



The City of New York

Michael R. Bloomberg, Mayor

Financial Plan Summary

Fiscal Years 2009 – 2013

Office of Management and Budget
Mark Page, Director

January 30, 2009

Financial Plan Summary

Fiscal Years 2009 - 2013

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Overview

- ❖ **The national and local economies have deteriorated since we adopted the budget last June.**
- ❖ **What began as a national housing crisis has become a global financial crisis which has damaged our local finance sector and led to significant job losses on Wall Street and beyond.**
- ❖ **Our tax revenues have fallen dramatically. We are now forecasting that our tax revenue will fall to an annual rate \$3.3 billion lower in FY 2009 than FY 2008, and will fall further to an annual rate \$1.7 billion lower in FY 2010 than FY 2009. This means a total \$5 billion less in tax revenue in FY 2010.**
- ❖ **Before our actions, we faced a projected budget gap of \$6.4 billion. Our November Plan addressed \$2.4 billion of this gap and our current Plan now closes the remaining \$4 billion budget gap.**
- ❖ **Through our hard work to identify cost-saving measures, we have been able to keep our controllable expenses virtually flat between FY 2009 and FY 2010.**
- ❖ **We also address our non-controllable expenses which have continued to increase with especially large increases in pension, health benefit, and debt service costs.**

Overview

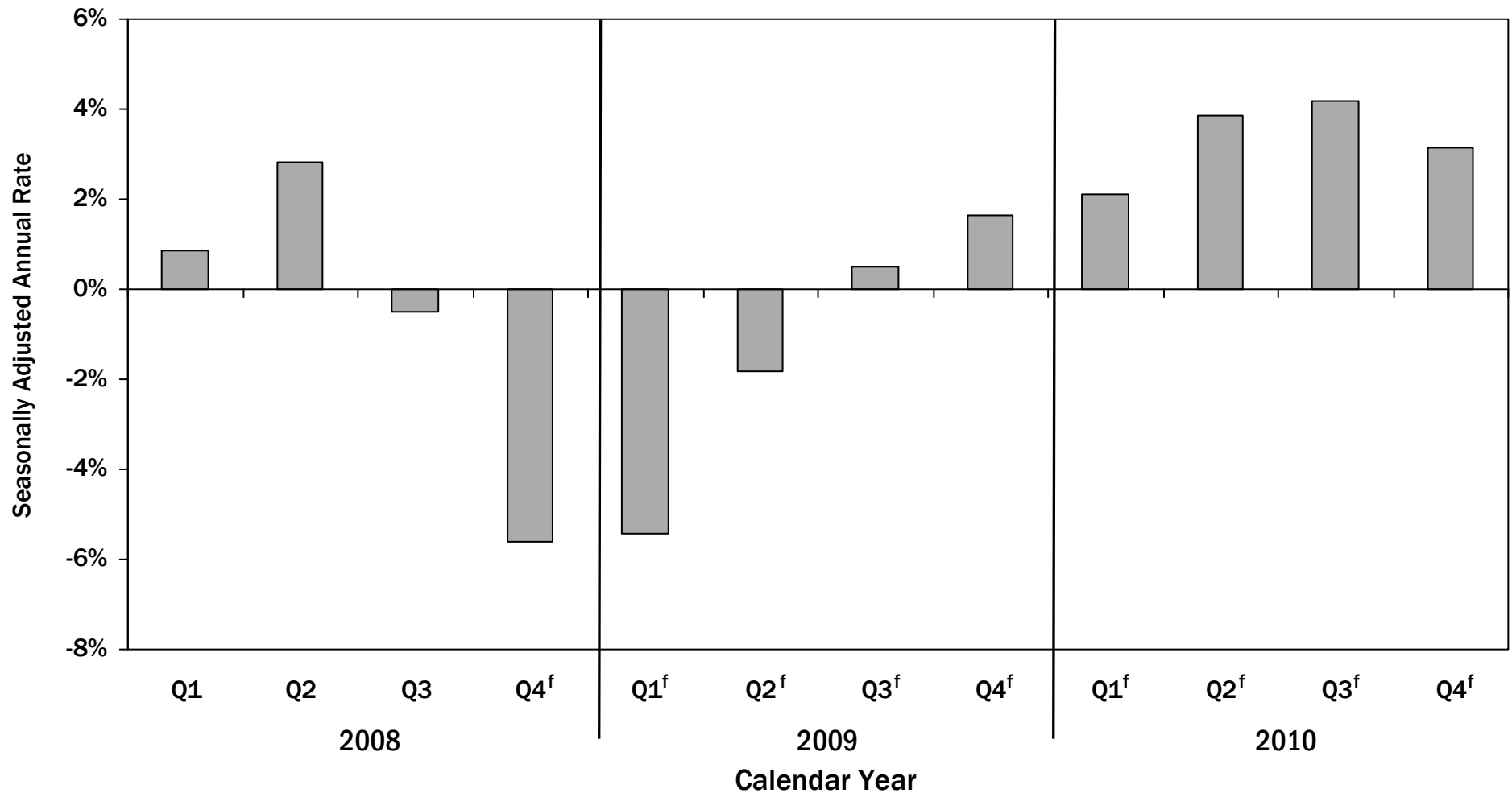
- ❖ **Our current plan for balance relies on spending reductions and other actions, as follows:**
 - **We are proposing an additional \$955 million of Agency Gap Closing Actions.**
 - **Our plan for balance relies on \$1 billion of help from our partners in organized labor and the State.**
 - **We have also included \$1 billion in aid from the Federal Government.**
 - **Our plan also includes over \$900 million of possible sales tax revenue increases.**

