

**The City of New York
November 2008 Plan**

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Office of Management and Budget
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Budget Summary

November 5, 2008

Budget Summary

November 2008 Plan

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Overview

- ❖ **T**he economy is in distress both nationally and locally. The credit crisis which began over a year ago has not yet passed and in fact has intensified since we adopted our Financial Plan for this year, FY 2009, last June.
- ❖ **T**his crisis has gravely damaged Wall Street and the entire finance sector centered here in the City. Write-offs already approach half a trillion dollars. Before this crisis passes, we expect there to be 31,000 fewer jobs in the securities sector of our local economy alone, and a total of 147,000 fewer private sector jobs total. The NYC Comptroller has estimated that there will be 165,000 fewer private sector jobs.
- ❖ **G**iven the importance of Wall Street to the City's budget and financial plan and the general economic slowdown, we now face difficult choices.
- ❖ **W**e are now forecasting that our tax revenues in FY 2009 will be \$2.6 billion less than they were last year, and that they will be \$3.1 billion below FY 2008 levels in FY 2010. Since last June when we adopted the budget, our forecast for tax revenues is down by \$285 million for this year and down by \$1.3 billion in FY 2010.
- ❖ **O**n the expense side, our pension funds are down 20% so far this year. If they remain at these levels on June 30, 2009, then we will face large increases in our already heavy pension costs over the next few years. We plan to apply \$1.1 billion of the funding previously set aside for the City's future Retiree Health Benefits liability toward funding this expense in FY 2010 through FY 2012.
- ❖ **B**efore our gap closing program, we faced a projected gap of \$4 billion between now and the end of FY 2010. With this plan, we have a balanced budget for FY 2009, and we have reduced the budget gap we face in FY 2010 to (\$1.3 billion).
- ❖ **W**e have tried to strike a balance between increases in revenue and decreases in planned spending.

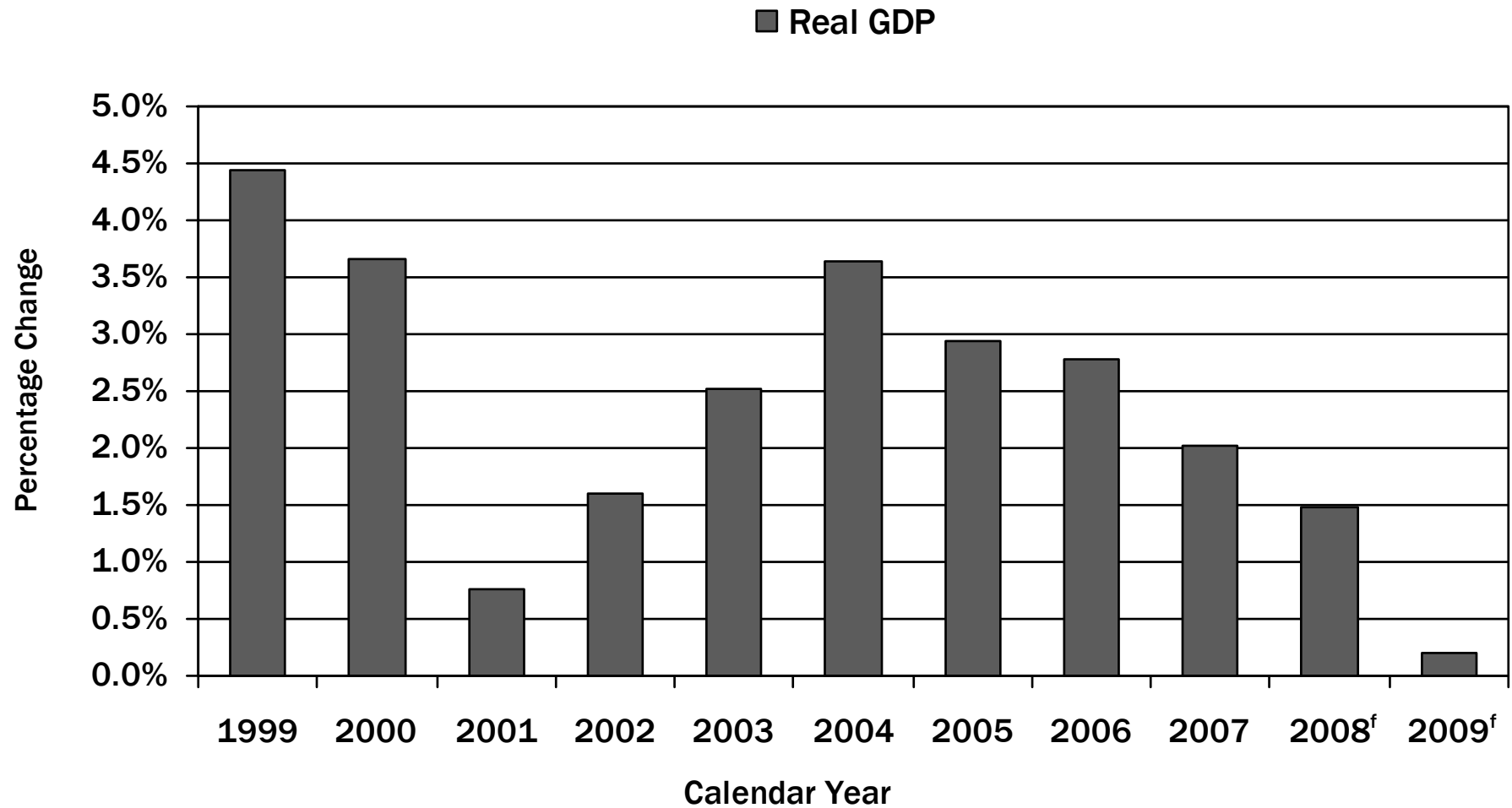
Overview

- ❖ **Since January 2008, our gap closing actions to reduce the FY 2010 gap total \$2.2 billion, including \$1.1 billion of new Agency Actions. These are in addition to the \$500 million in new Agency Actions we are taking now in FY 2009**
 - **Reducing planned headcount by over 3,000 citywide, including reducing headcount at the NYPD by over 1,000 officers**
 - **Reducing city funds to the Department of Education by \$181 million this year and \$385 million next year**
 - **Reducing subsidies to libraries and cultural institutions by 2.5% this year and 5% next year**

- ❖ **Our plan for increased revenue includes the following:**
 - **Rescinding the 7% property tax rate reduction immediately rather than waiting until July 1, 2009 as we had previously planned (\$576 million)**
 - **Not Issuing the \$400 property tax rebate (\$256 million)**
 - **Increasing certain fees and fines (\$123 million)**

I. Economic Update

Economic Growth in the U.S. Will Slow Dramatically in 2009

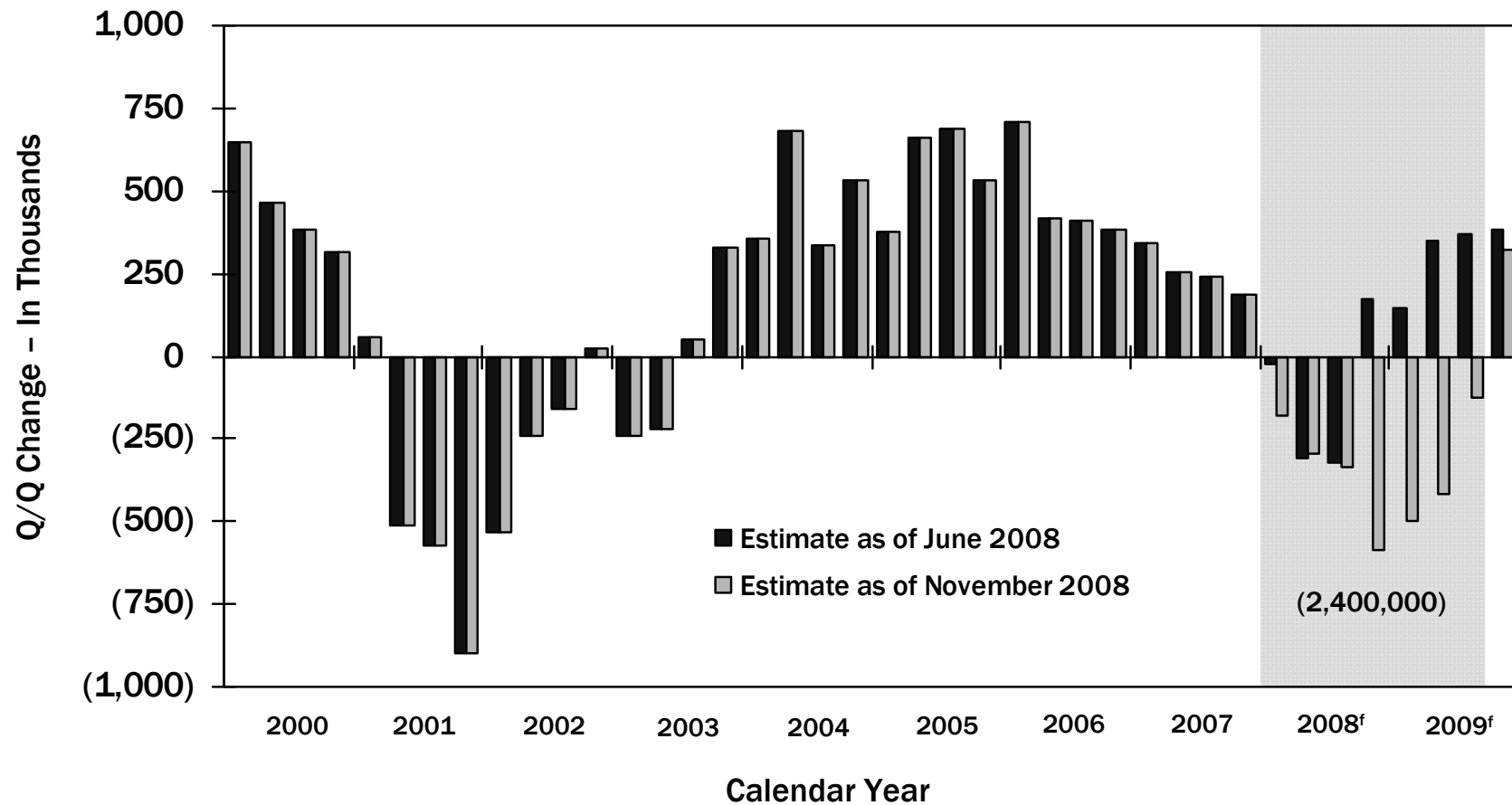


Source: Global Insight October 2008

f = forecast

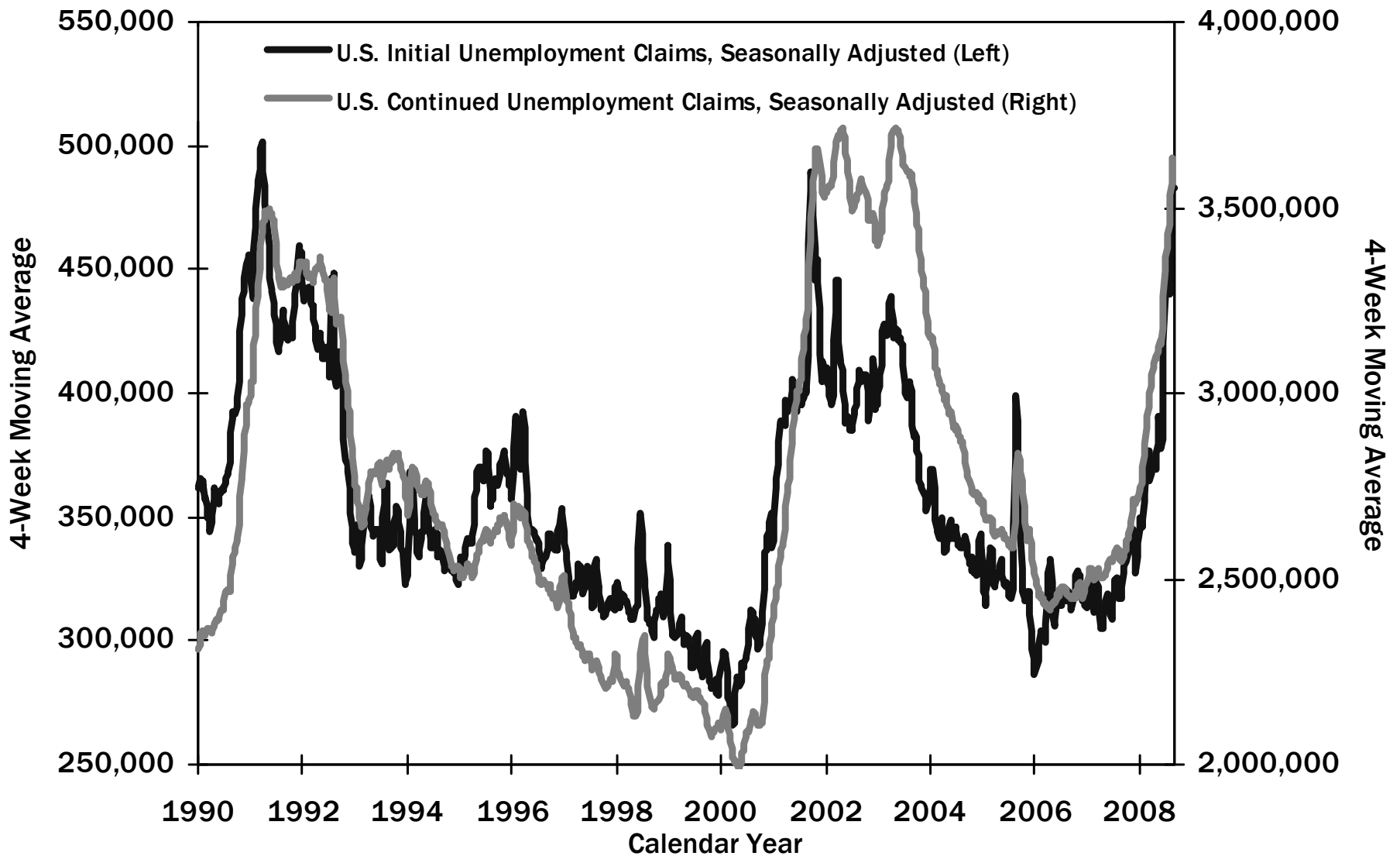
The Outlook for the Nation's Job Market Has Deteriorated Since June. The Nation Is Now Projected to Lose Over Two Million Jobs in 2008 and 2009

U.S. Private Employment



Source: U.S. Bureau of Labor Statistics, OMB
f = forecast

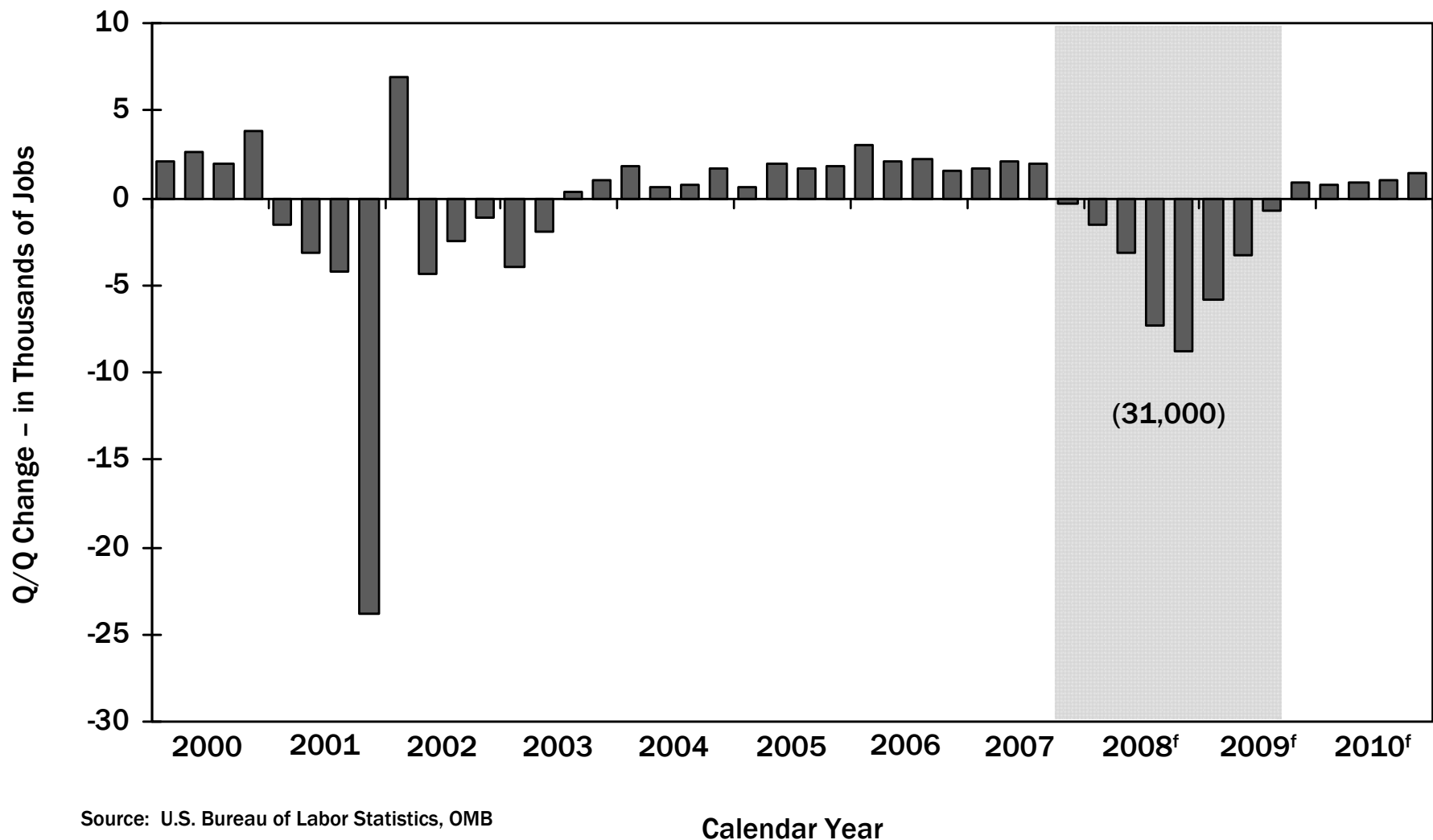
Unemployment Claims Have Already Reached Recessionary Levels



