



New York City Cash Balance Projection

Office of the New York City Comptroller
Brad Lander

BUREAU OF BUDGET

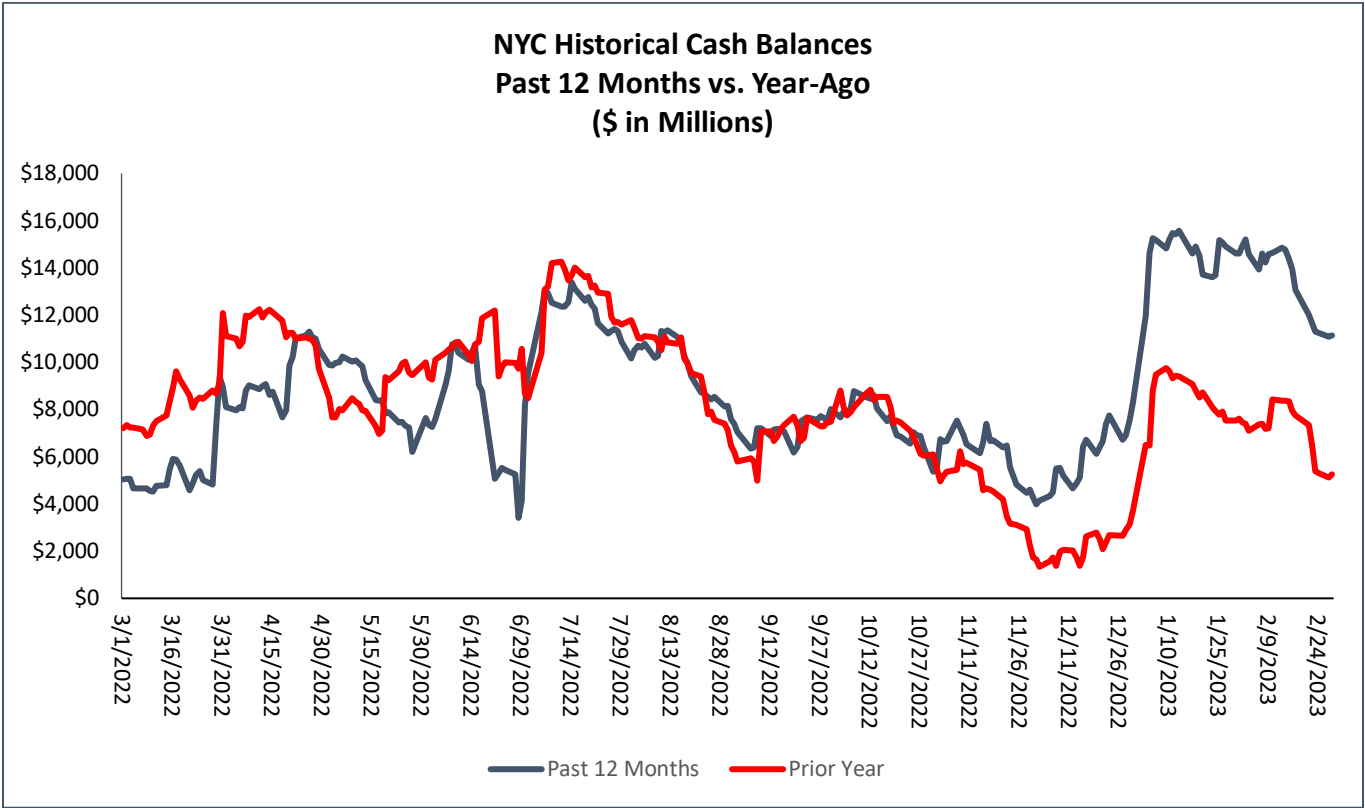
March 2023

On December 1, 2023, New York City's unrestricted cash balance reached a seasonal low of \$3.966 billion, compared to \$1.338 billion in FY22 and \$2.143 billion in FY21. FY23 cash balance includes \$1.954 billion in the Revenue Stabilization Fund (RSF), the City's rainy-day fund. The majority of funds, \$1.455 billion, were allocated to the RSF in fiscal year 2022.¹ See a further discussion of the City's long-term reserves in the November economic newsletter.

