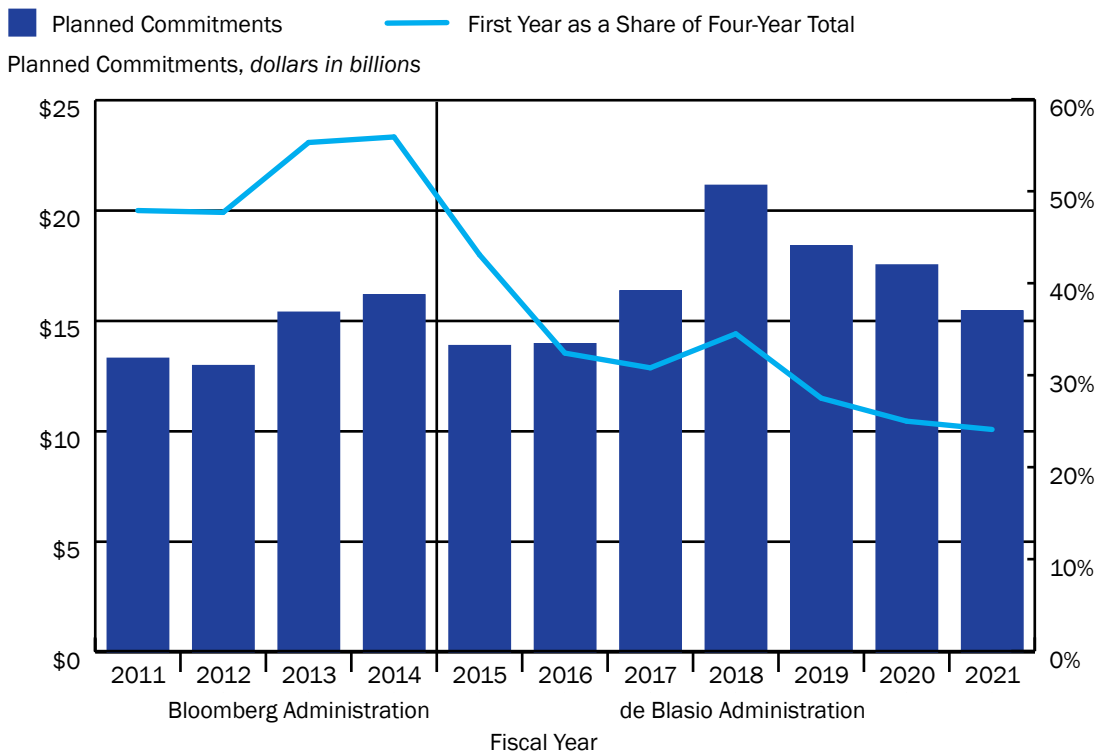


Has the de Blasio Administration Made the City's Capital Commitment Plan More Realistic?

Since its inauguration the de Blasio Administration, with the support of the City Council, has attempted to present capital commitment plans that provide more realistic estimates of when capital commitments—which occur when contracts for a capital project are registered by the Comptroller—would actually be made. For many years and through multiple mayoral administrations, the city's four-year capital commitment plans have been substantially front-loaded, with much of the commitments slotted for the first year of the plan and trailing off in subsequent years. This led to capital planning documents that bore little resemblance to how the city could or would actually commit its funds.

