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MANHATTAN BOROUGH PRESIDENT BRAD HOYLMAN-SIGAL RESPONDS TO IBO REPORT ANALYZING BOROUGH PRESIDENT CAPITAL FUNDING ALLOCATIONS

New IBO Report Interrogates How OMB Determines Distributions of Capital Dollars to Borough Presidents and Considers Impact of Potential Revisions to the City Charter Formula for Borough President Capital Funding

Manhattan Could Receive Upwards of \$40 Million in Additional Capital Dollars Under Alternative Formula

Read the IBO Report [[HERE](#)]

NEW YORK, NY – Following the release of an IBO report evaluating Borough President Capital Funding allocations, Manhattan Borough President Brad Hoylman-Sigal issued the following statement:

“The IBO report on the capital funding distributions for borough presidents unveils a seemingly inconsistent interpretation of the City Charter and, particularly, highlights the disparity in funding for the Borough of Manhattan.

“Even though Manhattan has 35% of New York City’s daytime population, 76% of social services jobs, 80% of cultural jobs, and 70% of higher educational institutions, our borough receives only 13% of funding from the City of New York, not much more than the Borough of Staten Island.

“I thank the IBO for their intricate, detailed report examining potential adjustments to the current OMB funding formula, which would provide a more balanced and fair

funding allocation reflecting both Manhattan's outsized commuter and resident populations.

"The byzantine and unfair formula to allocate capital funding should be revisited."

The IBO's Findings

Section 211 (a) of the City Charter provides a formula for the calculation of each borough's capital allocation; however, notwithstanding what should be a transparent calculation, IBO's report unveils inconsistencies in how OMB derives the allocations it summarily provides to Borough Presidents every year. The Charter formula is as follows:

"Five percent of the appropriations, funded by debt supported by city tax levy funds and state and federal funds over which the city has substantial discretion, proposed in the executive capital budget for the ensuing fiscal year, except any lump sum appropriation for school construction or rapid transit proposed to be made to public authorities established pursuant to the provisions of state law, shall be allocated among the boroughs by a formula based on an equal weighting of factors relating to population and geographic area, and shall be known as the capital budget borough allocation."

The Charter delineates specific exclusions from the sum pool of capital dollars from which the Borough Presidents' allocation is derived. However, as IBO's report demonstrates, OMB has, based on records obtained since 2022, excluded between 61% and 75% of the City's total capital funds and entirely excluded all state and federal capital funds, likely resulting in a difference of hundreds of millions of dollars allotted to the Borough Presidents to allocate to their constituent nonprofits, schools, parks, hospitals, and more. The methodology OMB uses to determine these exemptions is opaque, shows no obvious lineage from the charter language, and, in fact, appears to differ year to year.

The Current OMB Funding Formula

Under the current formula, capital funding is distributed among the five borough presidents by a formula affording equal weight to nighttime residential population and land area.

As Manhattan has an outsized commuter and daytime population, smaller land mass, and elevated need of city services – the current funding formula does not accurately reflect the funding challenges Manhattan faces. **The current OMB funding formula**

allocates roughly the same amount of capital dollars to Manhattan as it does Staten Island.

As a result, Manhattan is heavily disadvantaged and thereby limited in its ability to finance critical human services needs, including public hospitals, social services organizations, homeless shelters, and parks.

IBO's report considers revised funding scenarios that would take these disparities into consideration, including through the use of commuter population instead of nighttime residential population. This distribution would better reflect the full constituency that depends on the institutions the capital dollars could fund.

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