Source: U.S. Department of Labor

The Securities Industry Is Expected to Lose 31,000 Jobs Through 2009

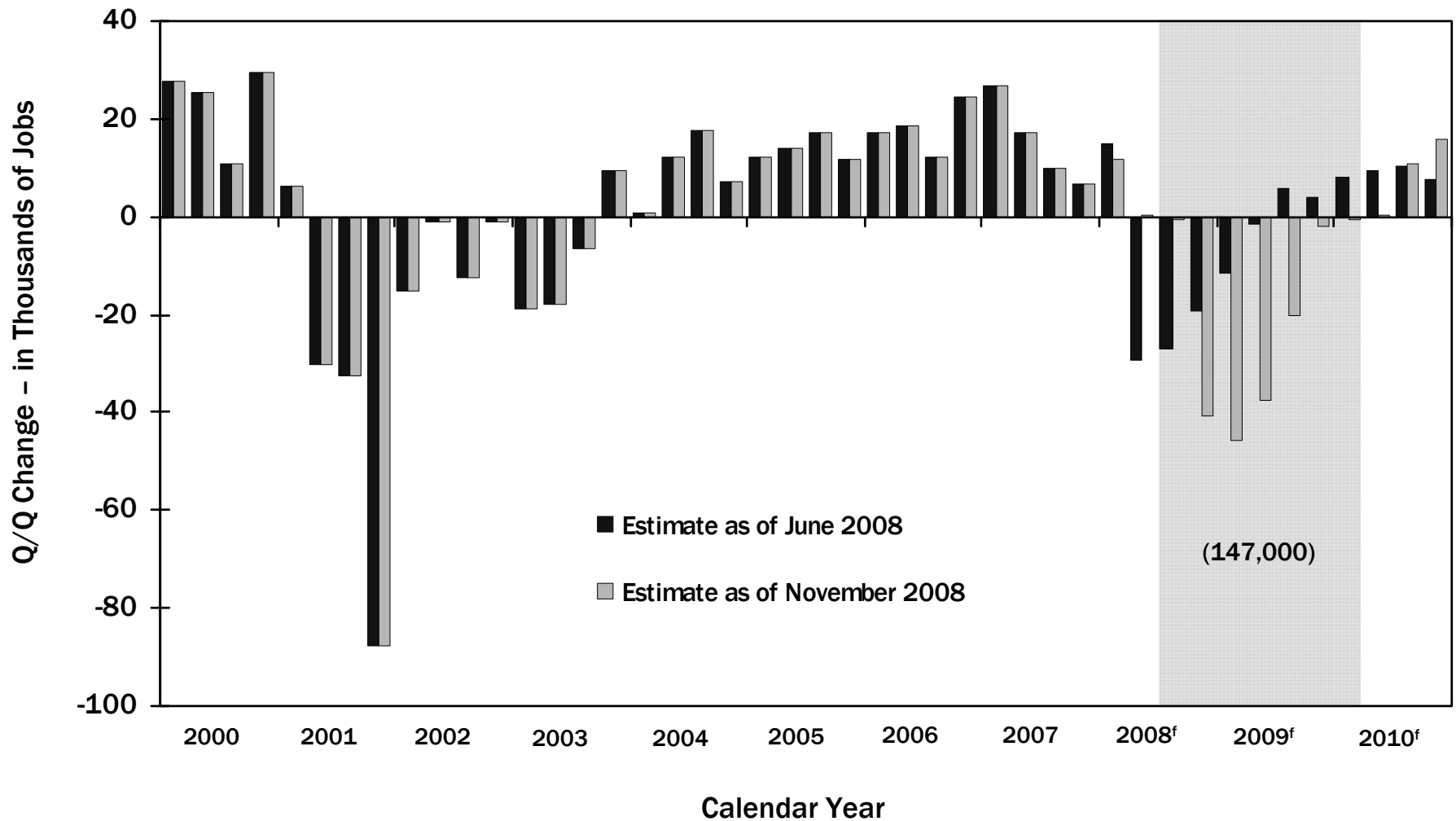
NYC Securities Employment



Source: U.S. Bureau of Labor Statistics, OMB
 f = forecast for Q4 2008, 2009 and 2010

The City Is Now Expected to Lose 147,000 Private Sector Jobs Through 2009, Almost 60,000 More Than Our May Forecast

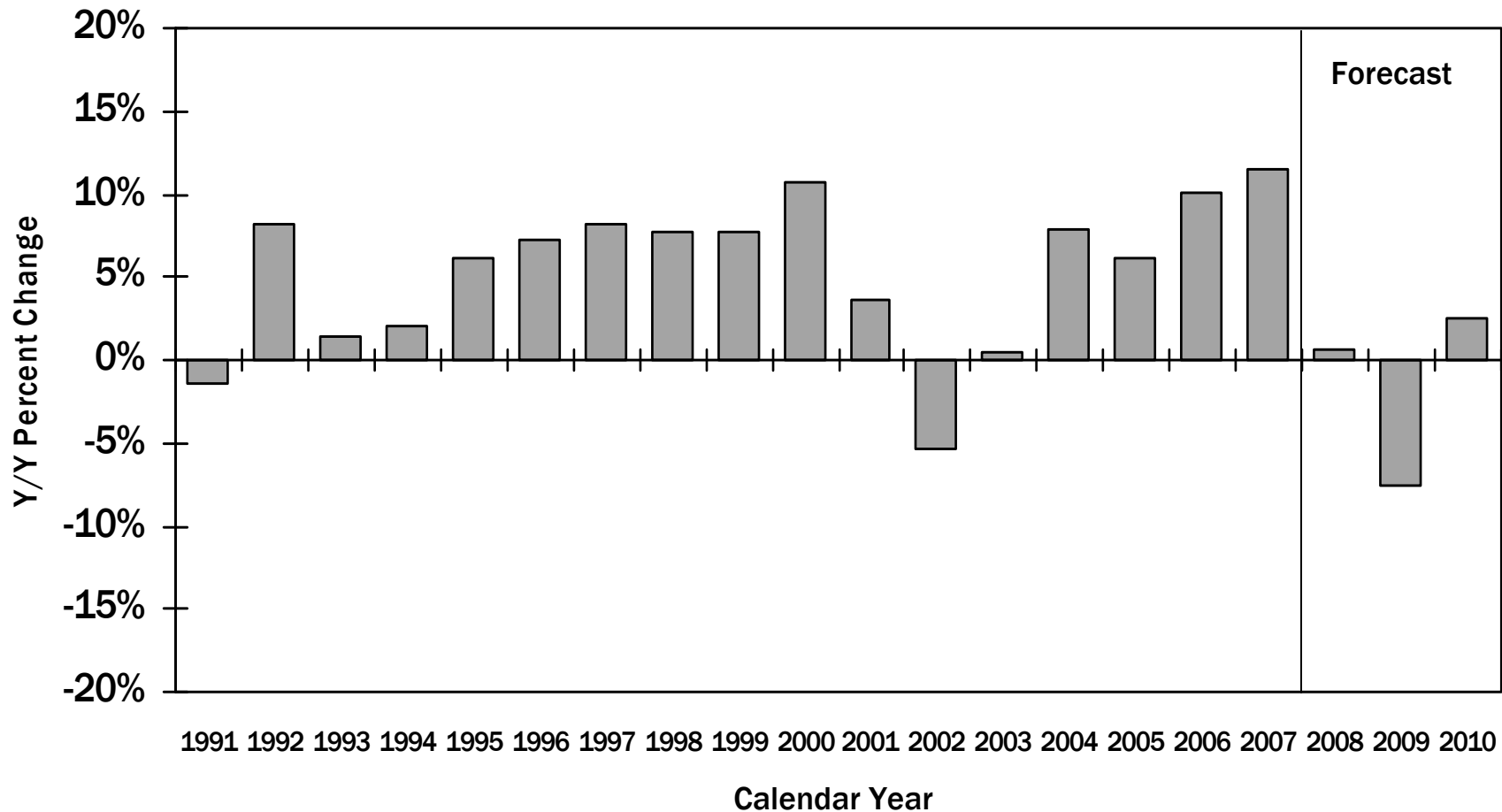
NYC Private Employment



Source: U.S. Bureau of Labor Statistics, OMB
 f = forecast for Q4 2008, 2009 and 2010

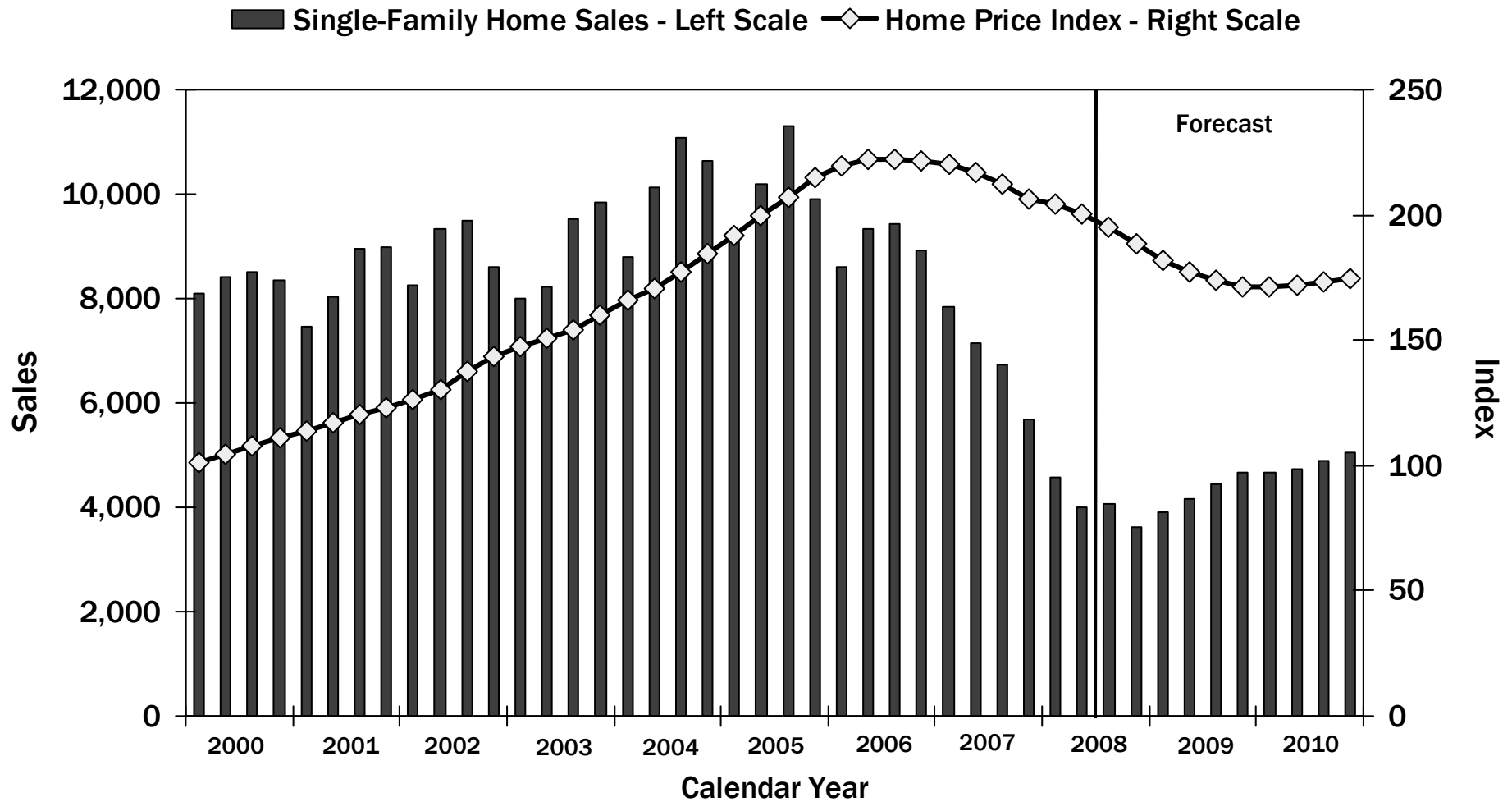
Wage Earnings Decline by 7.6 Percent in 2009 as Wall Street Contracts and the City Loses 147,000 Private Sector Jobs

NYC Wage Earnings



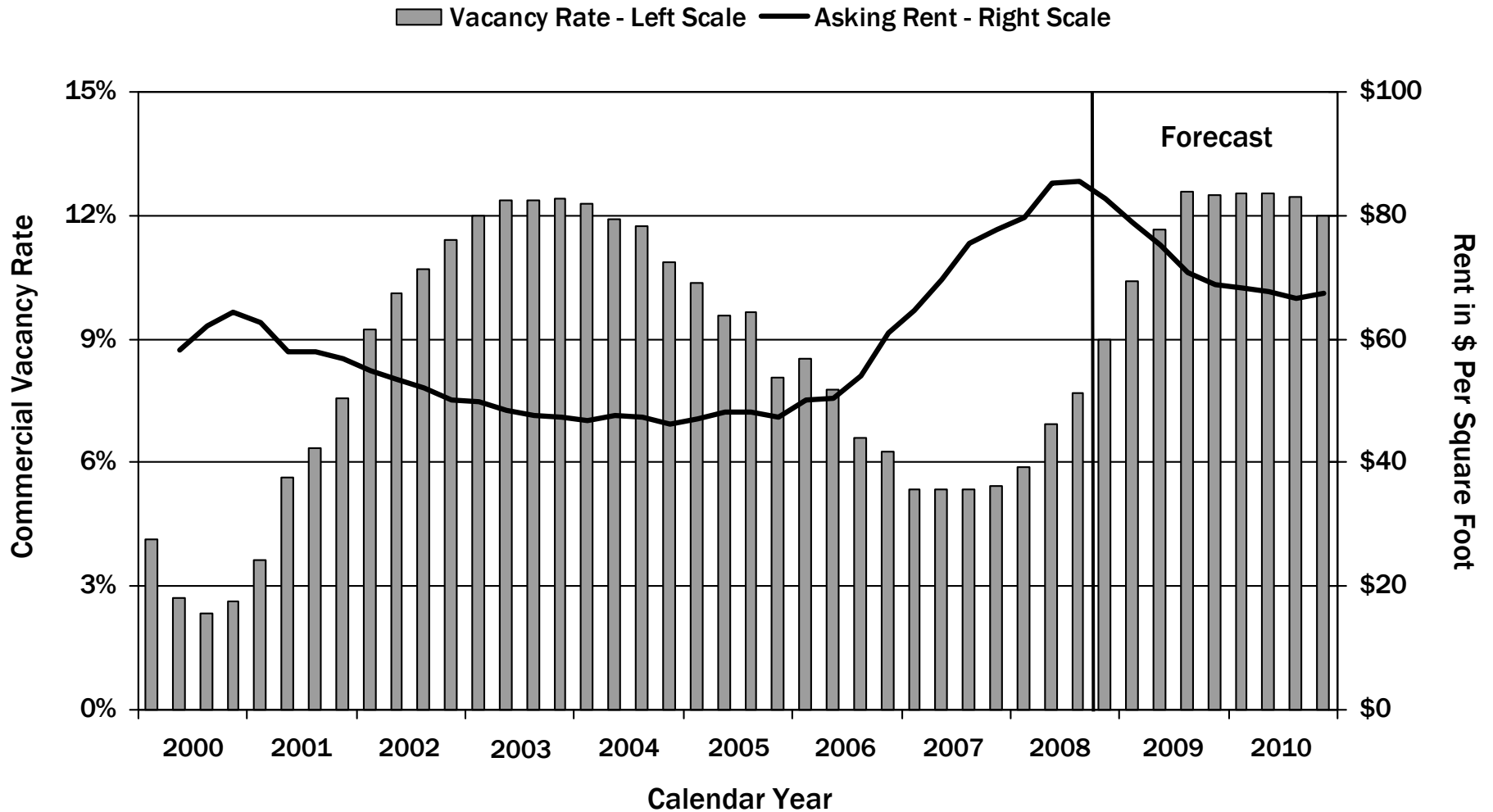
Source: U.S. Bureau of Labor Statistics, OMB