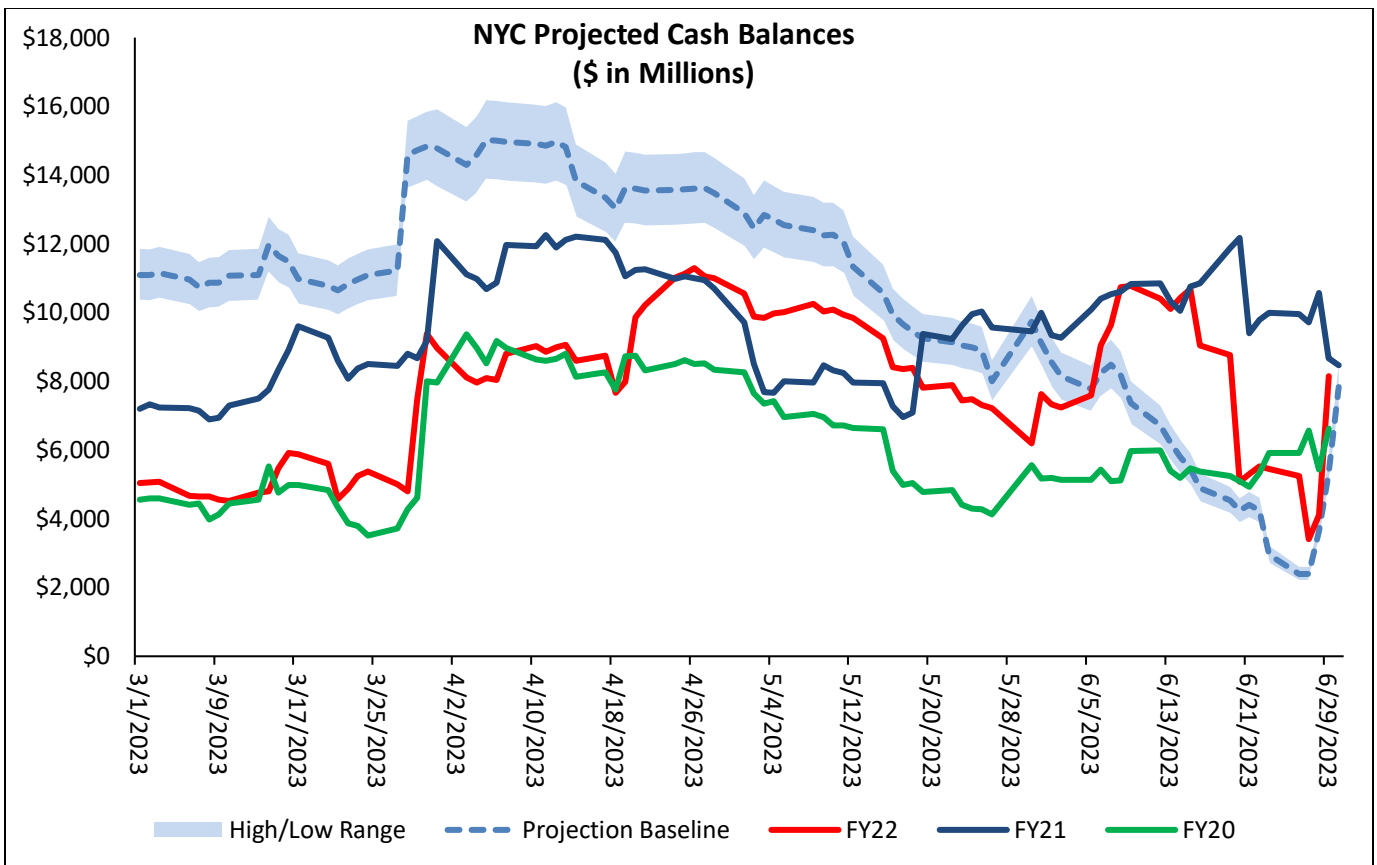
Since the beginning of December, a gap began to develop between the FY23 and FY22 cash balances, as shown in the chart below. In November 2023 the City received \$1.5 billion in personal income tax, twice as much as at the same time last year. The same month, the City also received almost \$2 billion in capital transfers, compared to \$492 million in November, 2021. The gap further increased during the second half of December, due to the incoming real estate tax receipts. December and January property tax receipts combined were about \$930 million higher than the prior year. On January 13, 2023, the cash balance reached \$15.569 billion, the highest cash balance on record. Then, on January 25th, 2023, the City received \$1.7 billion in new Pass Through Entity Tax (PTET).² The PTET is an optional tax that partnerships or New York S corporations may annually elect to pay on certain income. The intention of PTET is to mitigate the effect of the federal SALT cap for individual owners of pass-through entities. The PTET is intended to be revenue neutral but currently reflects as an increase against the cash balance at the same time last year. On February 28, 2023, the cash balance measured \$11.124 billion, compared to \$5.114 billion last year. During the first 8 months of FY 2023, cash balances averaged \$9.541 billion, versus \$7.386 billion during the same period last year.

