



New York City Council
Hon. Julie Menin, Speaker of the Council
Hon. Linda Lee, Chair, Finance Committee
Hon. Gale Brewer, Chair, Governmental Operations, State and Federal Legislation Committee

**Report on the Fiscal 2027 Preliminary Plan,
the Fiscal 2027 Preliminary Capital Commitment Plan, and the Fiscal 2026
Preliminary Mayor’s Management Report for the Committee on Governmental
Operations, State and Federal Legislation**

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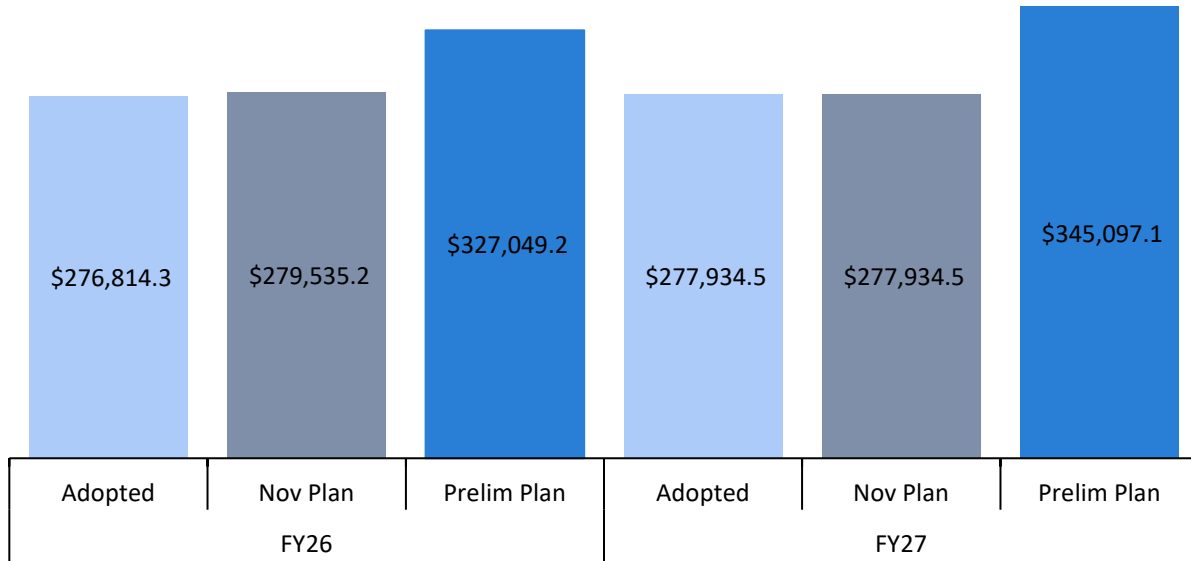
Fiscal 2027 Preliminary Plan

Law Department Budget Overview

The Law Department (the Department), under the direction of the Corporation Counsel, is responsible for all the legal affairs of the City. The Department represents the City, the Mayor, City agencies, and other elected officials in all affirmative and defensive civil litigation matters, as well as juvenile delinquency prosecutions brought in Family Court and Administrative Code enforcement proceedings brought in Criminal Court. Law Department attorneys draft and review local and State legislation, real estate leases, procurement contracts, and financial instruments for the sale of municipal bonds.

The Preliminary Financial Plan for Fiscal 2026-2030 (Preliminary Plan), includes a proposed Fiscal 2027 budget of \$345.1 million for the Law Department, \$67.2 million (24.2 percent) more than its \$277.9 million Fiscal 2027 budget in the November Plan. The Department’s Fiscal 2026 budget in the Preliminary Plan is \$47.5 million (17.0 percent) more than its \$279.5 million Fiscal 2026 budget in the November Plan. The current Fiscal 2027 budget is \$68.3 million more than the \$276.8 million Fiscal 2026 budget at adoption.