Single-Family Home Prices in the New York Area Began to Fall in 2007, Corresponding With a Protracted Decline in the Number of Home Sales



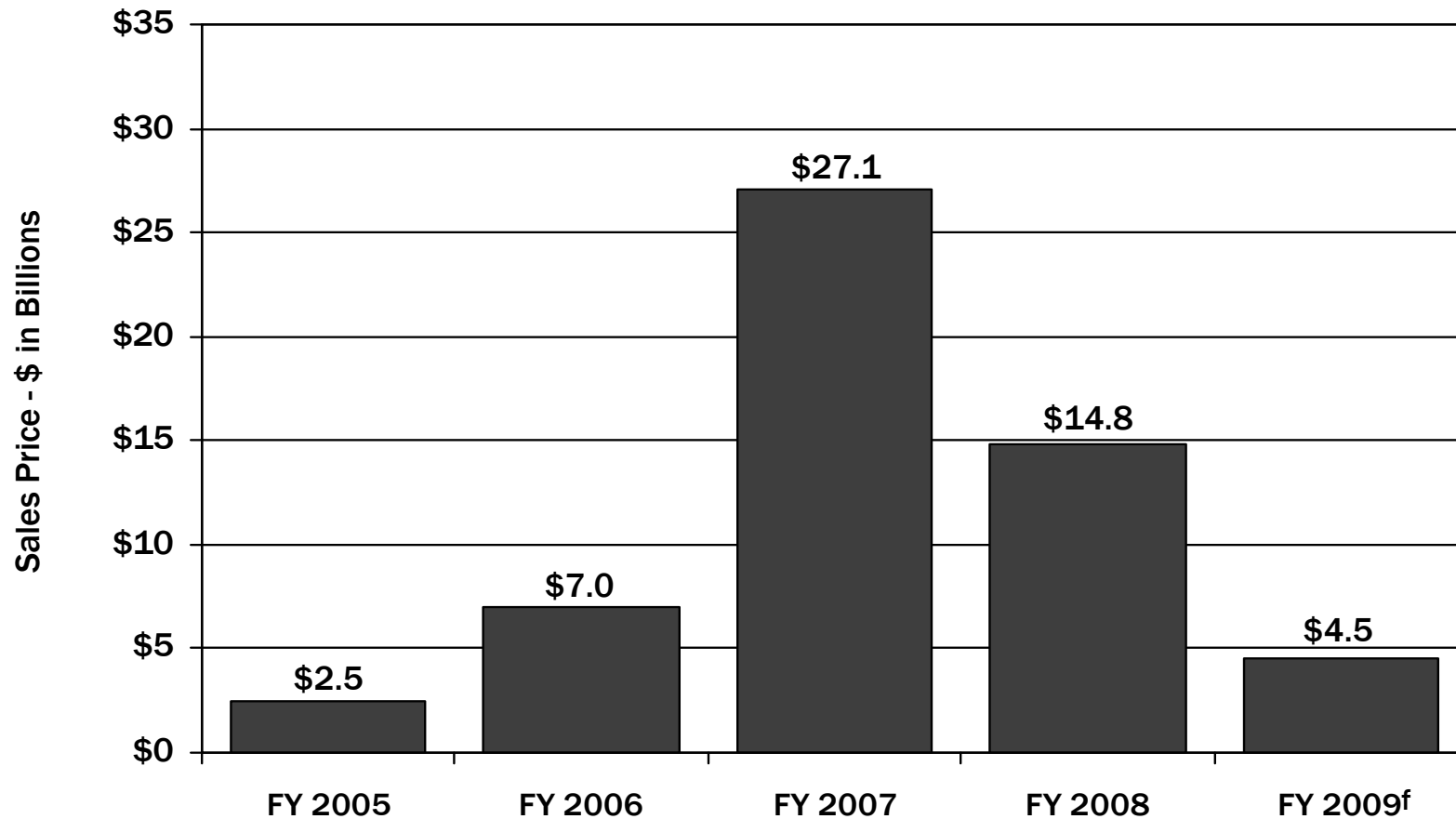
Source: Home Sales- NYC DOF, OMB Forecast. Home Price Index - S&P/Case-Shiller Repeat Sales Index, Moody's Economy.com Forecast

Additional Employment Losses Result in Higher Vacancy Rates and a Reduction in Rents. Commercial Vacancy Rates Are Up Nearly 50% and Asking Rents Have Levelled Off



Source: Cushman & Wakefield (Class A) , OMB Forecast

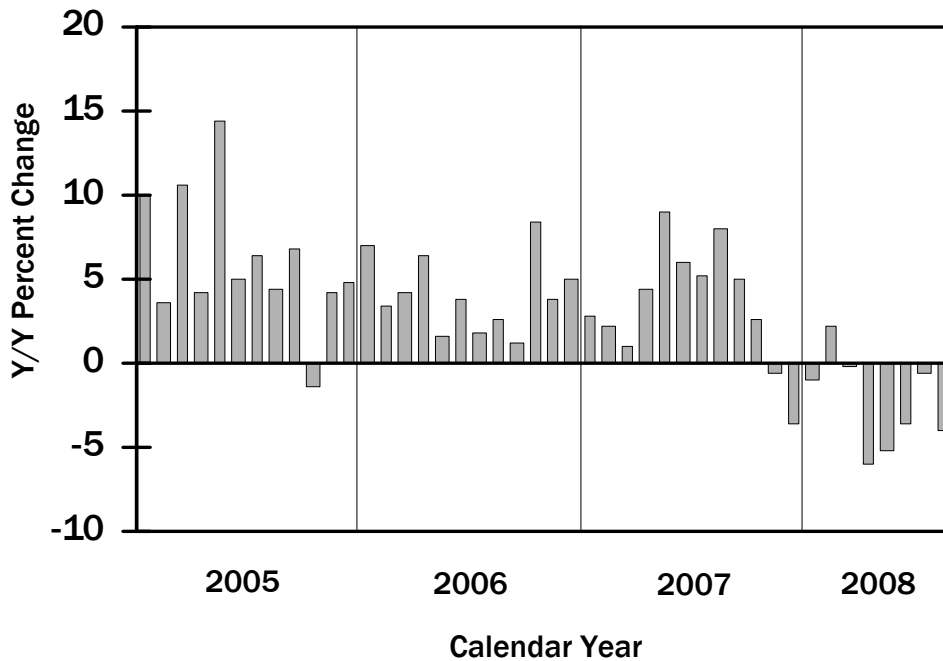
Large Commercial Real Estate Transactions (Over \$500 Million in Sales Price) Slowed in FY 2008 and Are Expected to Decline Further in FY 2009



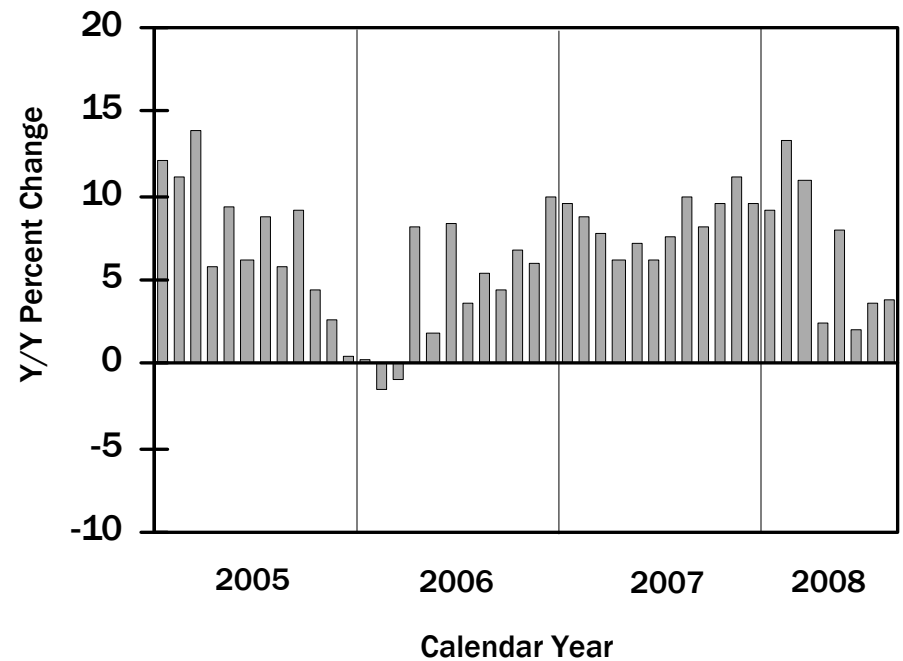
f = current forecast

**Domestic Travel to Local Airports Has Declined.
 Although International Travel Remains Above Prior Year Levels, Growth Has Slowed
 and the Outlook for the Future Is Uncertain Due to Recent Currency Fluctuations**

Domestic Travel



International Travel



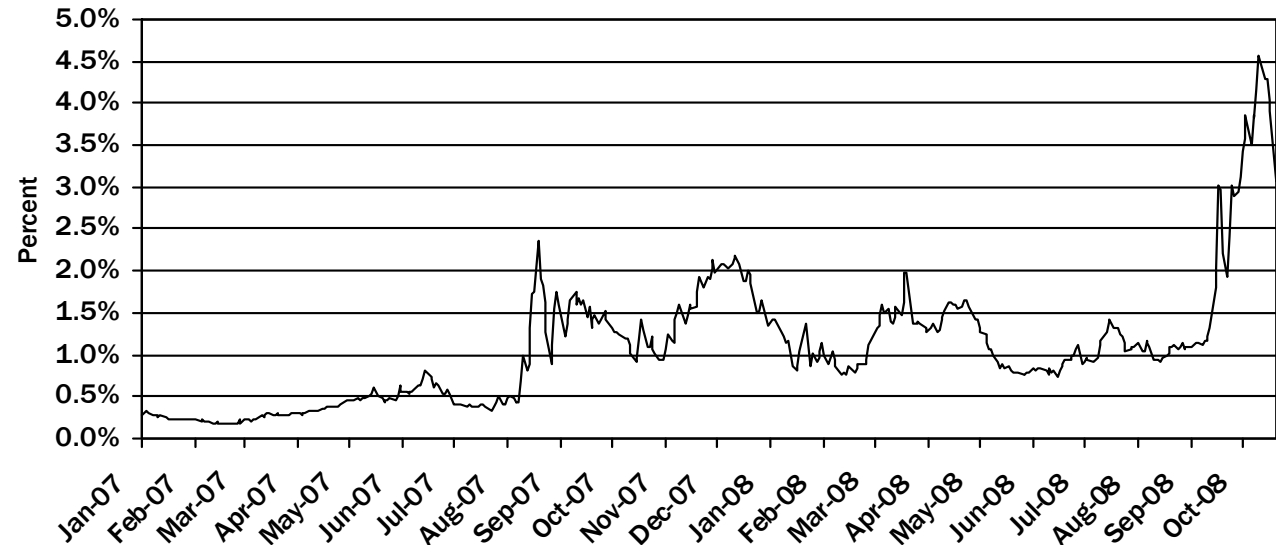
Source: Port Authority of New York and New Jersey

Financial Market Duress Has Caused Further Concern for New York City's Economy

— 3-month LIBOR less 3-month T-Bill

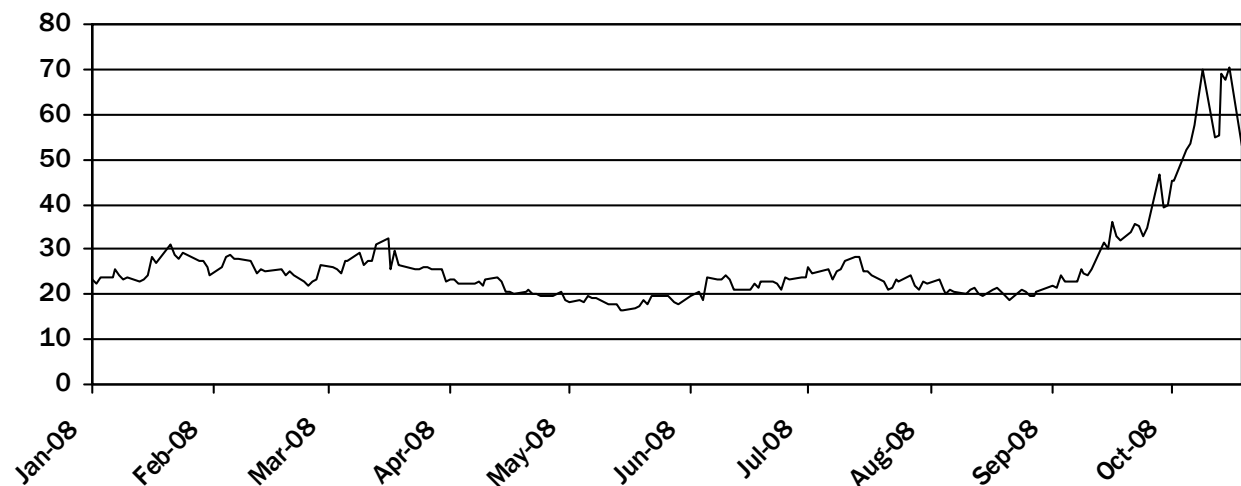
Treasury Euro-Dollar (TED) Spread

The TED Spread calculates the difference between the interest rate of three month U.S. Treasury bills and Euro-Dollar contracts, and reflects the perceived risks in interbank credit markets.



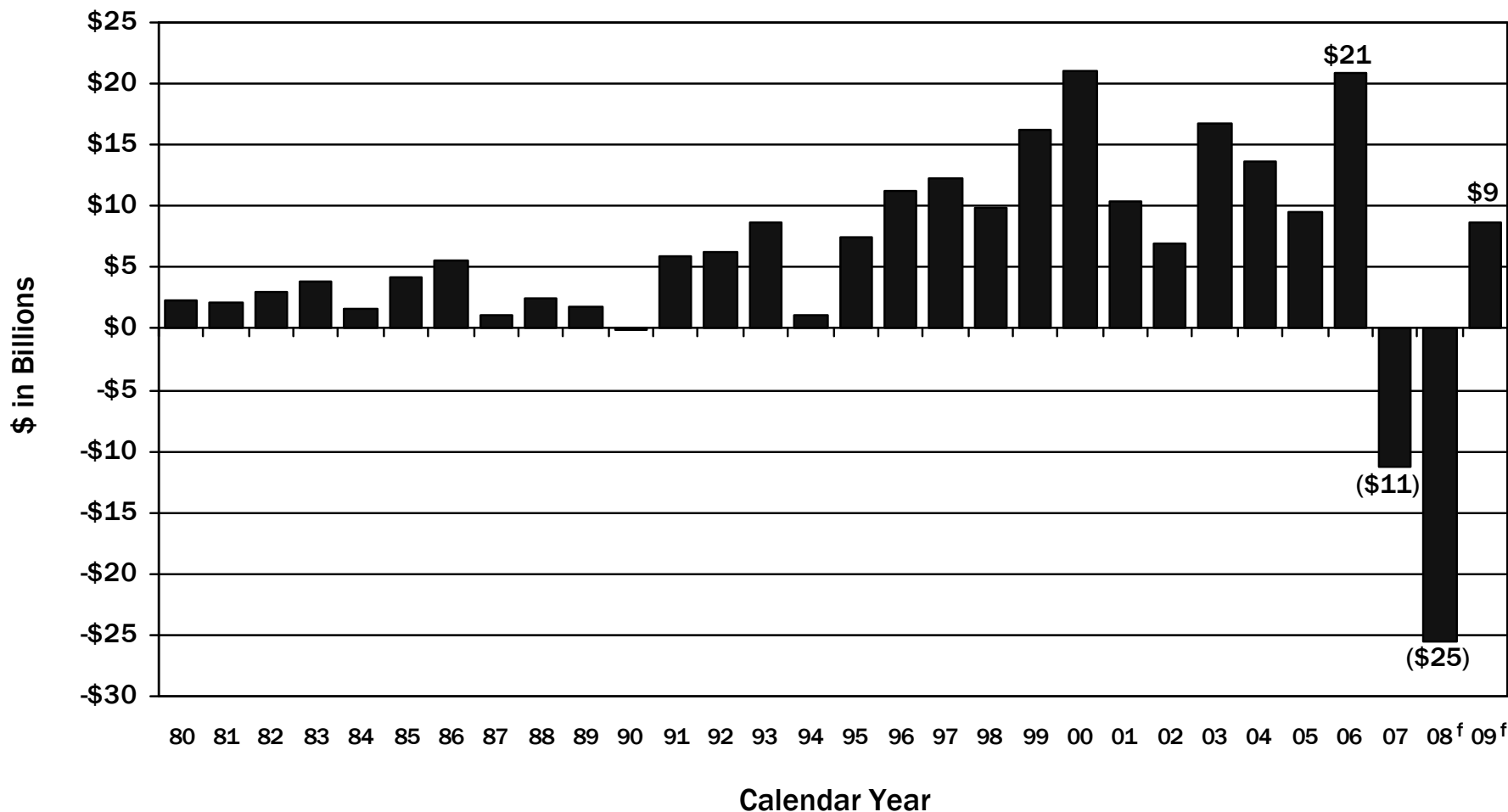
Chicago Board of Exchange Volatility Index (VIX)

The VIX measures the expected volatility of the S&P 500 over a 30 day period. Elevated values of the VIX indicate further weakness in stock market prices.



