City of New York, Department of Homeless Services, "Adult Families" (accessed November 2, 2019), <https://www1.nyc.gov/site/dhs/shelter/families/adult-families.page>.
 19. CBC staff calculates the cost due to census increase as the cost of sheltering the additional 1,794 families at \$102 per day, plus the cost of sheltering 5,978 additional individuals at \$78 per day (each multiplied by 365 days). The cost attributed to higher per-day costs is 14,925 families at \$94 more per day, plus all 16,094 individuals at \$46 more per day (multiplied by 365 days). If the cost increase for the new population was considered as resulting from new population, rather than higher cost, the share attributed to increasing cost per day would be 67 percent.
 20. Testimony of Steven Banks, Commissioner of the New York City Department of Social Services, before the New York City Council Finance and General Welfare Committees (May 15, 2018), https://www1.nyc.gov/assets/hra/downloads/pdf/news/testimonies/2018/051218%20DSSExec%20Budget%20Testimony_FINAL.pdf.
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26. City of New York, Office of Management and Budget, *Fiscal Year 2021 Preliminary Budget Function Analysis* (January 16, 2020), <https://www1.nyc.gov/assets/omb/downloads/pdf/jan20-bfa.pdf>, and *Fiscal Year 2017 Adopted Budget Function Analysis* (June 8, 2017) <https://www1.nyc.gov/assets/omb/downloads/pdf/adopt17-bfa.pdf>.
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34. CBC staff analysis based on the increase in full-time equivalent employees and salaries. Amount attributed to salary growth is the 2019 headcount (300,442) times the increase in average salary (\$9,786). Amount attributed to headcount growth is the increase in headcount (28,675) times the average salary in 2014 (\$66,365). A portion of this increase in salaries is due to headcount increase, as well (about \$280 million of the \$2.9 billion).
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