Comparison of the Last Three Financial Plans



Dollars in Thousands

Source: New York City Office of Management and Budget

Law Department Financial Summary

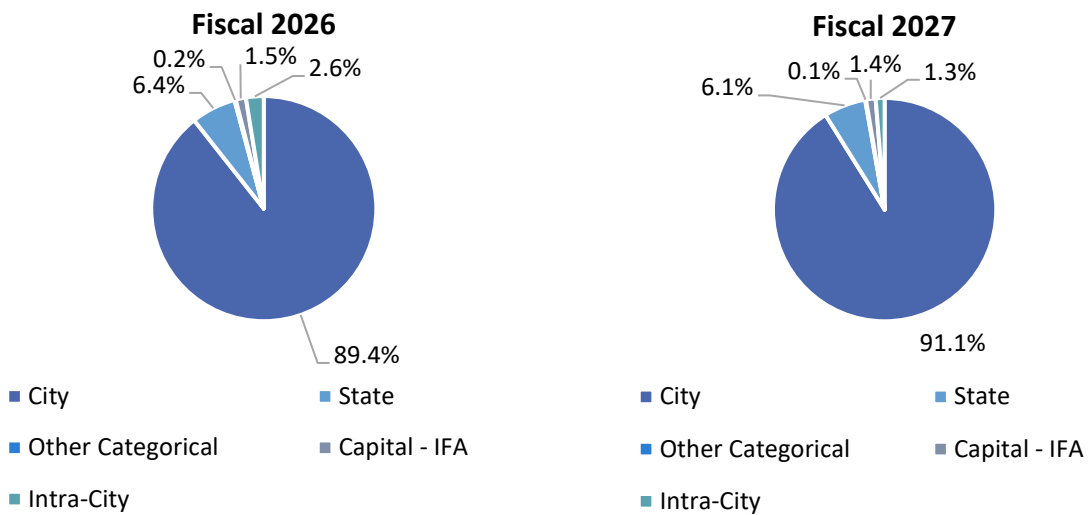
Dollars in Thousands	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27 - FY26
Budget by Unit of Appropriation						
001 - Personal Services	\$164,619	\$165,117	\$180,827	\$181,509	\$219,860	\$39,033
002 - Other Than Personal Services	160,638	171,147	95,987	145,540	125,237	29,250
TOTAL	\$325,258	\$336,264	\$276,814	\$327,049	\$345,097	\$68,283
Funding						
City Funds			\$267,152	\$292,297	\$314,447	\$47,296
Other Categorical			417	617	417	0
State			0	21,000	21,000	21,000
Capital - IFA			4,789	4,789	4,792	2
Intra-City			4,456	8,346	4,441	(15)
TOTAL	\$325,258	\$336,264	\$276,814	\$327,049	\$345,097	\$68,283
Budgeted Headcount						
Full-Time Positions - Civilian	1,396	1,372	1,510	1,612	1,810	300
Full-Time Equivalent Positions			114	75	77	(37)
TOTAL	1,396	1,374	1,624	1,687	1,887	263

*The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.

Source: New York City Office of Management and Budget

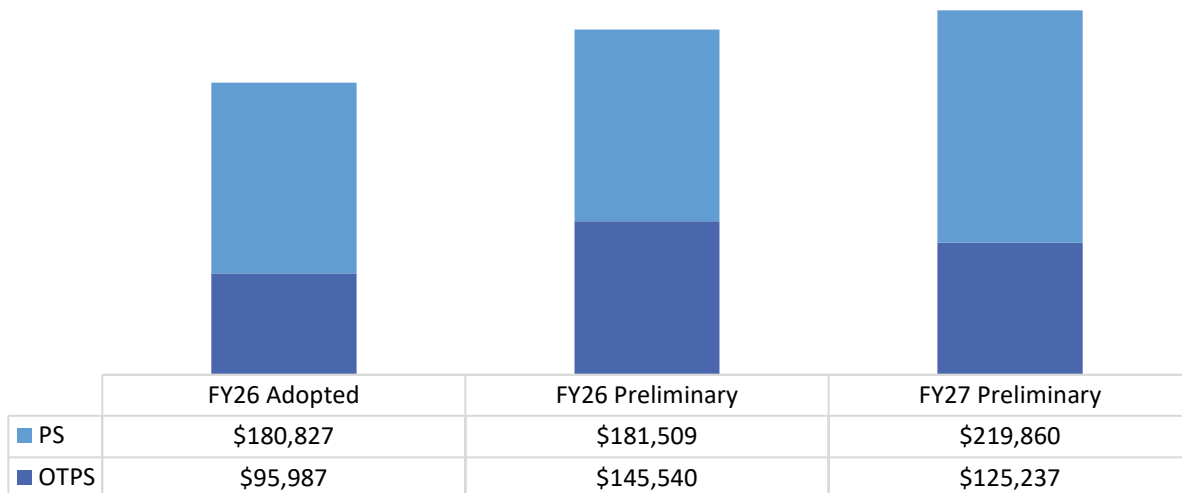
Budget by Funding Source

Fiscal 2027 City Funds: 91.1 percent



Source: New York City Office of Management and Budget

Personal Services (PS) and Other Than Personal Services (OTPS)