Wall Street Lost \$11 Billion in 2007, Is Expected to Lose \$25 Billion in 2008, But Hopefully Returns to Profitability in 2009

New York Stock Exchange Member-Firm Profits



Sources: NYSE, SIFMA, OMB forecast
f = forecast

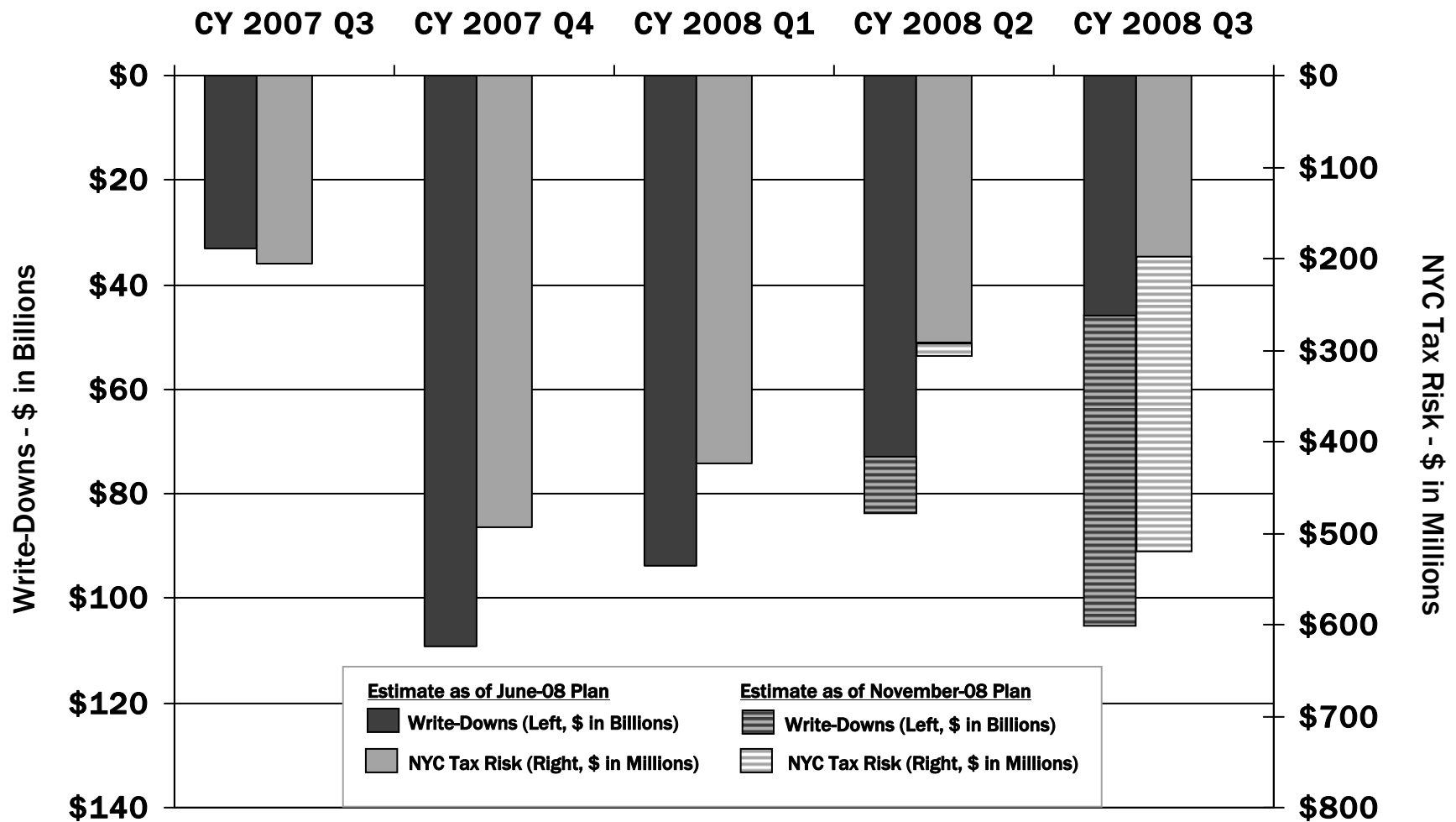
Large Losses Stemming From the Subprime Turmoil and Credit Crisis Continue to Grow

Total Write-Down Loss - \$ in Millions							
	Allocation ⁽¹⁾ %	CY 2007 Q3	CY 2007 Q4	CY 2008 Q1	CY 2008 Q2	CY 2008 Q3	Total
Investment Banks							
Goldman Sachs Group	60%	\$1,700	\$ ---	\$2,000	\$775	\$1,100	\$5,575
Bear Stearns & Co.	60%	700	1,900	1,400 (e)	---	---	4,000
Lehman Brothers Holdings	60%	700	830	1,800	3,700	7,800	14,830
Merrill Lynch & Co.	30%	8,400	16,700	6,650	9,750	9,500	51,000
Morgan Stanley	30%	2,400	9,400	2,300	519	917	15,536
Large Commercial Banks							
JPMorgan Chase & Co.	60%	1,600	1,300	5,100	1,100	6,430	15,530
Citigroup Inc.	30%	3,500	18,100	13,900	7,200	13,200	55,900
Bank of America Corp.	5%	1,600	5,280	7,911	7,050	1,599	23,440
Washington Mutual Inc.	5%	975	1,600	3,500	6,215	31,000	43,290
Wachovia Corp.	5%	1,138	1,700	2,000	6,100	11,191	22,129
Wells Fargo	5%	---	1,200	1,510	3,000	5,646	11,356
HSBC Holdings PLC	5%	880	16,320	5,800	3,700	NA	26,700
UBS AG	5%	3,420	13,400	19,000	5,100	2,700 (e)	43,620
Credit Suisse Group	5%	1,900	1,880	5,260	21	2,060	11,121
Deutsche Bank AG	5%	3,090	73	4,200	3,600	1,584	12,547
Barclays PLC	5%	635	2,465	3,300	1,977	4,640 (e)	13,017
Royal Bank of Scotland (ABN)	5%	---	5,800	11,692	11,400	3,200 (e)	32,092
Nomura Holdings Inc.	5%	593	---	1,270	797	335	2,995
AIG Inc.	5%	---	11,100	15,190	11,700	6,700 (e)	44,690
Total		\$33,231	\$109,048	\$113,783	\$83,703	\$109,602	\$449,367

Note: (e) = Analysts' Estimates; NA = not available Compiled By OMB; Write-Down losses as of 11/03/08

⁽¹⁾ Approximate range based on publicly available data

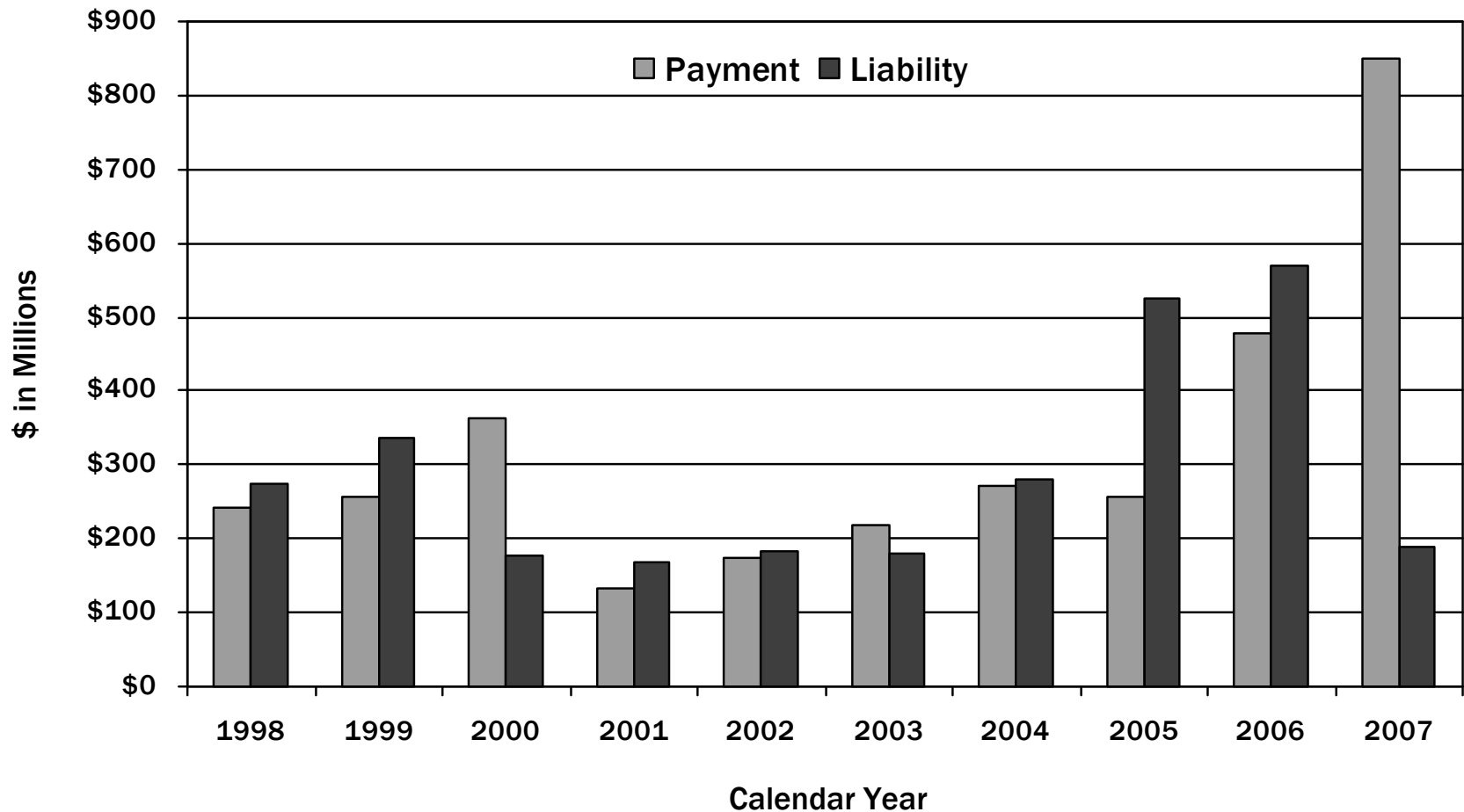
Financial Firm Write-Downs Pose a Growing Risk to Future New York City Tax Collections



Compiled by OMB

New York City is Expecting Lower Tax Payments in the Future Due to Overpayments Made in Prior Years by Large Firms

Top Finance and Commercial Bank Taxpayers



Source: New York City Department of Finance

Sub-Prime Write-Downs and the Credit Crisis Have Caused NYC Tax Refund Payments to Businesses to Triple in CY 2008

- ❖ On Average, NYC Has Paid Out \$246 Million in Business Tax Refunds Through October in CY 2005 – CY 2007
- ❖ As of October 2008, NYC Has Already Paid Out Over \$800 Million in Business Tax Refunds This Year

	(\$ in Millions)
<u>NYC Business Tax Refund Payments⁽¹⁾</u>	<u>Total</u>
Average Payments ⁽²⁾	(\$246)
Payments in 2008	(\$804)
Variance	(\$558)

(1) NYC business income tax refund payments include refunds from General Corporation, Banking Corporation and Unincorporated Business Taxes.

(2) Average refund payments CY2005-CY2007.

Actual Year-To-Date Collections Surplus/(Shortfall)

❖ Non-Property Tax Collections are \$108 Million Below Our June 2008 Forecast Plan as of October 2008

Year to Date Collections Through October, Compared with June 2008 Forecast Plan

	\$ in Millions				YTD
	July	August	September	October	
Non-Property Taxes					
Personal Income ⁽¹⁾	\$21	\$22	\$30	(\$52)	\$22
Business ⁽²⁾	---	---	(\$17)	(\$205)	(\$222)
Sales ⁽³⁾	\$24	\$29	\$30	---	\$83
Real Estate Transactions ⁽⁴⁾	\$30	\$14	(\$9)	(\$45)	(\$11)
All Other ⁽⁵⁾	(\$3)	\$1	\$29	(\$7)	\$20
Total	\$72	\$66	\$63	(\$309)	(\$108)
Cumulative Total	\$72	\$138	\$202	(\$108)	

Please see Page 34 for more detail on the revenue forecast

⁽¹⁾ Before TFA retention.

⁽²⁾ Includes general corporation, banking corporation and unincorporated business taxes.

⁽³⁾ Sales tax YTD collections are only through September.

⁽⁴⁾ Includes real property transfer tax and mortgage recording tax.

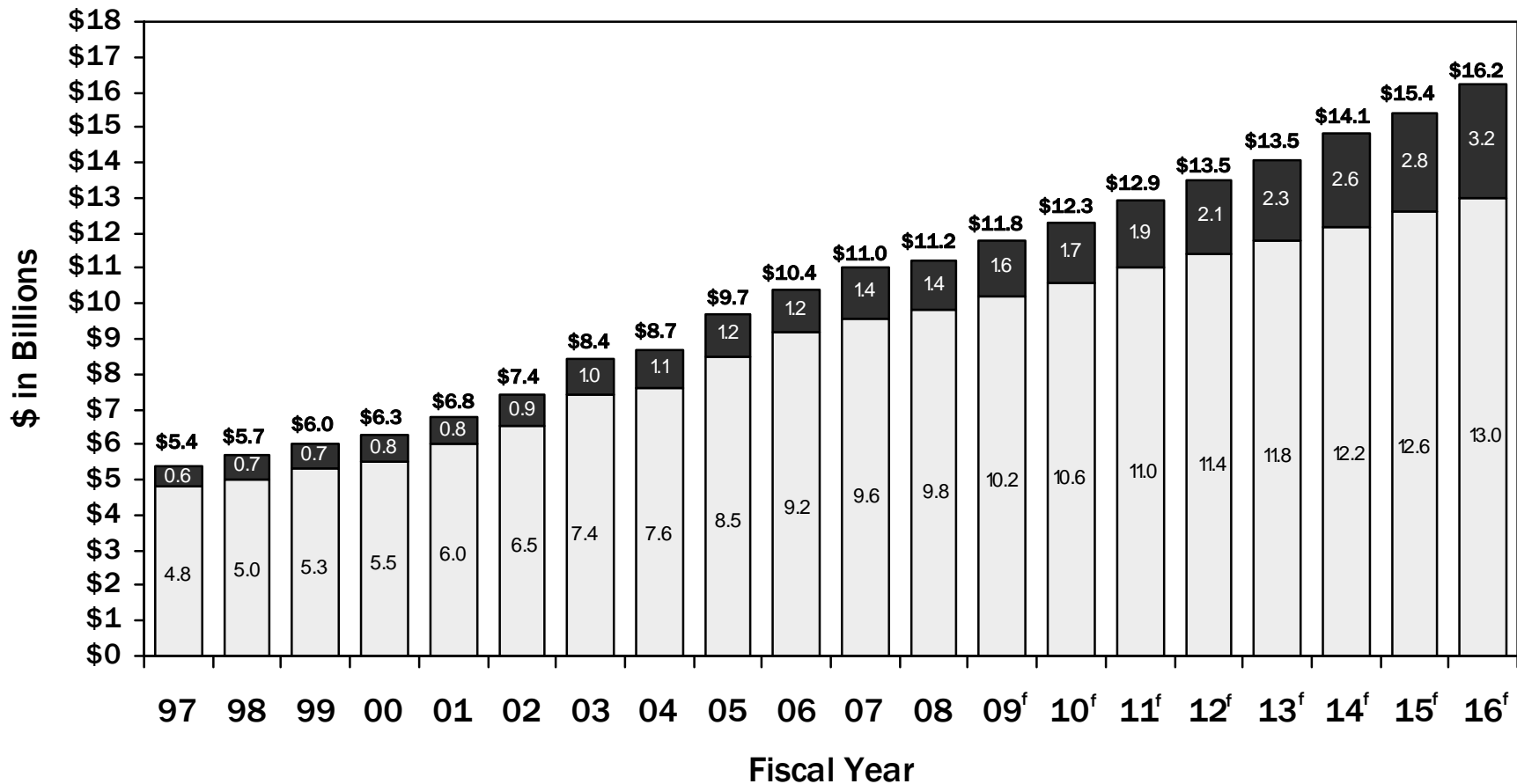
⁽⁵⁾ Includes hotel, commercial rent utility, cigarette, other taxes, and STAR Aid.