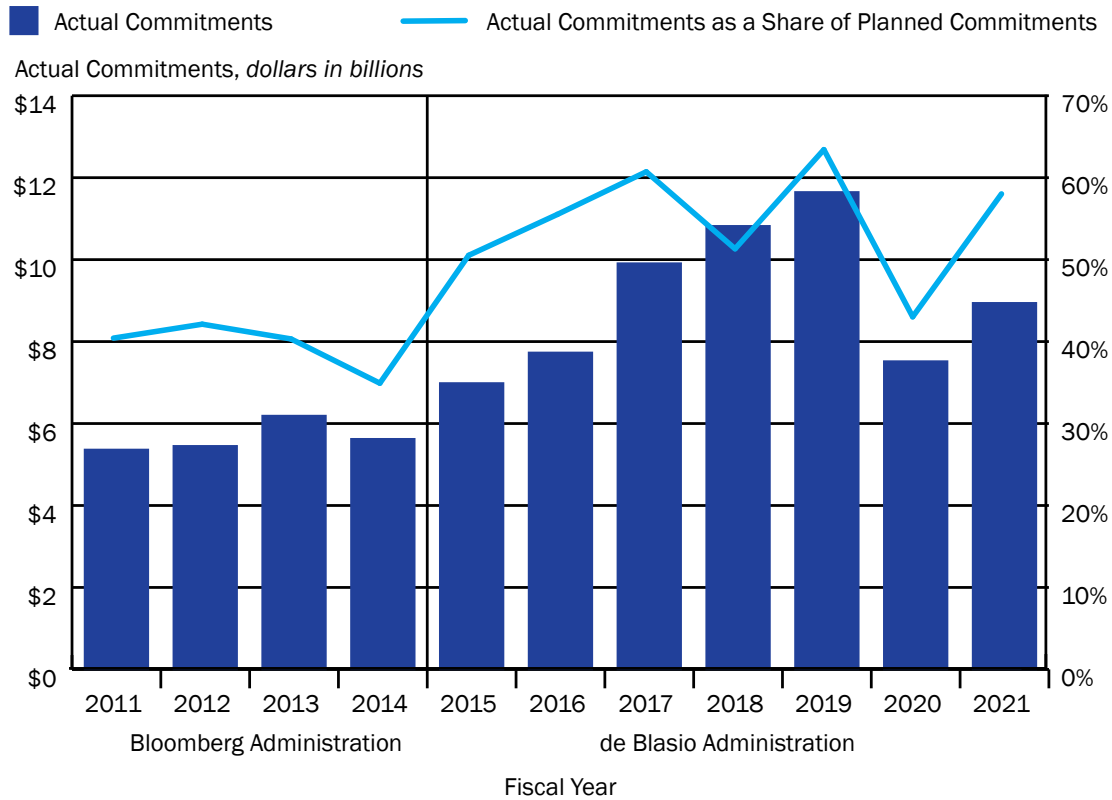
To track progress toward the goal of more realistic estimates, IBO examined how much of each four-year plan's total was scheduled for its first year. (Despite being a four-year plan, the city releases an adopted capital commitment plan annually.)¹ We then calculated how much of the planned funds were actually committed each year (commitment rate). While some progress was made early in the de Blasio Administration, it was not until 2019 that the capital plans became more balanced across the four-year plan period. (Capital commitments here refer solely to city-funded commitments and all years refer to fiscal years.)² As the share of commitments scheduled for the plan's first year declined, the annual commitment rate increased, signaling a more realistic plan.

Planned Commitments for First Year of Plan Period Have Declined in Recent Years in Absolute Terms and as a Share of the Total Four-Year Plan



- In the final term of the Bloomberg Administration (2011-2014), the capital funds planned for the first year of each year's plan ranged from 48 percent to 56 percent of the four-year total.
- In the de Blasio Administration's first four years, from 2015 through 2018, the share of commitments scheduled for the first year of each four-year plan was lower, ranging from 31 percent to 43 percent of those plans' four-year totals.
- By 2019, the share of commitments scheduled for the first year of the plan period was 28 percent of the four-year total. The first-year share decreased to 25 percent in 2020 and declined further to 24 percent in 2021.
- While the first year of the de Blasio Administration's inaugural capital plan (2015) was 14 percent smaller than the last Bloomberg plan, over the next three years of the de Blasio Administration the dollar amount in the initial year increased each year, growing 50 percent to reach \$21.1 billion, before falling each year to the \$15.4 billion planned for 2021.

With More Realistic Capital Planning, A Larger Share of the Plan Was Actually Committed



- The average annual commitment rate—the share of planned funds that were actually committed—in the last four years of the Bloomberg Administration was 39 percent. This improved during the first four years of the de Blasio Administration, 2015 through 2018, averaging 54 percent, and peaked in 2019 at 63 percent.
- Eight months into the fiscal year, however, all non-critical capital projects were put on hold due to the Covid-19 pandemic and the city’s 2020 commitment rate fell to 43 percent. If the city had continued committing funds through the entire year at a similar rate to what it had done before the Covid-19 restrictions, IBO estimates the commitment rate would have been around 71 percent.
- Similarly, during the first four months of 2021, all non-critical capital projects remained on hold. Assuming that under normal circumstances, the first four months’ commitment rates would have been closer to the rates achieved in 2019, IBO estimates there would have been a 69 percent commitment rate, compared with the actual commitment rate of 58 percent.

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Endnotes

¹All capital commitment plan data are as of the city’s adopted capital budget. The city releases three updates of its capital commitment plans annually, based on the adopted, preliminary and executive capital budgets.

²In the most recent capital plan for 2022 through 2025 city-funded capital commitments made up 95 percent of total planned commitments. The majority of agencies’ capital plans are comprised solely of city-funded capital.