Dollars in Thousands

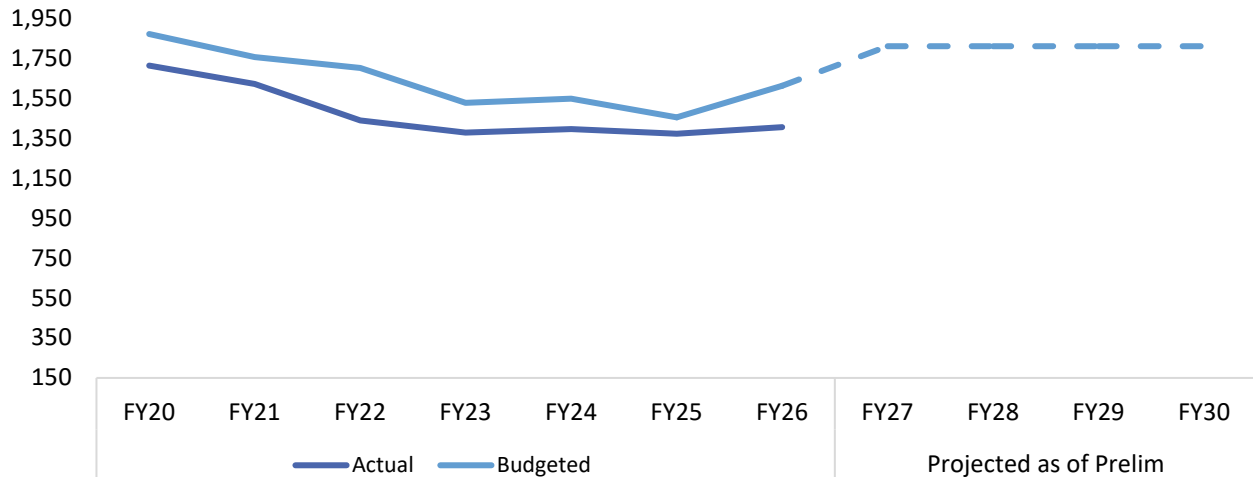
Source: New York City Office of Management and Budget

Headcount

FY26 Budgeted Full-Time Positions: 1,612
Actual Headcount as of January 2026: 1,405

FY27 Budgeted Full-Time Positions: 1,810
Vacancy Rate as of January 2026: 12.8 percent

Budgeted and Actual Headcount FY20-FY30



Source: New York City Office of Management and Budget

Note: Budgeted and actual headcounts are as of the end of the fiscal year, except for Fiscal 2026 where budgeted headcount is as of the Preliminary Plan and actual headcount is as of January 2026.

Law Department Contract Budget

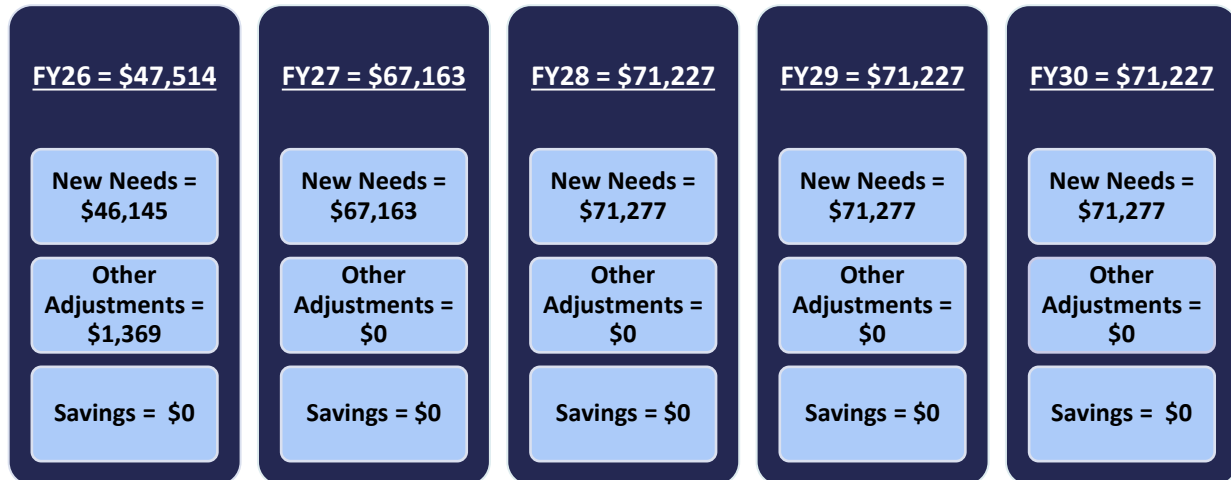
Fiscal 2027 Contract Budget: \$48.4 million
Number of Contracts in Fiscal 2027: 430