Note: Totals may not add due to rounding.

**II. Financial Market Volatility
Has Added to Our Already
Growing Pension Expenses**

Payments to Retirees for Pensions and Health Benefits Grow From \$11.2 Billion to \$16.2 Billion Between FY 2008 and FY 2016

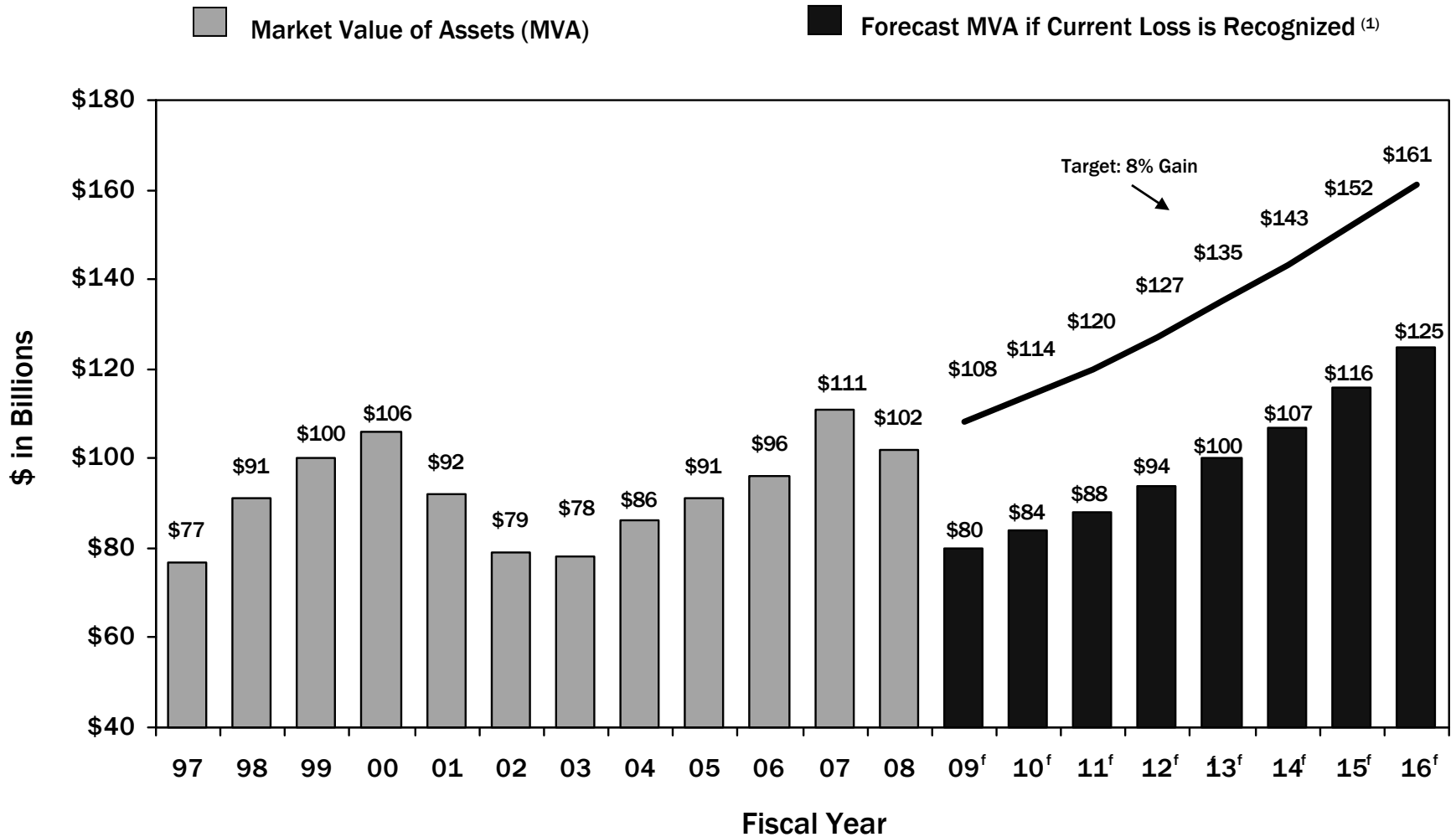
□ Pension Benefits ■ Retiree Health Benefits



Note: Pension Benefits include covered organizations. Retiree Health Benefits exclude covered organizations.

f = forecast

The New York City Retirement Systems' Market Value of Assets Currently Reflect a 20% Loss for FY 2009

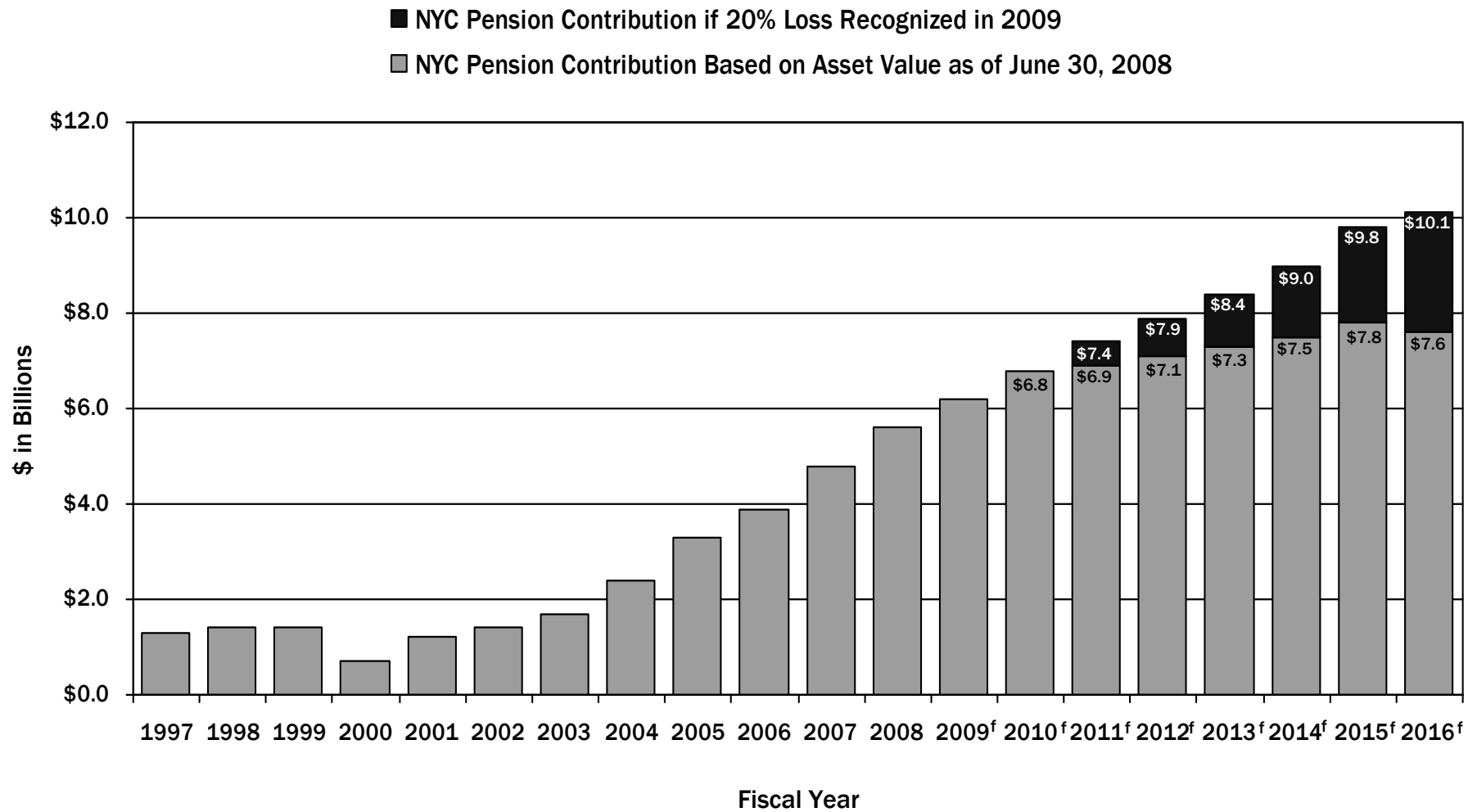


(1) As of 10/31/08

Note: Includes All Five Systems

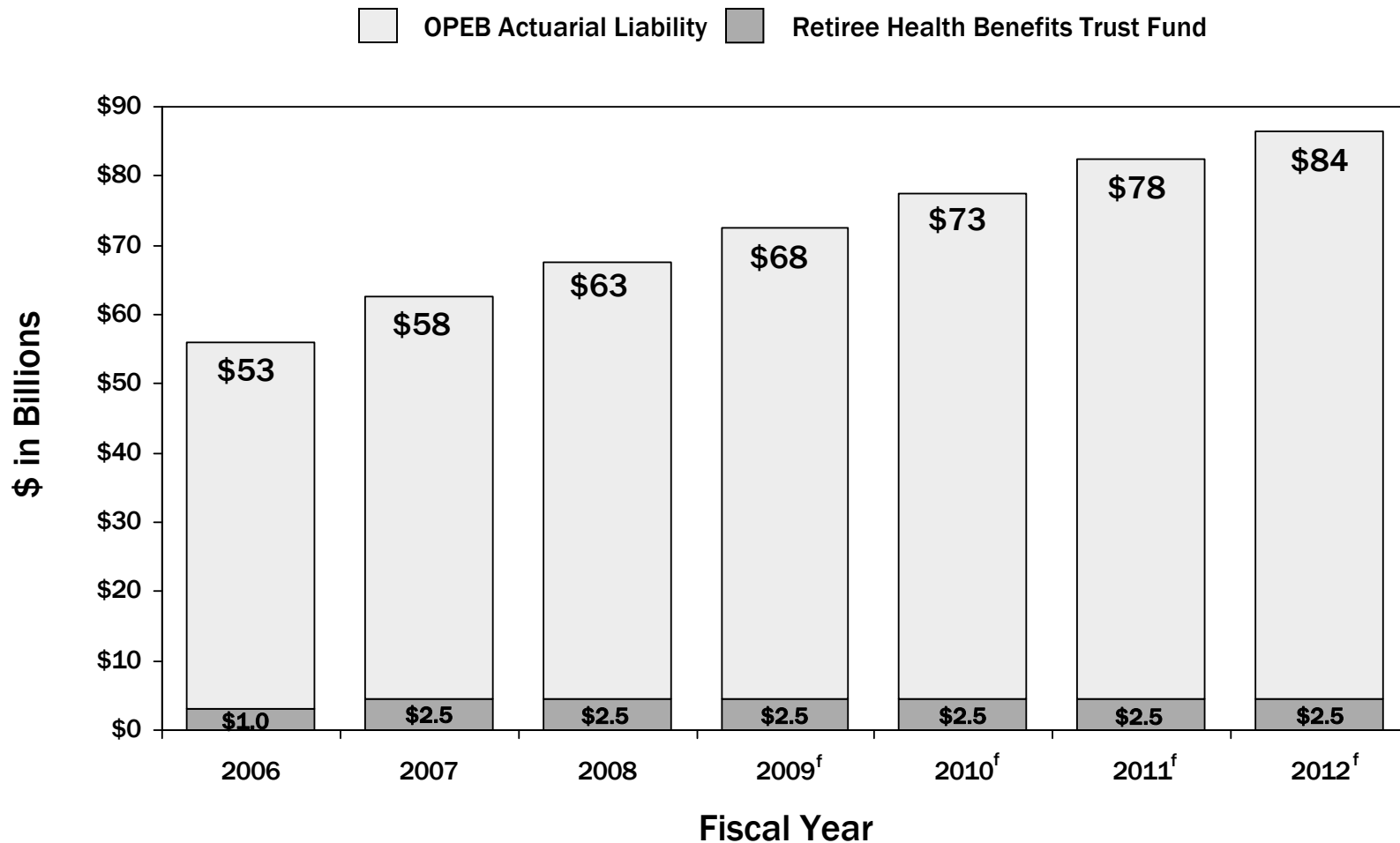
f = forecast

If the 20% Loss Is Recognized NYC Retirement Systems' Employer Contributions Would Increase by \$8.4 Billion Through FY 2016 to Cover Loss in Corpus Value



Note: Includes all five systems
f = forecast

NYC's Post Employment Health Benefits Have a Very Large and Growing Unfunded Actuarial Liability



f = forecast

III. Agency Programs to Reduce the Gap

November 2008 Plan

New Agency Programs to Reduce the Gap

Increases the Gap / (Decreases the Gap)

	Fiscal Year 2009			Fiscal Year 2010			
	City Funds - \$ in Thousands			City Funds - \$ in Thousands			
	Expense	Revenue	Total	Expense	Revenue	Total	
Uniformed Forces							
Police	(\$35,145)	(\$10,290)	(\$45,435)	(\$91,007)	(\$76,162)	(\$167,169)	
Fire	(26,239)	(5,509)	(31,748)	(32,399)	(29,465)	(61,864)	
Correction	(9,433)	---	(9,433)	(31,639)	---	(31,639)	
Sanitation	(18,746)	(6,212)	(24,958)	(37,201)	(29,811)	(67,012)	
Health and Welfare							
Administration for Children's Services	(19,293)	---	(19,293)	(38,371)	---	(38,371)	
Social Services	(15,284)	---	(15,284)	(29,930)	---	(29,930)	
Homeless Services	(7,865)	---	(7,865)	(15,309)	---	(15,309)	
Youth & Community Development	(5,338)	(350)	(5,688)	(9,131)	---	(9,131)	
Health & Mental Hygiene	(6,639)	(3,639)	(10,278)	(14,315)	(3,839)	(18,154)	
Other Mayoral							
Housing Preservation & Development	(2,455)	(194)	(2,649)	(3,084)	(43)	(3,127)	
Finance	3,960	(11,600)	(7,640)	520	(10,400)	(9,880)	
Transportation	(8,218)	(3,812)	(12,030)	(13,892)	(8,450)	(22,342)	
Parks & Recreation	(4,244)	(2,500)	(6,744)	(8,984)	(4,200)	(13,184)	
Citywide Administrative Services	(1,000)	(4,552)	(5,552)	(4,818)	(2,834)	(7,652)	
All Other Agencies	(38,415)	(29,531)	(67,946)	(66,039)	(47,197)	(113,236)	
Major Organizations							
Education	(180,513)	---	(180,513)	(385,353)	---	(385,353)	
CUNY	(6,123)	---	(6,123)	(9,519)	---	(9,519)	
HHC	(497)	(1,880)	(2,377)	(684)	(3,998)	(4,682)	
Other							
Procurement Savings	---	---	---	(55,519)	---	(55,519)	
Fleet Reduction	---	---	---	(20,000)	---	(20,000)	
Total Agency Programs	(\$381,487)	(\$80,069)	(\$461,556)	(2.2%)	(\$866,674)	(\$216,399)	(\$1,083,073) (5.2%)

November 2008 Plan

Examples of New Agency PEG Programs

		Increase the Gap / (Decrease the Gap) City Funds - \$ in Millions	
		2009	2010
Police:	Reduce Peak Uniform Headcount by Over 1,000 Officers by Canceling Class	(\$36.1)	(\$80.6)
Police:	Reduce 292 Civilian Positions Through Attrition	(5.3)	(14.2)
Police:	Hire 234 New TEA's to Enforce "Block the Box" Violations	(2.1)	(60.5)
Fire:	Reduce Nighttime Operational Hours at 5 Engine Companies in Firehouses Where Ladder Companies Will Remain Fully Staffed	(4.5)	(9.0)
Fire:	Reduce Firefighting Training Academy From 23 Weeks to 18 Weeks	(3.0)	(6.0)
Education:	A 6.55% Reduction of Centrally Managed Funds Including the Elimination of 284 Positions in the Central Administration and 54 Field Positions	(40.4)	(53.0)
Education:	1.3% Reduction in School-Based Budgets Through OTPS Reductions	(103.6)	(256.1)
NYCHA:	Reallocate Community Services to Other City Agencies Resulting in 200 Layoffs	(18.6)	(18.6)
Parks:	Reduction of 321 Seasonal Parks Worker FTEs	(2.8)	---
Parks:	Increase in Revenue From the Sale of Shea and Yankee Stadium Memorabilia	(2.5)	(1.7)
Sanitation:	Reduce Cleaning Staffing by 187 Heads Through Attrition	---	(8.2)
Sanitation:	Implement \$.05 Tax Per Plastic Bag	---	(16.0)
HPD:	Reduction of Tenant Anti-Harassment Funds	(0.3)	(0.3)
Finance:	Increase Audit Staff	(1.4)	(8.3)
BPs:	Reduction in PS Funds	(0.6)	(0.9)
ACS:	Reduce 127 Child Protective Supervisors Positions Which are Currently Vacant	(3.8)	(3.8)
ACS:	Increase Child Care Co-Pays	(1.8)	(8.7)
DSS:	Eliminate 72 Positions Through Attrition by Consolidating the Hamilton Job Center and Centralization of Child Only and Senior Cases	(1.0)	(6.7)
DFTA:	Eliminate Funding for 9 Elder Abuse Contracts	(0.4)	(0.9)
DOHMH:	Eliminate Dental Health Program at 44 Sites	---	(2.5)
DOHMH:	Close East Harlem STD Clinic	---	(0.3)
Libraries:	Reduce Average Library Hours from 6 Days to 5.5 Days	(8.0)	(15.1)
Culturals:	2.5% Reduction for FY09 and 5% Reduction for FY10	(3.8)	(7.2)

Since January 2008, Our Gap Closing Actions to Reduce the FY 2010 Gap Now Total \$2.2 Billion

Total Agency Gap Closing Actions Affecting FY 2010

City Funds - \$ in Thousands

	Expense	Revenue	Total	
Uniformed Forces				
Police	(\$222,069)	(\$76,162)	(\$298,231)	
Fire	(57,007)	(35,842)	(92,849)	
Correction	(55,975)	---	(55,975)	
Sanitation	(71,321)	(36,875)	(108,196)	
Health and Welfare				
Administration for Children's Services	(96,419)	---	(96,419)	
Social Services	(68,977)	(225)	(69,202)	
Homeless Services	(35,862)	---	(35,862)	
Youth & Community Development	(24,317)	---	(24,317)	
Health & Mental Hygiene	(36,843)	(9,592)	(46,435)	
Other Mayoral				
Housing Preservation & Development	(9,558)	(654)	(10,212)	
Finance	(12,026)	(39,400)	(51,426)	
Transportation	(31,479)	(25,150)	(56,629)	
Parks & Recreation	(19,642)	(16,451)	(36,093)	
Citywide Administrative Services	(12,040)	(15,157)	(27,197)	
All Other Agencies	(271,023)	(75,536)	(346,559)	
Major Organizations				
Education	(637,842)	---	(637,842)	
CUNY	(23,774)	---	(23,774)	
HHC	(684)	(15,570)	(16,254)	
Other				
Procurement Savings	(111,038)	---	(111,038)	
Fleet Reduction	(20,000)	---	(20,000)	
Total Agency Programs	(\$1,817,896)	(\$346,614)	(\$2,164,510)	(10.4%)

IV. Budget Update

Revenue Changes Between the June 2008 Plan and the November 2008 Plan

- ❖ In June our forecast had expected revenue to increase between 2009 and 2010
- ❖ Now our new forecast expects revenue to decline slightly between 2009 and 2010 (even with the proposed tax increase program) before beginning to grow again in 2011.