¹ See a further discussion of the City's long-term reserves in <https://comptroller.nyc.gov/newsroom/newsletter/new-york-by-the-numbers-monthly-economic-and-fiscal-outlook-no-71-november-15th-2022/#spotlight>

² PTET is discussed in more detail in the PIT and PTET section of <https://comptroller.nyc.gov/reports/annual-state-of-the-citys-economy-and-finances/>



The accompanying updated projection outlines expected cash balances in the NYC central treasury from March 1, 2023 to June 30, 2023 and incorporates guidance provided in the January 2023 Financial Plan.





We project that cash flow balances will average \$10.517 billion during the next four months, compared to \$7.787 billion in FY22, \$9.552 billion in FY21, \$6.136 billion in FY20.

Our forecast shows that cash balances will exceed last year's figures from the beginning of March to the end of May but fall in June due to the recently reached collective bargaining agreement with DC 37.

On January 17, 2022, DC 37 reached a tentative contract agreement with NYC. The union represents about 90,000 workers, a quarter of the city's unionized workforce. The agreement is retroactive to May 26, 2021 and includes raises of 3% for the first four years, 3.25% in the fifth year, and gives every member a \$3,000 signing bonus. Our forecast assumes that the City will pay out the signing bonus and the retroactive salary increases for DC37 before the year-end. Other contracts will likely follow beyond this forecast period.

Last June, the City benefited from unprecedented amount of Federal and State aid: \$8.9 billion, in part due to Covid-related stimulus funding. On June 6th, the City received \$2.1 billion in the Coronavirus State and Local Recovery Funds (SLFRF), a part of the American Rescue Plan Act of 2021. The combination of the retroactive labor payments with the decrease in Federal funding will result in cash balances moving closer to the prior year's by the end of FY23.

This year's prepayment is currently budgeted at \$2.166 billion, but we expect that this number will be higher. Last year's prepayment equaled \$6.114 billion. In addition, this year's contribution to the RHBT will equal \$2.430 billion, versus \$2.710 billion last year.

Projection details are in the following pages of this document.



**NYC Projected Cash Balances
(\$ Millions)**

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
1-Mar-23	11,851	10,342	11,096
2-Mar-23	11,845	10,337	11,091
3-Mar-23	11,911	10,394	11,152
6-Mar-23	11,705	10,214	10,959
7-Mar-23	11,465	10,005	10,735
8-Mar-23	11,598	10,121	10,859
9-Mar-23	11,617	10,138	10,877
10-Mar-23	11,821	10,316	11,068
13-Mar-23	11,850	10,341	11,096
14-Mar-23	12,777	11,150	11,964
15-Mar-23	12,433	10,850	11,642
16-Mar-23	12,269	10,707	11,488
17-Mar-23	11,718	10,226	10,972
20-Mar-23	11,512	10,046	10,779
21-Mar-23	11,364	9,917	10,641
22-Mar-23	11,568	10,095	10,831
23-Mar-23	11,709	10,218	10,964
24-Mar-23	11,843	10,335	11,089
27-Mar-23	11,995	10,467	11,231
28-Mar-23	15,588	13,603	14,596
29-Mar-23	15,715	13,713	14,714
30-Mar-23	15,840	13,823	14,832
31-Mar-23	15,920	13,644	14,782
3-Apr-23	15,387	13,187	14,287
4-Apr-23	15,708	13,462	14,585
5-Apr-23	16,177	13,864	15,021
6-Apr-23	16,162	13,851	15,006
7-Apr-23	16,115	13,810	14,963
10-Apr-23	16,050	13,755	14,903
11-Apr-23	16,000	13,713	14,857
12-Apr-23	16,118	13,814	14,966
13-Apr-23	15,962	13,680	14,821
14-Apr-23	14,888	12,759	13,823
17-Apr-23	14,377	12,321	13,349
18-Apr-23	14,031	12,025	13,028
19-Apr-23	14,677	12,578	13,628
20-Apr-23	14,654	12,559	13,607
21-Apr-23	14,592	12,506	13,549
24-Apr-23	14,612	12,523	13,568
25-Apr-23	14,631	12,539	13,585
26-Apr-23	14,658	12,562	13,610
27-Apr-23	14,670	12,572	13,621
28-Apr-23	14,507	12,433	13,470