- ❖ **With this plan, we now have a balanced budget for FY 2009 and a balanced Preliminary Budget for FY 2010.**

I. Economic Update

The Outlook for the Nation's Economy Has Deteriorated. The National Bureau of Economic Research Announced that a Recession Began in December 2007

U.S. Real Gross Domestic Product Growth



Source: U.S. Bureau of Economic Analysis, OMB
f = forecast

All Major Forecasters Expect the U.S. Economy to Shrink this Year

Forecast as of January 2009

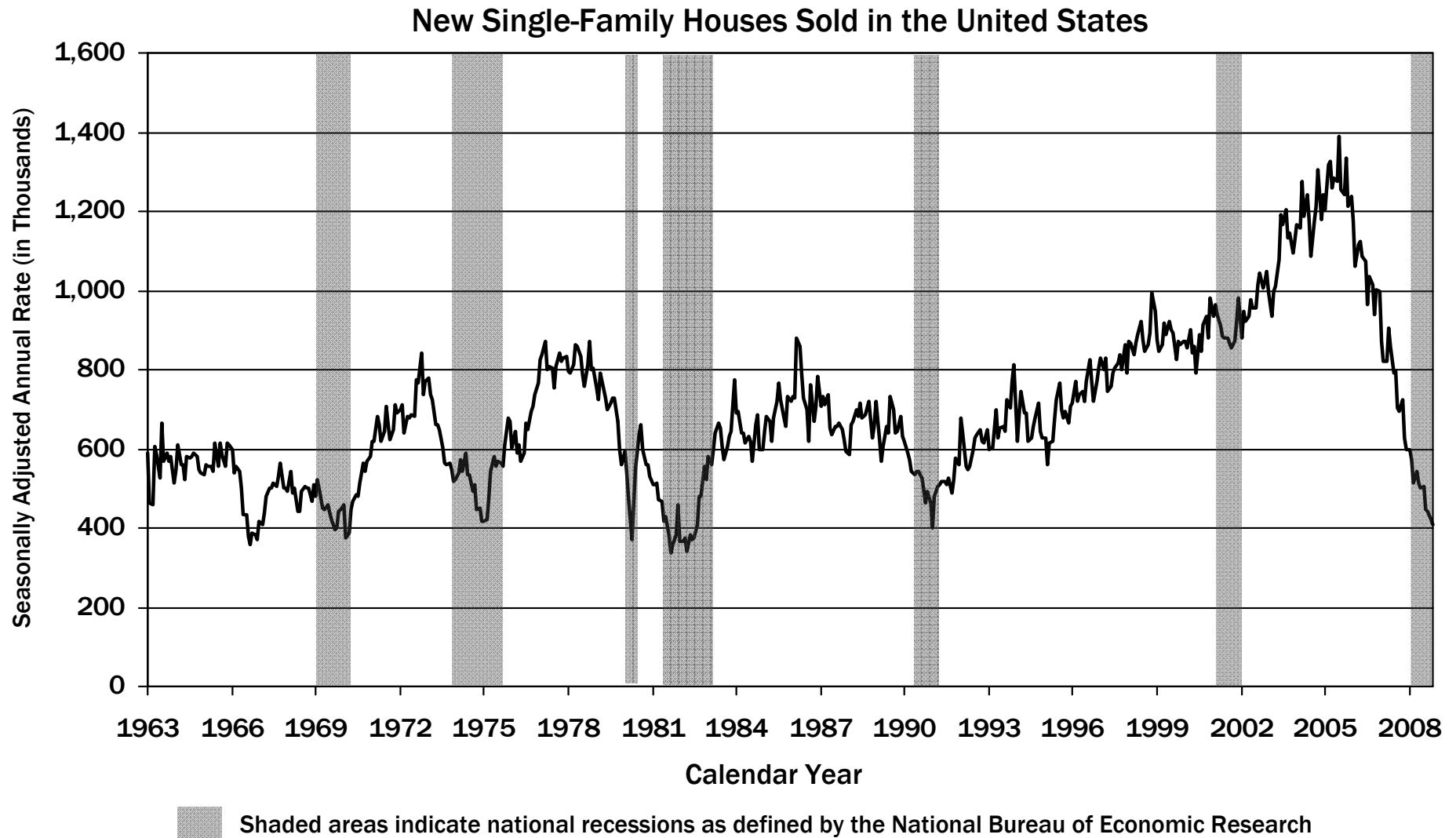
U.S. Real GDP, Annual Growth (%)