Dollars in Thousands

Category	FY26 Adopted	Number of Contracts	FY27 Preliminary	Number of Contracts
Cleaning Services	\$119	1	\$119	1
Contractual Services General	440	14	440	14
Data Processing Equipment	701	8	701	8
Maintenance and Repair General	1,542	17	1,576	17
Office Equipment Maintenance	160	9	160	9
Professional Services - Accounting and Auditing	100	1	100	1
Professional Services - Computer	207	1	207	1
Professional Services - Engineering and Architecture	130	28	130	28
Professional Services - Legal	8,817	31	29,802	31
Professional Services - Other	14,059	279	11,426	279
Security Services	763	1	763	1
Temporary Services	5,093	15	2,833	15
Training Program City Employees	105	24	105	24
Transportation Expenditures	50	1	50	1
TOTAL	\$32,286	430	\$48,412	430

Source: New York City Office of Management and Budget

Preliminary Plan Changes



Dollars in Thousands

Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings.

Significant Preliminary Plan Changes

New Needs

- Legal Staff Expansion.** The Preliminary Plan includes an additional \$5.3 million in City funding for 102 positions in Fiscal 2026, \$38.1 million in City funding for 300 positions in Fiscal 2027, and baselined City funding of \$42.1 million for 300 positions, beginning in Fiscal 2028, for 200 new attorneys and 100 new support staff at the Law Department. These new positions will be spread across the agency to better address the agency's workload and more effectively represent the City's legal interests. Most of the positions are expected to be in the Tort Division, representing City agencies and employees in all tort claims in State court. The Department anticipates that approximately 100 positions will be filled in Fiscal 2026, and the remaining positions will be filled by Fiscal 2027.
- Court Monitors and Special Masters.** The Preliminary Plan includes an addition of \$36.6 million in City funding in Fiscal 2026 and a baseline increase of \$19.3 million in City funding beginning in Fiscal 2027 for court-appointed monitors, experts, and special masters. Previously, the baseline budget for monitors and masters was \$21 million, which is below actual expenditures in recent years, and additional funding was added during the fiscal year. In the Preliminary Plan the baseline budget increases to \$40.3 million, based on current estimates.
- Department of Correction (DOC) Remediation Manager.** The Preliminary Plan includes an additional \$4.3 million in City funding in Fiscal 2026, and a baseline increase of \$9.8 million in City funding starting in Fiscal 2027 for the DOC Remediation Manager. Pursuant

to a Court Order, the funding amount was determined in consultation with the Remediation Manager to support expenditures associated with the team who will administer the work required to comply with Court Orders regarding the City's corrections facilities.

Other Adjustments

- **Juvenile Detention.** \$300 million in baselined State funding was swapped for City funding across multiple agencies, starting in Fiscal 2026, as part of a recent agreement with the State. These funds will provide support for youth diversion, prevention, and other juvenile justice and detention services. Approximately two-thirds of the additional State funding was allocated to the Administration for Children's Services, with \$21.0 million added to the Law Department's budget providing for its role in providing support services.
- **External Legal Counsel.**
 - **Education.** The Preliminary Plan includes an additional \$1.0 million in Intra-City funding in Fiscal 2026 only from the Department of Education (DOE) to extend their use of an external legal counsel contract held by the Law Department by one year. The Department holds the contract with the law firm of Orrick, Herrington, & Sutcliffe LLP, which DOE utilizes for assistance on special education legal matters.
 - **Environmental.** The Preliminary Plan includes an additional \$240,000 of Intra-City funding in Fiscal 2026 only from the Department of Environmental Protection (DEP) to utilize the Department's contract with external legal counsel services from Somach, Simmons, & Dunn. The law firm provides legal expertise in matters associated with interstate water rights issues.
- **Lease Expenditures.** The Preliminary Plan includes an additional \$128,670 in Intra-City funding from the Department of City Planning (DCP) for their use of 60 Bay Street in Staten Island. The Law Department holds the lease for the location and this funding represents DCP's payment for their proportional use of the space.