City Funds - \$ in Millions

	FY 2009	FY 2010	FY 2011	FY 2012
Revenue as of June 2008 Plan	\$39,877	\$41,251	\$43,739	\$46,004
Revenue Changes:				
Personal Income Tax	(\$165)	(\$363)	(\$293)	(\$256)
Business Taxes	(234)	(470)	(523)	(403)
Other Tax Revenue	114	(439)	(289)	(366)
Non-Tax Revenue	5	(40)	(29)	(10)
Subtotal	(280)	(1,312)	(1,134)	(1,035)
Agency Programs	80	216	185	165
Mid-Year Property Tax Increase	576	---	---	---
Not Issue \$400 Property Tax Rebate	256	256	256	256
Subtotal	912	472	441	421
Total Revenue Changes	\$632	(\$840)	(\$693)	(\$614)
Revenue as of November 2008 Plan	\$40,509	\$40,411	\$43,046	\$45,390

Excludes the impact of prepayments and debt defeasances

City Revenue

November 2008 Plan

\$ in Millions

		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Property Tax		\$13,021	\$13,781	\$14,735	\$15,673	\$16,419
	Year-to-Year Change:		760 5.8%	954 6.9%	938 6.4%	746 4.8%
Economically Sensitive Taxes		\$24,711	\$21,357	\$19,856	\$21,434	\$22,954
	Year-to-Year Change:		(3,354) (13.6%)	(1,501) (7.0%)	1,578 7.9%	1,520 7.1%
Subtotal Tax Revenue		\$37,732	\$35,138	\$34,591	\$37,107	\$39,373
	Year-to-Year Change:		(2,594) (6.9%)	(547) (1.6%)	2,516 7.3%	2,266 6.1%
Tax Increase Program						
Rescind 7% Property Tax Cut		---	\$576	\$1,223	\$1,298	\$1,359
Not Issue \$400 Property Tax Rebate		---	\$256	\$256	\$256	\$256
Subtotal		---	\$832	\$1,479	\$1,554	\$1,615
Non-Tax Revenue		\$5,255	\$4,539	\$4,341	\$4,385	\$4,402
	Year-to-Year Change:		(716) (13.6%)	(198) (4.4%)	44 1.0%	17 0.4%
Total Revenue		\$42,987	\$40,509	\$40,411	\$43,046	\$45,390
	Year-to-Year Change:		(2,478) (5.8%)	(98) (0.2%)	2,635 6.5%	2,344 5.4%

Excludes the impact of prepayments and debt defeasances
FY 2008 as of FY 2009 Adopted Budget

Economically Sensitive Taxes

\$ in Millions

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Income	\$8,777	\$7,396	\$6,671	\$7,519	\$8,074
Year-to-Year Change:		(1,381) (15.7%)	(725) (9.8%)	848 1 2.7%	555 7.4%
Sales	\$4,834	\$4,749	\$4,485	\$4,765	\$5,012
Year-to-Year Change:		(85) (1.8%)	(264) (5.6%)	280 6.2%	247 5.2%
Business	\$5,489	\$4,704	\$4,440	\$4,805	\$5,341
Year-to-Year Change:		(785) (14.3%)	(264) (5.6%)	365 8.2%	536 11.2%
Real Estate Transaction Taxes	\$2,572	\$1,825	\$1,664	\$1,693	\$1,815
Year-to-Year Change:		(747) (29.0%)	(161) (8.8%)	29 1.7%	122 7.2%
Other*	\$3,039	\$2,683	\$2,596	\$2,652	\$2,712
Year-to-Year Change:		(356) (11.7%)	(87) (3.2%)	56 2.2%	60 2.3%
Total Economically Sensitive Taxes	\$24,711	\$21,357	\$19,856	\$21,434	\$22,954
Year-to-Year Change:		(3,354) (13.6%)	(1,501) (7.0%)	1,578 7.9%	1,520 7.1%

Excludes the impact of prepayments and debt defeasances.

*Includes Tax Audits, Commercial Rent, Utility, Hotel, and Cigarette.

FY 2008 as of FY 2009 Adopted Budget

Controllable Agency Expense Changes Between the June 2008 Plan and the November 2008 Plan

City Funds - \$ in Millions

	FY 2009	FY 2010	FY 2011	FY 2012
Controllable Agency Expenses as of June 2008 Plan:	\$20,971	\$22,048	\$23,351	\$23,820
Controllable Agency Expense Changes:				
Agency Programs	(\$352)	(\$803)	(\$769)	(\$750)
Other	15	2	(3)	6
Total Controllable Agency Expense Changes – November 2008 Plan:	(\$337)	(\$801)	(\$772)	(\$744)
Controllable Agency Expenses as of November 2008 Plan:	\$20,634	\$21,247	\$22,579	\$23,076

Excludes the impact of prepayments and debt defeasances

Non-Controllable Expense Changes Between the June 2008 Plan and the November 2008 Plan

City Funds - \$ in Millions

	FY 2009	FY 2010	FY 2011	FY 2012
Non-Controllable Expenses as of June 2008 Plan:	\$23,360	\$24,704	\$25,896	\$27,292
Non-Controllable Expense Changes:				
Agency Programs	(\$30)	(\$64)	(\$78)	(\$76)
Reserve for Pension Asset Losses	---	82	395	672
Retiree Health Benefits Trust Fund	---	(82)	(395)	(672)
Debt Service	5	2	20	22
Other	3	7	6	(3)
Total Non-Controllable Expense Changes - November 2008 Plan:	(\$22)	(\$55)	(\$52)	(\$57)
Non-Controllable Expenses as of November 2008 Plan:	\$23,338	\$24,649	\$25,844	\$27,235

Excludes the impact of prepayments and debt defeasances

Controllable Agency Expenses

November 2008 Plan

		City Funds - \$ in Millions			
		FY 2009	FY 2010	FY 2011	FY 2012
Uniformed Forces					
	Police Department	\$3,986	\$4,082	\$4,213	\$4,249
	Fire Department	1,351	1,361	1,379	1,379
	Department of Correction	940	921	932	938
	Sanitation Department	1,247	1,307	1,409	1,417
	Subtotal: Uniformed Forces	\$7,524	\$7,671	\$7,933	\$7,983
	Year -To-Year:	307	147	262	50
	Change:	4.3%	2.0%	3.4%	0.6%
Health and Welfare					
	Social Services	\$560	\$552	\$552	\$552
	Children's Services	783	751	747	757
	Homeless Services	304	290	290	290
	Health and Mental Hygiene	654	616	618	621
	HHC Subsidy	95	93	93	93
	Subtotal: Health and Welfare	\$2,396	\$2,302	\$2,300	\$2,313
	Year -To-Year:	(103)	(94)	(2)	13
	Change:	(4.1%)	(3.9%)	(0.1%)	0.6%
Other Mayoral					
	Housing Preservation & Development	\$78	\$61	\$60	\$60
	Environmental Protection	964	872	867	867
	Finance	209	199	198	198
	Transportation	470	434	439	439
	Parks and Recreation	267	257	260	260
	Citywide Administrative Services	204	198	198	198
	All Other Mayoral	1,731	1,458	1,472	1,478
	Energy, Leases & OTPS Inflatars	---	112	207	331
	Subtotal: Other Mayoral	\$3,923	\$3,591	\$3,701	\$3,831
	Year -To-Year:	235	(332)	110	130
	Change:	6.4%	(8.5%)	3.1%	3.5%
Education					
	Department of Education	\$5,169	\$5,436	\$5,993	\$5,865
	CUNY	450	404	411	412
	Subtotal: Education	\$5,619	\$5,840	\$6,404	\$6,277
	Year -To-Year:	235	221	564	(127)
	Change:	4.4%	3.9%	9.7%	(2.0%)
Elected Officials					
	Mayoralty	\$68	\$66	\$66	\$66
	All Other Elected	387	370	370	370
	Subtotal: Elected Officials	\$455	\$436	\$436	\$436
	Year -To-Year:	(20)	(19)	---	---
	Change:	(4.2%)	(4.2%)	0.0%	0.0%
Labor Reserve					
		\$717	\$1,407	\$1,805	\$2,236
	Year -To-Year:	188	690	398	431
	Change:	35.5%	96.2%	28.3%	23.9%
Total Controllable Agency Spending		\$20,634	\$21,247	\$22,579	\$23,076
	Year -To-Year:	842	613	1,332	497
	Change:	4.3%	3.0%	6.3%	2.2%

Note: Excludes the impact of prepayments

Non-Controllable Agency Expenses

November 2008 Plan

City Funds - \$ in Millions

		FY 2009	FY 2010	FY 2011	FY 2012
Non-Controllable Agency Expenses					
Pensions		\$6,127	\$6,727	\$7,100	\$7,466
	<i>Year-to-Year</i>	\$553	\$600	\$373	\$366
	<i>Change:</i>	9.9%	9.8%	5.5%	5.2%
Fringe Benefits		\$5,772	\$5,757	\$5,847	\$6,030
	<i>Year-to-Year</i>	\$238	(\$15)	\$90	\$183
	<i>Change:</i>	4.3%	(0.3%)	1.6%	3.1%
Subtotal: Employee-Related Costs		\$11,899	\$12,484	\$12,947	\$13,496
	<i>Year-to-Year</i>	\$791	\$585	\$463	\$549
	<i>Change:</i>	7.1%	4.9%	3.7%	4.2%
Debt Service		\$3,739	\$4,223	\$4,679	\$5,214
	<i>Year-to-Year</i>	\$160	\$484	\$456	\$535
	<i>Change:</i>	4.5%	12.9%	10.8%	11.4%
Medicaid		\$5,468	\$5,623	\$5,783	\$5,956
	<i>Year-to-Year</i>	(\$113)	\$155	\$160	\$173
	<i>Change:</i>	(2.0%)	2.8%	2.8%	3.0%
Re-estimate of Prior Year Expenses		\$ ---	\$ ---	\$ ---	\$ ---
	<i>Year-to-Year</i>	\$500	\$ ---	\$ ---	\$ ---
	<i>Change:</i>	100%	0.0%	0.0%	0.0%
General Reserve		\$300	\$300	\$300	\$300
	<i>Year-to-Year</i>	\$260	\$ ---	\$ ---	\$ ---
	<i>Change:</i>	650%	0.0%	0.0%	0.0%
All Other ⁽¹⁾		\$1,932	\$2,019	\$2,135	\$2,269
	<i>Year-to-Year</i>	\$137	\$87	\$116	\$134
	<i>Change:</i>	7.6%	4.5%	5.7%	6.3%
Total Non-Controllable Expenses		\$23,338	\$24,649	\$25,844	\$27,235
	<i>Year-to-Year</i>	\$1,735	\$1,311	\$1,195	\$1,391
	<i>Change:</i>	8.0%	5.6%	4.8%	5.4%

Note: Excludes the impact of prepayments and debt defeasances

⁽¹⁾Includes Public Assistance, Judgments & Claims, Indigent Defense Service, Contractual, Criminal Justice and Water & Sewer for City Facilities.

City Funds Changes Between June 2008 Plan and November 2008 Plan FY 2009 to FY 2012

\$ in Millions

	FY 2009			FY 2010			FY 2011			FY 2012		
	Jun 2008 Plan	Nov 2008 Plan	Change	Jun 2008 Plan	Nov 2008 Plan	Change	Jun 2008 Plan	Nov 2008 Plan	Change	Jun 2008 Plan	Nov 2008 Plan	Change
Revenue⁽⁴⁾	\$39,877	\$39,677	(\$200)	\$40,028	\$38,932	(\$1,096)	\$42,441	\$41,492	(\$949)	\$44,645	\$43,775	(\$870)
Year-to-Year Change:	(\$3,110) (7.2%)	(\$3,310) (7.7%)		\$151 0.4%	(\$745) (1.9%)		\$2,413 6.0%	\$2,560 6.6%		\$2,204 5.2%	\$2,283 5.5%	
Tax Increase Program	\$ ---	\$832	\$832	\$1,223	\$1,479	\$256	\$1,298	\$1,554	\$256	\$1,359	\$1,615	\$256
Adjusted Revenues	\$39,877	\$40,509	\$632	\$41,251	\$40,411	(\$840)	\$43,739	\$43,046	(\$693)	\$46,004	\$45,390	(\$614)
Year-to-Year Change:	(3,110) (7.2%)	(2,478) (5.8%)		1,374 3.4%	(98) (0.2%)		\$2,488 6.0%	\$2,635 6.5%		\$2,265 5.2%	\$2,344 5.4%	
Expenditures⁽⁴⁾												
Controllable Agency Expenses	\$20,971	\$20,634	(\$337)	\$22,048	\$21,247	(\$801)	\$23,351	\$22,579	(\$772)	\$23,820	\$23,076	(\$744)
Year-to-Year Change:	\$1,179 6.0%	\$842 4.3%		\$1,077 5.1%	\$613 3.0%		\$1,303 5.9%	\$1,332 6.3%		\$469 2.0%	\$497 2.2%	
Non-Controllable Agency Expenses	\$23,360	\$23,338	(\$22)	\$24,704	\$24,649	(\$55)	\$25,896	\$25,844	(\$52)	\$27,292	\$27,235	(\$57)
Year-to-Year Change:	\$1,757 8.1%	\$1,735 8.0%		\$1,344 5.8%	\$1,311 5.6%		\$1,192 4.8%	\$1,195 4.8%		\$1,396 5.4%	\$1,391 5.4%	
Total Expenditures	\$44,331	\$43,972	(\$359)	\$46,752	\$45,896	(\$856)	\$49,247	\$48,423	(\$824)	\$51,112	\$50,311	(\$801)
Year-to-Year Change:	\$2,936 7.1%	\$2,577 6.2%		\$2,421 5.5%	\$1,924 4.4%		\$2,495 5.3%	\$2,527 5.5%		\$1,865 3.8%	\$1,888 3.9%	
Operating Surplus/(Deficit)	(\$4,454)	(\$3,463)	\$991	(\$5,501)	(\$5,485)	\$16	(\$5,508)	(\$5,377)	\$131	(\$5,108)	(\$4,921)	\$187
Current Year Roll (Cost)	(\$812)	(\$1,803)	(\$991)	(\$350)	(\$350)	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Prior Year Roll (Benefit)	\$5,266	\$5,266	\$ ---	\$3,507	\$4,498	\$991	\$350	\$350	\$ ---	\$ ---	\$ ---	\$ ---
Net Impact of Surplus Roll	\$4,454	\$3,463	(\$991)	\$3,157	\$4,148	\$991	\$350	\$350	\$ ---	\$ ---	\$ ---	\$ ---
Gap to be Closed	\$ ---	\$ ---	\$ ---	(\$2,344)	(\$1,337)	\$1,007	(\$5,158)	(\$5,027)	\$131	(\$5,108)	(\$4,921)	\$187