**NYC Projected Cash Balances
(\$ Millions)**

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
1-May-23	13,901	11,913	12,907
2-May-23	13,416	11,498	12,457
3-May-23	13,840	11,861	12,851
4-May-23	13,686	11,729	12,708
5-May-23	13,514	11,582	12,548
8-May-23	13,354	11,445	12,400
9-May-23	13,197	11,310	12,253
10-May-23	13,202	11,314	12,258
11-May-23	12,981	11,124	12,053
12-May-23	12,213	10,467	11,340
15-May-23	11,383	9,756	10,569
16-May-23	10,699	9,169	9,934
17-May-23	10,408	8,920	9,664
18-May-23	10,181	8,725	9,453
19-May-23	9,962	8,538	9,250
22-May-23	9,850	8,442	9,146
23-May-23	9,740	8,347	9,043
24-May-23	9,685	8,300	8,993
25-May-23	9,580	8,210	8,895
26-May-23	8,624	7,391	8,007
30-May-23	10,475	8,977	9,726
31-May-23	9,826	8,421	9,124
1-Jun-23	9,293	7,821	8,557
2-Jun-23	8,847	7,446	8,146
5-Jun-23	8,445	7,108	7,776
6-Jun-23	8,943	7,527	8,235
7-Jun-23	9,214	7,754	8,484
8-Jun-23	8,881	7,475	8,178
9-Jun-23	7,994	6,728	7,361
12-Jun-23	7,289	6,134	6,711
13-Jun-23	6,741	5,673	6,207
14-Jun-23	6,301	5,303	5,802
15-Jun-23	5,910	4,974	5,442
16-Jun-23	5,320	4,478	4,899
19-Jun-23	4,922	4,143	4,532
20-Jun-23	4,597	3,869	4,233
21-Jun-23	4,776	4,020	4,398
22-Jun-23	4,605	3,876	4,240
23-Jun-23	3,208	2,700	2,954
26-Jun-23	2,597	2,186	2,392
27-Jun-23	2,602	2,190	2,396
28-Jun-23	3,960	3,333	3,646
29-Jun-23	5,769	4,856	5,313
30-Jun-23	8,505	7,158	7,832



NYC Cash Balance Monthly Detail
(\$ Millions)