Preliminary Mayor's Management Report

The Preliminary Mayor's Management Report (PMMR) for Fiscal 2026 reports on three service areas and five goals for the Law Department. Noteworthy metrics that were reported are detailed below.

- **Payout for Judgements and Claims.** Payouts for judgments and claims against the City in State and federal courts decreased by 49.7 percent during the first four months of Fiscal 2026 when compared to the same period last year. In Fiscal 2025, payments for judgements totaled \$1.38 billion, down from \$1.52 billion in Fiscal 2024. According to the PMMR, the decline in payouts is partly attributed to settlements of several substantial

and longstanding legal matters against the City in the previous fiscal year, in addition to claims related to the Child Victims Act, a 2019 State law that extended eligibility for survivors of childhood sexual assault to file civil lawsuits. The PMMR further notes that the amount of payouts since the onset of the COVID-19 pandemic are lower than in the years before the pandemic.

- **Cases Commenced Against the City.** In the first four months of Fiscal 2026, 3,397 cases were commenced against the City, a decrease of 8.5 percent from the same period last year. Cases filed have been steadily increasing over the last few years, growing from 8,812 cases in Fiscal 2023, to 10,359 in Fiscal 2024, and then to 10,647 in Fiscal 2025. Most cases against the City were commenced in State court, which increased from 9,540 cases in Fiscal 2024 to 9,802 cases in Fiscal 2025. In the first four months of Fiscal 2026, 3,113 cases commenced in State court, which is 8.1 percent less than during the same period last year. During the first four months of Fiscal 2026, 284 cases against the City commenced in federal court, 12.1 percent less than during the same period in Fiscal 2025. According to the PMMR, the decline was partially attributable to the lapsing of the lookback window for cases filed under the Gender Motivated Violence Act cases, which had contributed to an increase of cases in prior years.
- **Cases Pending in State and Federal Court.** In the first four months of Fiscal 2026, there were 37,221 cases pending in State court, an increase of 10.4 percent since the same period last year, continuing a recent upward trend. The Law Department's win rate on affirmative motions increased to 77 percent during the first four months of Fiscal 2026, up from the 75 percent win rate from the same period in the prior fiscal year but still below the 78 percent target. In the first four months of Fiscal 2026 the City had 693 pending cases in federal court, a modest 4.7 percent increase over the same period in the prior year. The PMMR noted this was due to the Department's Special Federal Litigation Division which saw an increase in civil rights cases filed in Fiscal 2025.

Budget Issues and Concerns, Including Federal and State Budget Risks

- The Law Department is responsible for all the legal affairs of the City. The Department represents the Mayor, other elected officials, as well as each of the City's agencies in all affirmative and defensive civil litigation, as well as juvenile delinquency. The Department's actual headcount has significantly decreased since the onset of the COVID-19 pandemic. Staffing levels declined due to the citywide hiring freeze, the subsequent hiring restrictions (the two-for-one hiring policy), and significant attrition of staff to positions in the private sector. The Law Department's ability to hire and retain sufficient staff, particularly lawyers, is concerning as it directly impacts its ability to manage cases efficiently and cost-effectively. While the Preliminary Plan includes additional budgeted legal support staff to more effectively execute the work of the Law Department, it is

unclear how quickly the Department will be able to hire and if it will be able to retain the additional staff.

Miscellaneous Revenue

- The Preliminary Plan includes approximately \$18.0 million of Law Department miscellaneous revenue in Fiscal 2027, which is the same as the amount included in the adopted budget for Fiscal 2026.