⁽⁴⁾ Excludes the impact of prepayments and debt defeasances

V. Options and Risks
FY 2009 - 2012

Options for Remaining (\$1.3 Billion) Deficit in FY 2010

	\$ in Millions			
	FY 2009	FY 2010	FY 2011	FY 2012
Remaining Out Year Gaps	\$ ---	(\$1,337)	(\$5,027)	(\$4,921)
Expense Options				
Additional PEGs	\$137	\$400	\$400	\$400
Tax Program Options				
<u>Sales Tax Options</u>				
Repeal Sales Tax Clothing Exemption				
Clothing Under \$110	\$ ---	\$317	\$329	\$351
Clothing \$110 and above	\$ ---	\$119	\$122	\$130
Subtotal All Clothing	\$ ---	\$436	\$451	\$481
Restore 1/8% Sales Tax Surcharge	\$ ---	\$146	\$152	\$158
Full 1/4% Sales Tax Increase	\$ ---	\$292	\$304	\$316
<u>Personal Income Tax Options</u>				
A. 7.5 % Across the Board Rate Increase (effective 01/01/09)	\$223	\$585	\$615	\$660
B. 15% Across the Board Rate Increase (effective 01/01/09)	\$446	\$1,170	\$1,230	\$1,320
• A taxpayer with taxable income between \$50,000 and \$75,000 would pay an additional \$116 annually under PIT Option A and \$233 annually under PIT Option B				
• A taxpayer with taxable income between \$75,000 and \$90,000 would pay an additional \$178 annually under PIT Option A and \$356 annually under PIT Option B				

New York City Faces Additional Risks to the Budget in the Future

Additional Risks

- ❖ **Economy and Tax Revenue**
- ❖ **State Budget**
- ❖ **Pension Returns Below Target (Phased in Over 7 Years)**
- ❖ **Pension Changes to Assumption (AIR) and Methods (Phased in Immediately)**
- ❖ **\$200 Million in Budgeted Health Care Cost Containment Actions Not Yet Achieved**
- ❖ **NYCHA**
- ❖ **HHC**
- ❖ **MTA**

New York City and New York State Revenue and Expenses in FY 2009

\$ in Millions

NEW YORK STATE FY 2008-9 (ending March 31, 2009)

Mid-Year Update		EXPENSES	
REVENUE		Controllable Expenses	
Federal	\$33,656	Local Assistance Transfer Payments	
Capital Projects Funds	\$6,819	NYC Education (39%)⁽⁷⁾ \$8,047	
Tax Revenue – From NYC	\$29,274	Non-NYC Education (61%) \$12,587	
Tax Revenue – From Non-NYC	\$29,958	NYC Medicaid (54%) \$7,798	
All Other	\$19,581	NYC Medicaid to HHC (12.5%) \$982	
Subtotal – State Operating Funds	\$78,813	Non-NYC Medicaid (46%) \$6,643	
		State Operations \$15,134	
TOTAL REVENUE	\$119,288	Subsidy to MTA⁽⁶⁾ \$191	
		All Other \$20,693	
		Subtotal \$71,093	
		Pensions ⁽⁸⁾	\$1,052
		Debt Service	\$4,584
		All Other	\$3,559
		Total State Operating Expenses	\$80,288
		Other Expenses ⁽⁵⁾	\$40,475
		TOTAL EXPENSES	\$120,763
		GAP	(\$1,475)

NEW YORK CITY FY 2009 (ending June 30, 2009)

November 2008 Plan		NYC FUNDS - CONTROLLABLE		
REVENUE		NYC-FUNDED EXPENSES		
Federal	\$5,816	Debt Service	\$3,739	
State	\$11,668	Pensions	\$6,127	
Other ⁽¹⁾	\$1,539	Fringe Benefits	\$5,772	
		Medicaid (27% to HHC)	\$5,468	
NYC Revenue		Other Non-Controllable Expenses ⁽⁴⁾	\$1,670	
Property Tax	\$14,613	Funds for MTA Operations	\$562	
Economically Sensitive Taxes	\$21,357	Subtotal – Non-Controllable	\$23,338	
Personal Income	\$7,396			%
Sales	\$4,749			Salary
Business	\$4,704	Education	\$5,169	55%
Real Estate Transaction	\$1,825	Police	\$3,986	91%
Other ⁽²⁾	\$2,683	Fire	\$1,351	90%
All Other Revenue	\$4,539	Sanitation	\$1,247	56%
Subtotal	\$40,509	Correction	\$940	83%
Prior Surpluses ⁽³⁾	\$3,463	Subtotal	\$12,693	
Total – NYC Revenue	\$43,972	All Other Agencies	\$7,941	42%
		Subtotal – Controllable	\$20,634	
TOTAL	\$62,995	Total - NYC-Funded Expenses	\$43,972	

(1) Includes Capital Inter-Fund Revenue and Revenue from HHC, EMS, DOHMH, and Other Sources.

(2) Includes Tax Audits, Commercial Rent, Utility, Hotel and Cigarette.

(3) Includes Current Year and Prior Year Rolls which prepay Debt Service, Subsidies, and Other Expenses.

(4) Includes General Reserve, Public Assistance, Judgments & Claims, Indigent Defense Service, Contractual, Criminal Justice and Water & Sewer for City Facilities.

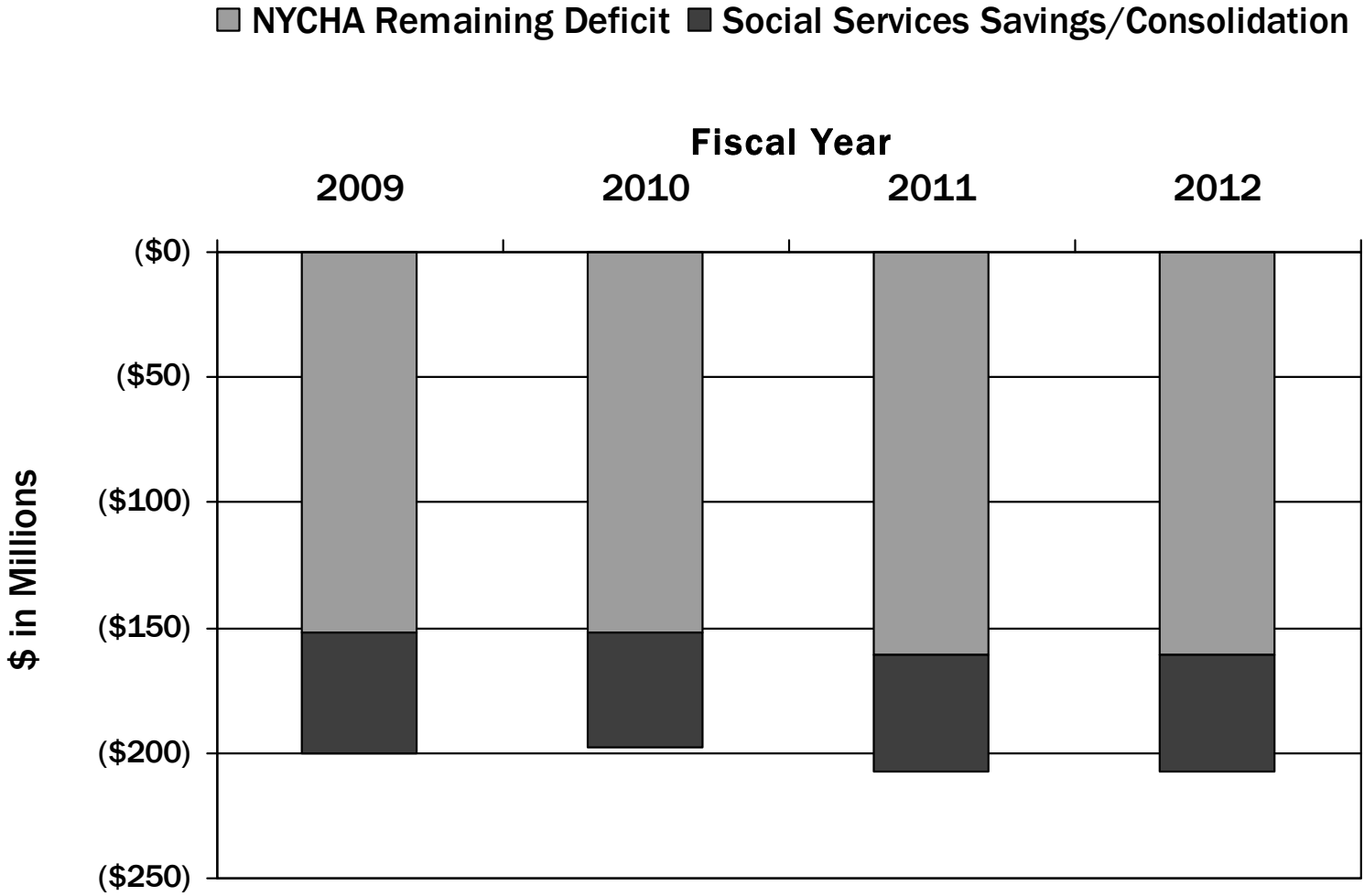
(5) Includes Federal Pass-through Funding for Education, Medicaid, Transportation and Other Programs.

(6) Source: MTA Budget

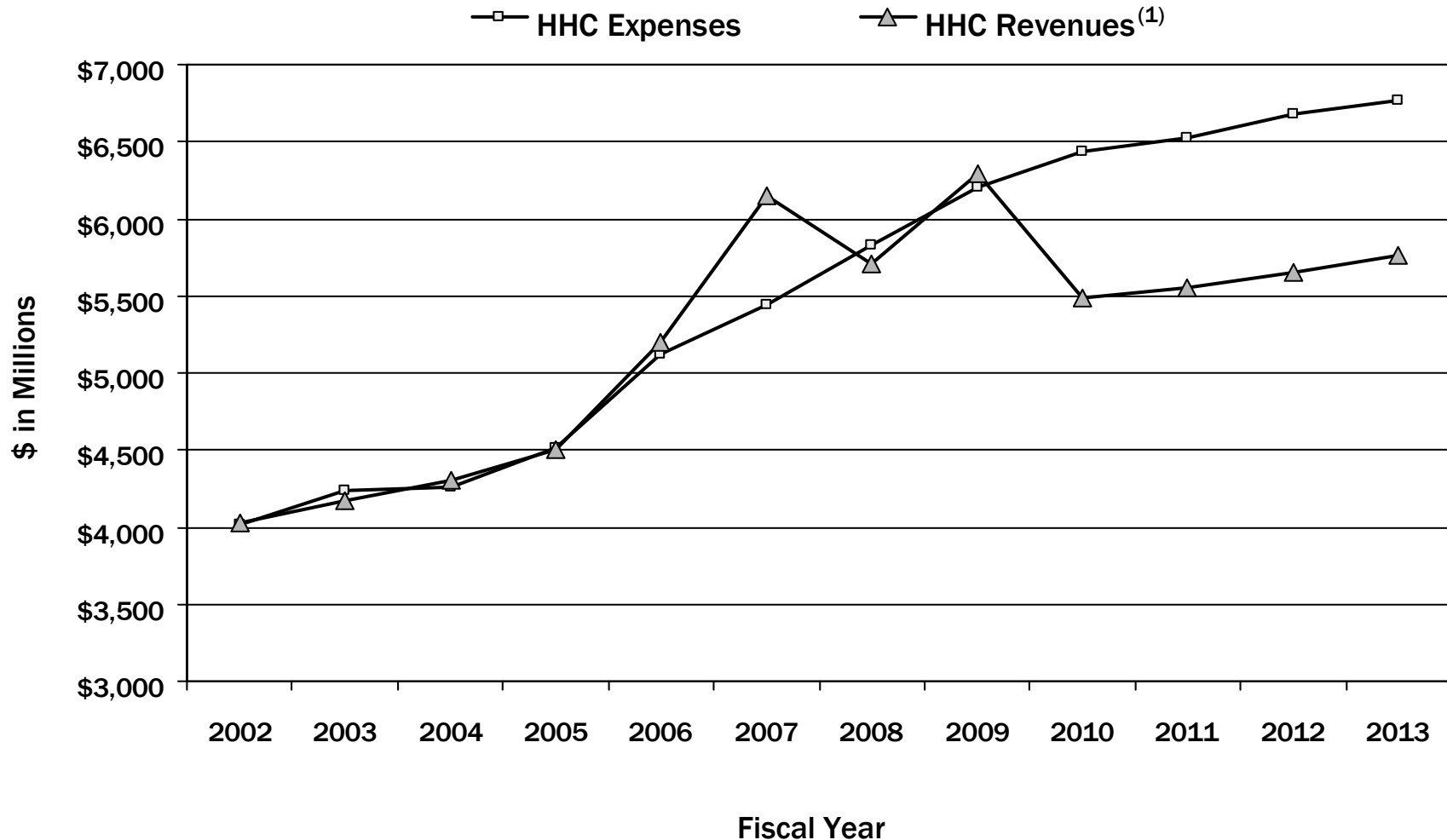
(7) NYC School Aide Estimated on State Fiscal Year not on City Fiscal Year.

(8) Does not include the fringe expenses paid directly by State entities such as SUNY and the Judiciary.

NYCHA Is Projecting Large Deficits and Consolidation of Social Services Will Help Ameliorate the Gap

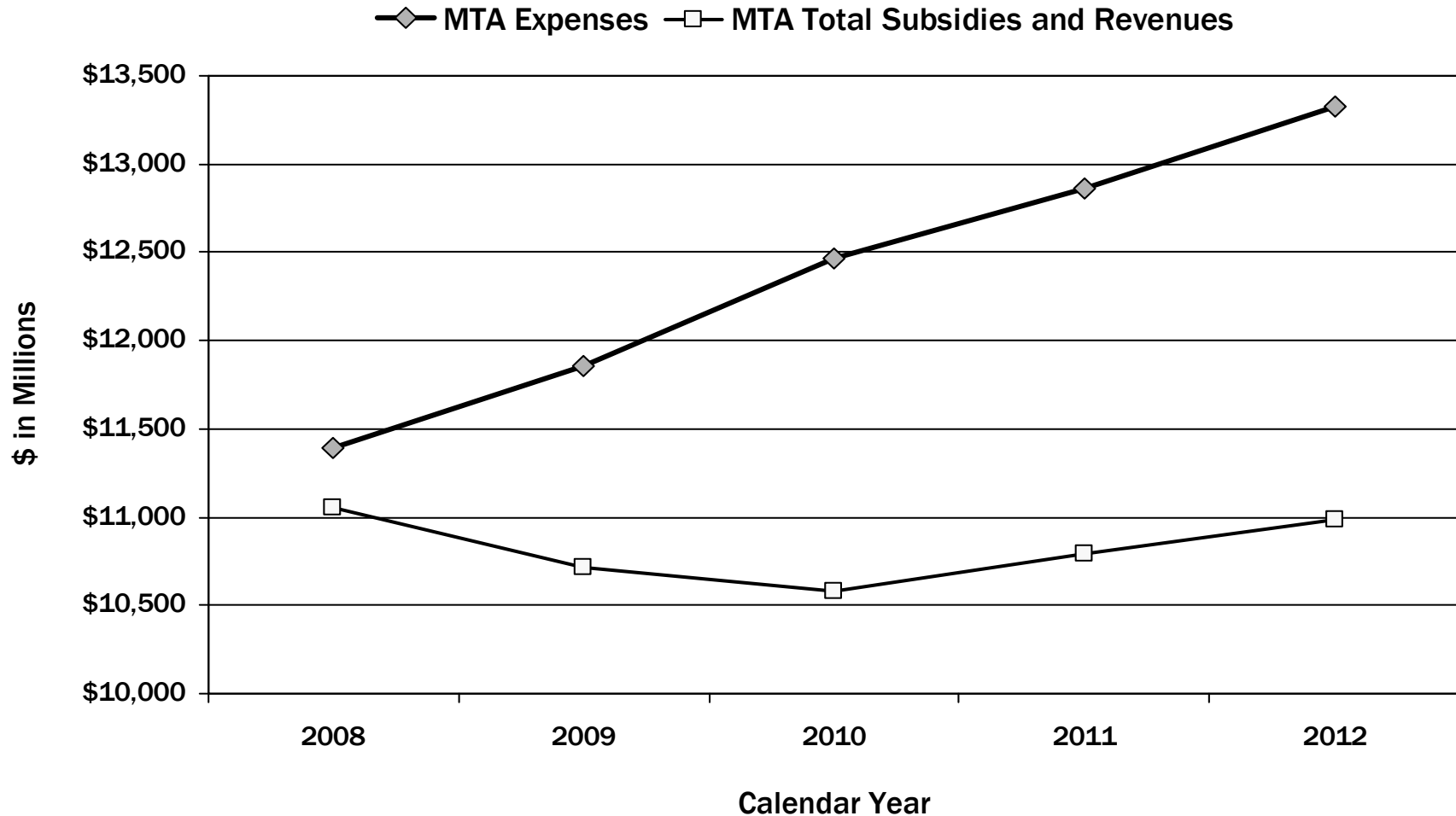


HHC Expenses are Forecast to Exceed HHC Revenues in FY 2010 through FY 2013



(1) HHC includes DSH and UPL programs which are scheduled to decline after FY 2009