Inflows	Mar-23	Apr-23	May-23	Jun-23	Mar-Jun-23
Opening Balance	11,124.09	14,781.73	13,469.92	9,123.68	11,124.09
Sales Tax	717.14	907.31	768.75	1,287.11	3,680.31
Utility Tax	34.11	34.11	34.11	34.11	136.43
Commercial Rent Tax	215.26	13.54	11.26	220.49	460.55
Personal Income Tax	1,452.53	1,700.00	884.48	1,349.84	5,386.85
General Corporation Tax	1,469.68	696.85	172.70	1,067.74	3,406.97
Banking Tax	1.00	1.00	1.00	1.00	4.00
Unincorporated Business Tax	456.73	370.21	37.24	492.57	1,356.75
Real Property Tax	1,172.86	928.45	118.88	7,402.11	9,622.31
Other Taxes	321.67	285.56	210.32	639.51	1,457.06
Less Refunds All Taxes	-124.44	-151.76	-65.54	-74.54	-416.27
Total Taxes	5,716.53	4,785.28	2,173.19	12,419.94	25,094.94
Federal Welfare	389.13	29.04	92.09	138.47	648.73
Federal Education	123.60	106.26	102.25	371.04	703.15
Federal Community Development	13.05	13.04	5.96	28.14	60.19
Federal Other	164.80	197.06	182.29	193.61	737.76
Total Federal Aid	690.58	345.40	382.58	731.26	2,149.82
NYS Welfare	393.29	7.06	56.00	186.56	642.91
NYS Health	126.14	3.80	16.85	35.37	182.16
NYS Education	4,008.02	625.24	2,209.92	930.18	7,773.36
NYS Higher Education	514.56	0.00	0.61	475.57	990.75
NYS Other	158.00	4.14	57.30	19.51	238.94
Total New York State Aid	5,200.01	640.24	2,340.68	1,647.19	9,828.11
NYS Revenue Sharing	0.00	0.00	0.00	0.00	0.00
Other Intergovernmental Aid	0.00	0.00	0.00	0.00	0.00
Total Intergovernmental	0.00	0.00	0.00	0.00	0.00
Water Board	0.00	0.00	0.00	0.00	0.00
Interest Income	30.00	30.00	30.00	30.00	120.00
Fines and Forfeitures	131.77	131.77	131.77	131.77	527.10
Miscellaneous Revenue	260.16	148.08	302.99	305.46	1,016.69
Senior College Tuition and Fees	267.00	0.00	0.00	450.00	717.00
Capital Interest	2.50	2.50	2.50	2.50	10.00
Housing Revenue	1.57	1.57	1.57	1.57	6.27
Total Miscellaneous	693.00	313.92	468.83	921.30	2,397.06
Prior Federal Aid	220.64	112.88	88.40	32.64	454.57
Prior NYS Aid	288.39	29.30	31.54	46.13	395.36
Total Federal And NYS Prior Aid	509.03	142.19	119.94	78.77	849.93
Balance Sheet Inflows	16.82	16.82	16.82	16.82	67.30
Federal/State Capital	99.93	14.80	34.59	74.74	224.06
Transfers from Capital Proceeds	200.00	1,100.00	100.00	1,000.00	2,400.00
Payroll Taxes Inflows	264.49	204.00	204.24	205.81	878.55
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	407.94	355.59	369.03	452.38	1,584.94
Total Other Inflows	989.19	1,691.21	724.68	1,749.76	5,154.84
Total Inflows	13,798.34	7,918.24	6,209.90	17,548.22	45,474.71



NYC Cash Balance Monthly Detail
(\$ Millions)

(Continued)

Outflows	Mar-23	Apr-23	May-23	Jun-23	Mar-Jun-23
Payroll	2,276.16	1,755.56	2,027.64	2,501.16	8,560.52
Pensions	757.70	757.70	757.70	757.70	3,030.79
Social Security	179.55	177.86	257.86	252.03	867.31
Health Plan	524.00	524.00	746.00	564.00	2,358.00
Other PS	72.39	72.39	72.39	72.39	289.57
Total PS	3,809.80	3,287.51	3,861.60	4,147.29	15,106.19
PA	368.15	354.53	357.72	372.88	1,453.27
MA	394.39	394.39	394.39	394.39	1,577.57
Other DOSS	236.13	235.92	268.46	214.01	954.52
HHC	67.29	309.10	24.74	564.14	965.26
TA	0.00	0.00	0.00	31.72	31.72
HA	3.60	7.14	142.56	27.22	180.52
Lump Sum	284.86	284.86	284.86	284.86	1,139.43
Vendor Payments	2,174.45	2,363.12	2,119.12	1,934.76	8,591.45
Other OTPS	0.00	0.00	0.00	0.00	0.00
Total OTPS	3,528.86	3,949.05	3,591.84	3,823.98	14,893.74
City Capital	1,111.00	504.00	1,122.00	692.00	3,429.00
Other Outflow Capital	140.37	53.54	75.40	44.64	313.95
GO Debt Service Funding	0.00	241.84	0.00	0.00	241.84
NYCTFA Debt Service Funding	352.37	0.00	323.43	197.21	873.01
Other Debt Service Funding	0.00	0.00	0.00	0.00	0.00
Repay Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Payroll Taxes Outflow	872.36	868.16	1,255.92	1,230.19	4,226.62
Other Outflows	325.95	325.95	325.95	8,704.87	9,682.73
Total Other Outflows	2,802.05	1,993.49	3,102.70	10,868.91	18,767.15
Total Outflows	10,140.71	9,230.06	10,556.14	18,840.18	48,767.08
Net Flow	3,657.63	-1,311.81	-4,346.23	-1,291.96	-3,292.37
Ending Balance	14,781.73	13,469.92	9,123.68	7,831.72	7,831.72

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