Dollars in Thousands

Revenue Sources	FY24 Actual	FY25 Actual	FY26 Adopted	Preliminary Plan		*Difference FY27-FY26
				FY26	FY27	
Administrative Code Violations	\$2,619	\$2,432	\$650	\$650	\$650	\$0
Affirmative Litigation	33,012	5,868	6,759	6,759	6,759	0
Affirmative R/E Litigation	5,324	1,453	250	5,950	250	0
Collection Agency Claims	3,553	3,129	3,300	3,300	3,300	0
Environmental Law Litigation	13,270	0	0	0	0	0
Sale of Streets	0	0	0	0	0	0
Vending, Xerox, Subpoena Fees	92	87	75	75	75	0
Worker Compensation	7,565	7,767	7,000	7,000	7,000	0
TOTAL	\$65,435	\$20,737	\$18,034	\$23,734	\$18,034	\$0

**The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.
Source: New York City Office of Management and Budget*

Supporting Budget Charts

Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY26			FY27		
	City	Non-City	Total	City	Non-City	Total
Law Dept. Budget as of the Adopted FY26 Plan	\$267,152	\$9,662	\$276,814	\$268,285	\$9,650	\$277,935
Changes Introduced in the November 2025 Plan						
Other Adjustments						
Legal Counsel and Consultant External Contracts	\$0	\$2,136	\$2,136	\$0	\$0	\$0
NYC Tourism Consulting	0	200	200	0	0	0
Other Expenditures	0	385	385	0	0	0
Subtotal, Other Adjustments	\$0	\$2,721	\$2,721	\$0	\$0	\$0
TOTAL, All Changes in November 2025 Plan	\$0	\$2,721	\$2,721	\$0	\$0	\$0
Law Dept. Budget as of the November 2025 Plan	\$267,152	\$12,383	\$279,535	\$268,285	\$9,650	\$277,935
Changes Introduced in the FY27 Preliminary Plan						
New Needs						
Additional Staffing	\$5,281	\$0	\$5,281	\$38,073	\$0	\$38,073
Court-Appointed Monitors and Special Masters	36,564	0	36,564	19,340	0	19,340
DOC Remediation Manager	4,300	0	4,300	9,750	0	9,750
Subtotal, New Needs	\$46,145	\$0	\$46,145	\$67,163	\$0	\$67,163
Other Adjustments						
Juvenile Detention Swap	(\$21,000)	\$21,000	\$0	(\$21,000)	\$21,000	\$0
Legal Counsel External Contracts	0	1,240	1,240	0	0	0
Lease Payment from DCP	0	129	129	0	0	0
Subtotal, Other Adjustments	(\$21,000)	\$22,369	\$1,369	(\$21,000)	\$21,000	\$0
TOTAL, All Changes in the FY27 Preliminary Plan	\$25,145	\$22,369	\$47,514	\$46,163	\$21,000	\$67,163
Law Dept. Budget as of the FY27 Preliminary Plan	\$292,297	\$34,752	\$327,049	\$314,447	\$30,650	\$345,097

Source: New York City Office of Management and Budget

Budget by Unit of Appropriation

Units of Appropriation (U/A): 001 - Personal Services and 002 - Other Than Personal Services						
<i>Dollars in Thousands</i>						
	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27-FY26
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$152,301	\$154,636	\$169,829	\$172,001	\$210,257	\$40,428
Additional Gross Pay	5,374	2,975	2,297	2,297	2,297	0
Overtime - Civilian	2,296	2,692	2,131	2,131	2,131	0
Other Salaried	0	0	2	2	2	0
P.S. Other	(50)	(34)	0	0	0	0
Unsalaries	4,699	4,849	6,567	5,078	5,172	(1,395)
Subtotal	\$164,619	\$165,117	\$180,827	\$181,509	\$219,860	\$39,033
Other Than Personal Services						
Contractual Services	\$115,784	\$125,424	\$32,286	\$65,193	\$48,412	\$16,126
Supplies and Materials	610	710	1,070	1,333	1,070	0
Property and Equipment	2,194	1,774	984	1,151	984	0
Fixed and Misc. Charges	37	32	18	18	18	0
Other Services and Charges	42,013	43,207	61,630	77,845	74,754	13,124
Subtotal	\$160,638	\$171,147	\$95,987	\$145,540	\$125,237	\$29,250
TOTAL	\$325,258	\$336,264	\$276,814	\$327,049	\$345,097	\$68,283
Funding						
City Funds			\$267,152	\$292,297	\$314,447	\$47,296
State			0	21,000	21,000	21,000
Other Categorical			417	617	417	0
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Full-Time Positions - Civilian	1,396	1,372	1,510	1,612	1,810	300
TOTAL	1,396	1,372	1,510	1,612	1,810	300

**The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.*

Source: New York City Office of Management and Budget