The MTA Is Projecting Substantial and Growing Operating Deficits



- (1) Does not include depreciation and Other Post Employment Benefits (OPEB) as reported in the MTA's July 2008 Financial Plan
- (2) A 10% increase in fare and toll revenue would yield approximately \$550 million

VI. Tables

Four-Year Financial Plan Revenues and Expenditures

All Funds

	\$ in Millions			
	FY 2009	FY 2010	FY 2011	FY 2012
Revenues				
Taxes				
General Property Tax	\$13,781	\$14,735	\$15,673	\$16,419
Other Taxes	21,039	19,649	20,845	22,365
Discretionary Transfers ^{(1),(2)}	546	546	---	---
Tax Audit Revenue	680	589	589	589
Tax Increase Program	832	1,479	1,554	1,615
Subtotal: Taxes	\$36,878	\$36,998	\$38,661	\$40,988
Miscellaneous Revenues	5,821	5,463	5,506	5,523
Unrestricted Intergovernmental Aid	340	340	340	340
Less: Intra-City Revenue	(1,607)	(1,447)	(1,446)	(1,446)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$41,417	\$41,339	\$43,046	\$45,390
Other Categorical Grants	1,075	1,019	1,020	1,023
Inter-Fund Revenues	464	425	420	420
Total City, Capital IFA & Other Categorical Funds	\$42,956	\$42,783	\$44,486	\$46,833
Federal Categorical Grants	5,816	5,299	5,280	5,290
State Categorical Grants	11,668	11,946	12,805	13,108
Total Revenues	\$60,440	\$60,028	\$62,571	\$65,231
Expenditures				
Personal Service				
Salaries and Wages	\$21,912	\$22,725	\$24,163	\$24,458
Pensions	6,296	6,904	7,277	7,643
Fringe Benefits ⁽¹⁾	6,726	6,877	7,158	7,493
Subtotal: Personal Service	\$34,934	\$36,506	\$38,598	\$39,594
Other Than Personal Service				
Medical Assistance	\$5,644	\$5,756	\$5,916	\$6,089
Public Assistance	1,191	1,172	1,172	1,172
All Other ⁽¹⁾	18,685	17,936	18,591	19,094
Subtotal: Other Than Personal Service	\$25,520	\$24,864	\$25,679	\$26,355
General Obligation and Lease Debt Service ^{(1), (2), (3)}	3,569	2,049	4,817	5,349
FY 2008 Budget Stabilization and Discretionary Transfers ⁽¹⁾	(4,079)	---	---	---
FY 2009 Budget Stabilization and Discretionary Transfers ⁽²⁾	1,803	(1,257)	---	---
FY 2010 Budget Stabilization ⁽³⁾	---	350	(350)	---
General Reserve	300	300	300	300
Subtotal	\$62,047	\$62,812	\$69,044	\$71,598
Less: Intra-City Expenses	(1,607)	(1,447)	(1,446)	(1,446)
Total Expenditures	\$60,440	\$61,365	\$67,598	\$70,152
Gap To Be Closed	\$ ---	(\$1,337)	(\$5,027)	(\$4,921)

⁽¹⁾ Fiscal Year 2008 Budget Stabilization and Discretionary Transfers total \$4.625 billion, including prepayments of subsidies of \$500 million, Retiree Health Benefits of \$460 million, Lease Debt Payment of \$46 million, Budget Stabilization of \$3.073 billion and a TFA grant which increases FY 2009 revenues by \$546 million.

⁽²⁾ Fiscal Year 2009 Budget Stabilization and Discretionary Transfers total \$1.803 billion, including Budget Stabilization of \$1.257 billion and a TFA Grant which increases FY 2009 revenues by \$546 million.

⁽³⁾ Fiscal Year 2010 Budget Stabilization totals \$350 million.

Changes Since the June 2008 Plan (Increase Gap) / Decrease Gap City Funds

	\$ in Millions			
	FY 2009	FY 2010	FY 2011	FY 2012
Gap To Be Closed – June 2008 Plan	\$ ---	(\$2,344)	(\$5,158)	(\$5,108)
Revenue Changes				
Tax Revenue Forecast	(\$285)	(\$1,272)	(\$1,105)	(\$1,025)
Non-Tax Revenue	5	(40)	(29)	(10)
Total Revenue Changes	(\$280)	(\$1,312)	(\$1,134)	(\$1,035)
Expense Changes				
Reserve for Pension Asset Losses	\$ ---	(\$82)	(\$395)	(\$672)
Retiree Health Benefits Trust Fund	---	82	395	672
Debt Service	(5)	(2)	(20)	(22)
Other Expense Changes	(18)	(9)	(3)	(3)
Total Expense Changes	(\$23)	(\$11)	(\$23)	(\$25)
Total Changes Since June 2008	(\$303)	(\$1,323)	(\$1,157)	(\$1,060)
Surplus / (Gap) To Be Closed November 2008 Plan	(\$303)	(\$3,667)	(\$6,315)	(\$6,168)
Gap Closing Program				
Agency Programs	\$462	\$1,083	\$1,032	\$991
Mid-Year Property Tax Increase	576	---	---	---
Not Issue \$400 Property Tax Rebate	256	256	256	256
Total Gap Closing Program	\$1,294	\$1,339	\$1,288	\$1,247
Prepayments of FY 2010 Expenses	(\$991)	\$991	\$ ---	\$ ---
Gap To Be Closed - November 2008 Plan	\$ ---	(\$1,337)	(\$5,027)	(\$4,921)
Potential Gap Closing Program				
Agency Programs	\$137	\$400	\$400	\$400
Tax Increases	---	800	800	800
Remaining Gap	\$ ---	\$ ---	(\$3,827)	(\$3,721)

Fiscal Year 2009 Budget

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Including Intra-City)	Net Total (Excluding Intra-City)	City Funds Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotals	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgments & Claims	Debt Service	OTPS Subtotal			
UNIFORM AGENCIES													
Police Department	\$3,946	\$1,420	\$2,061	\$7,427	\$393	---	\$43	\$130	\$68	\$634	\$8,061	\$7,850	\$7,609
Fire Department	1,390	503	913	2,806	155	---	6	25	65	251	3,057	3,047	2,808
Dept. of Correction	824	319	275	1,418	138	---	7	21	161	327	1,745	1,744	1,693
Dept. of Sanitation	719	302	210	1,231	543	---	7	33	210	793	2,024	2,020	1,976
Subtotal	\$6,879	\$2,544	\$3,459	\$12,882	\$1,229	---	\$63	\$209	\$504	\$2,005	\$14,887	\$14,661	\$14,086
HEALTH AND WELFARE													
Administration for Children's Services	\$391	\$116	\$51	\$558	\$2,343	---	\$2	\$2	---	\$2,347	\$2,905	\$2,873	\$901
Department of Social Services	688	270	106	1,064	1,009	6,836	4	5	84	7,938	9,002	8,995	6,785
Department of Homeless Services	116	37	15	168	665	---	1	1	---	667	835	732	346
Department of Health and Mental Hygiene	402	108	45	555	1,296	---	1	3	23	1,323	1,878	1,869	810
Health and Hospitals Corporation ⁽¹⁾	---	23	---	23	200	---	5	190	154	549	572	482	250
Subtotal	\$1,597	\$554	\$217	\$2,368	\$5,513	\$6,836	\$13	\$201	\$261	\$12,824	\$15,192	\$14,951	\$9,092
EDUCATION													
Dept. of Education	\$9,781	\$2,766	\$2,226	\$14,773	\$5,128	---	\$18	\$39	\$897	\$6,082	\$20,855	\$20,721	\$10,390
City University	378	83	43	504	237	---	---	1	36	274	778	746	532
Subtotal	\$10,159	\$2,849	\$2,269	\$15,277	\$5,365	---	\$18	\$40	\$933	\$6,356	\$21,633	\$21,467	\$10,922
OTHER AGENCIES	\$2,126	\$672	\$294	\$3,092	\$4,493	---	\$82	\$207	\$1,783	\$6,565	\$9,657	\$8,685	\$6,885
ELECTED OFFICIALS	\$434	\$107	\$57	\$598	\$94	---	\$7	\$1	---	\$102	\$700	\$698	\$637
MISC. BUDGET	\$717	---	---	\$717	---	\$1,450 ⁽²⁾	---	---	\$299	\$1,749	\$2,466	\$2,466	\$2,307
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$67	\$67	\$67	\$67	\$43
RE-ESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL ⁽³⁾	\$21,912	\$6,726	\$6,296	\$34,934	\$16,694	\$8,286	\$183	\$658	\$3,847	\$29,668	\$64,602	\$62,995	\$43,972
City Funds	\$12,508	\$5,772	\$6,127	\$24,407	\$7,972	\$7,210	\$176	\$468	\$3,739	\$19,565	\$43,972		
Less: Prepayments	---	\$460	---	\$460	\$225	(\$270)	---	---	\$2,140	\$2,095	\$2,555	\$2,555	\$2,555
Total After Prepayments	\$21,912	\$6,266	\$6,296	\$34,474	\$16,469	\$8,556	\$183	\$658	\$1,707	\$27,573	\$62,047	\$60,440	\$41,417

⁽¹⁾Only reflects funding appropriated in the City's Budget.

⁽²⁾Includes subsidies to the MTA, General Reserve, Indigent Defense Services and Other Contractual Services.

⁽³⁾Excludes the impact of prepayments and debt defeasances.

Fiscal Year 2010 Budget

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Including Intra-City)	Net Total (Excluding Intra-City)	City Funds Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotals	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgments & Claims	Debt Service	OTPS Subtotal				
UNIFORM AGENCIES														
Police Department	\$4,020	\$1,412	\$2,251	\$7,683	\$284	---	\$41	\$145	\$78	\$548	\$8,231	\$8,026	\$7,909	
Fire Department	1,388	503	973	2,864	132	---	6	28	74	240	3,104	3,095	2,890	
Dept. of Correction	796	313	306	1,415	142	---	7	23	184	356	1,771	1,771	1,732	
Dept. of Sanitation	736	304	228	1,268	577	---	7	37	240	861	2,129	2,126	2,089	
Subtotal	\$6,940	\$2,532	\$3,758	\$13,230	\$1,135	---	\$61	\$233	\$576	\$2,005	\$15,235	\$15,018	\$14,611	
HEALTH AND WELFARE														
Administration for Children's Services	\$399	\$117	\$56	\$572	\$2,261	---	\$2	\$2	---	\$2,265	\$2,837	\$2,831	\$879	
Department of Social Services	688	278	116	1,082	971	6,928	4	5	96	8,004	9,086	9,083	6,976	
Department of Homeless Services	119	39	17	175	544	---	1	1	---	546	721	688	336	
Department of Health and Mental Hygiene	385	110	49	544	1,212	---	1	3	26	1,242	1,786	1,784	781	
Health and Hospitals Corporation ⁽⁴⁾	---	25	---	25	176	---	5	190	167	538	563	487	261	
Subtotal	\$1,591	\$569	\$238	\$2,398	\$5,164	\$6,928	\$13	\$201	\$289	\$12,595	\$14,993	\$14,873	\$9,233	
EDUCATION														
Dept. of Education	\$9,987	\$2,918	\$2,475	\$15,380	\$5,420	---	\$16	\$40	\$1,000	\$6,476	\$21,856	\$21,722	\$10,949	
City University	367	82	47	496	183	---	---	1	37	221	717	704	489	
Subtotal	\$10,354	\$3,000	\$2,522	\$15,876	\$5,603	---	\$16	\$41	\$1,037	\$6,697	\$22,573	\$22,426	\$11,438	
OTHER AGENCIES	\$2,031	\$668	\$323	\$3,022	\$3,873	---	\$73	\$232	\$2,018	\$6,196	\$9,218	\$8,258	\$6,828	
ELECTED OFFICIALS	\$403	\$107	\$63	\$573	\$87	---	\$6	\$1	---	\$94	\$667	\$664	\$621	
MISC. BUDGET	\$1,407	---	---	\$1,407	---	\$1,497 ⁽²⁾	---	---	\$341	\$1,838	\$3,245	\$3,245	\$3,096	
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$101	\$101	\$101	\$101	\$69	
RE-ESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	---	---	---	---	---	---	---	---	---	
TOTAL ⁽³⁾	\$22,726	\$6,876	\$6,904	\$36,506	\$15,862	\$8,425	\$169	\$708	\$4,362	\$29,526	\$66,032	\$64,585	\$45,896	
City Funds	\$13,479	\$5,757	\$6,727	\$25,963	\$7,612	\$7,417	\$163	\$518	\$4,223	\$19,933	\$45,896			
Less: Prepayments	---	---	---	---	---	---	---	---	\$3,220	\$3,220	\$3,220	\$3,220	\$3,220	
Total After Prepayments	\$22,726	\$6,876	\$6,904	\$36,506	\$15,862	\$8,425	\$169	\$708	\$1,142	\$26,306	\$62,812	\$61,365	\$42,676	

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⁽³⁾Excludes the impact of prepayments and debt defeasances.

Changes Between FY 2009 and FY 2010 Budgets

\$ in Millions

AGENCY	Personal Service Costs				Other Than Personal Service Costs						Gross Total (Including Intra-City)	Net Total (Excluding Intra-City)	City Funds Total	
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotals	Agency OTPS	PA, MA & Other Mandates	Legal Services	Judgments & Claims	Debt Service	OTPS Subtotal				
UNIFORM AGENCIES														
Police Department	\$74	(\$8)	\$190	\$256	(\$109)	---	(\$2)	\$15	\$10	(\$86)	\$170	\$176	\$300	
Fire Department	(2)	---	60	58	(23)	---	---	3	9	(11)	47	48	82	
Dept. of Correction	(28)	(6)	31	(3)	4	---	---	2	23	29	26	27	30	
Dept. of Sanitation	17	2	18	37	34	---	---	4	30	68	105	106	113	
Subtotal	\$61	(\$12)	\$299	\$348	(\$94)	---	(\$2)	\$24	\$72	---	\$348	\$357	\$525	
HEALTH AND WELFARE														
Administration for Children's Services	\$8	\$1	\$5	\$14	(\$82)	---	---	---	---	(\$82)	(\$68)	(\$42)	(\$22)	
Department of Social Services	---	8	10	18	(38)	92	---	---	12	66	84	88	191	
Department of Homeless Services	3	2	2	7	(121)	---	---	---	---	(121)	(114)	(44)	(10)	
Department of Health and Mental Hygiene	(17)	2	4	(11)	(84)	---	---	---	3	(81)	(92)	(85)	(29)	
Health and Hospitals Corporation ⁽¹⁾	---	2	---	2	(24)	---	---	---	13	(11)	(9)	5	11	
Subtotal	(\$6)	\$15	\$21	\$30	(\$349)	\$92	---	---	\$28	(\$229)	(\$199)	(\$78)	\$141	
EDUCATION														
Dept. of Education	\$206	\$152	\$249	\$607	\$292	---	(\$2)	\$1	\$103	\$394	\$1,001	\$1,001	\$559	
City University	(11)	(1)	4	(8)	(54)	---	---	---	1	(53)	(61)	(42)	(43)	
Subtotal	\$195	\$151	\$253	\$599	\$238	---	(\$2)	\$1	\$104	\$341	\$940	\$959	\$516	
OTHER AGENCIES	(\$95)	(\$4)	\$29	(\$70)	(\$620)	---	(\$9)	\$25	\$235	(\$369)	(\$439)	(\$427)	(\$57)	
ELECTED OFFICIALS	(\$31)	---	\$6	(\$25)	(\$7)	---	(\$1)	---	---	(\$8)	(\$33)	(\$34)	(\$16)	
MISC. BUDGET	\$690	---	---	\$690	---	\$47 ⁽²⁾	---	---	\$42	\$89	\$779	\$779	\$789	
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$34	\$34	\$34	\$34	\$26	
REESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	---	---	---	---	---	---	---	---	---	
TOTAL ⁽³⁾	\$814	\$150	\$608	\$1,572	(\$832)	\$139	(\$14)	\$50	\$515	(\$142)	\$1,430	\$1,590	\$1,924	
City Funds	\$971	(\$15)	\$600	\$1,556	(360)	\$207	(\$13)	\$50	\$484	\$368	\$1,924	---	---	
Less: Prepayments	---	(\$460)	---	(\$460)	(\$225)	\$270	---	---	\$1,080	\$1,125	\$665	\$665	\$665	
Total After Prepayments	\$814	\$610	\$608	\$2,032	(\$607)	(\$131)	(\$14)	\$50	(\$565)	(\$1,267)	\$765	\$925	\$1,259	

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As of November 14, 2008