Global Insight	(2.5%)
Moody's Economy.com	(1.7%)
Blue Chip	(1.6%)
Goldman Sachs	(1.6%)
Congressional Budget Office	(2.2%)
OMB Forecast	(2.5%)

U.S. Total Employment, Annual Growth (%)

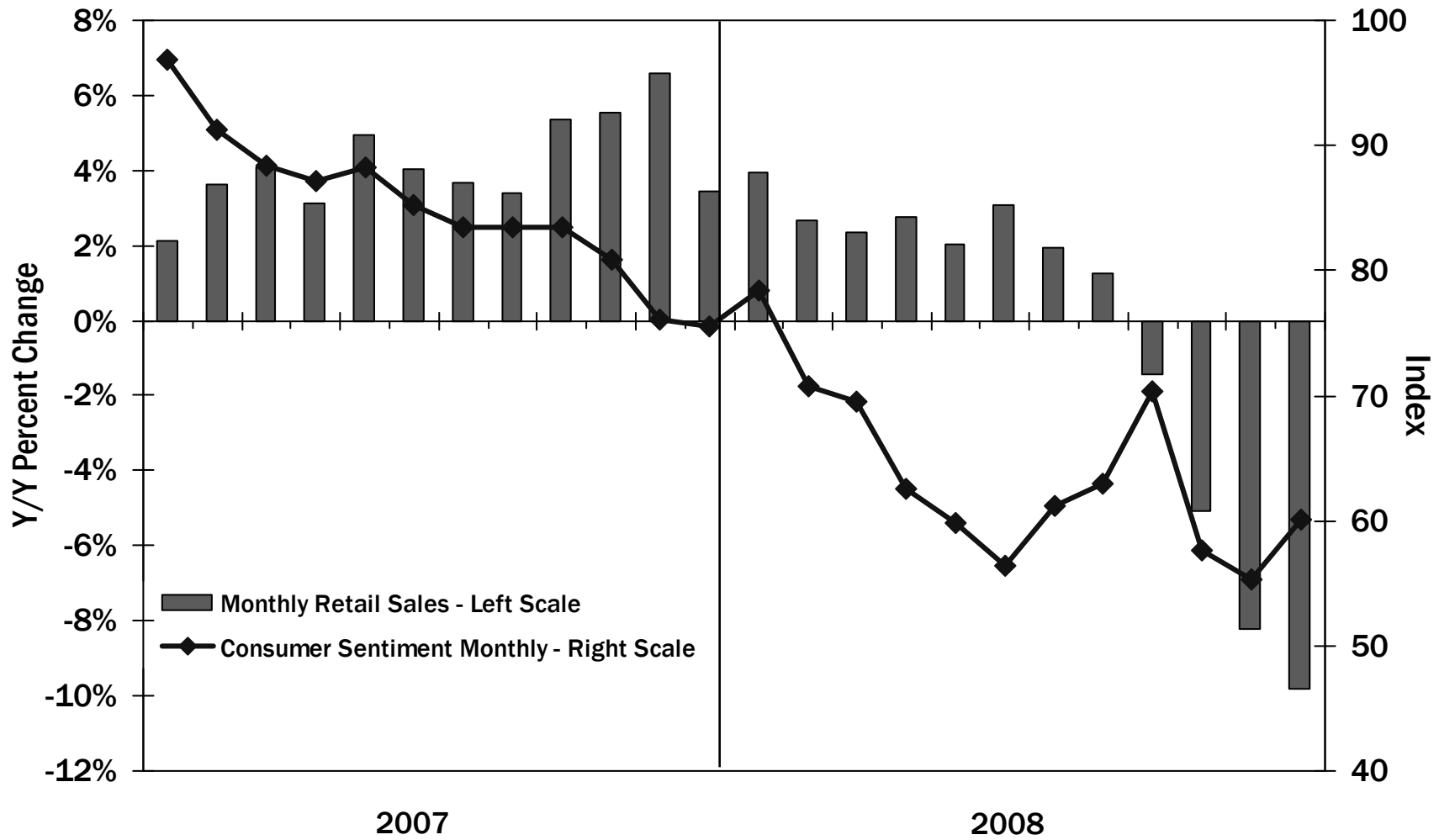
Global Insight	(2.6%)
Moody's Economy.com	(2.5%)
OMB Forecast	(2.6%)

The U.S. Housing Market Decline Was the Leading Cause of the Economic Downturn and Has Yet to Stabilize



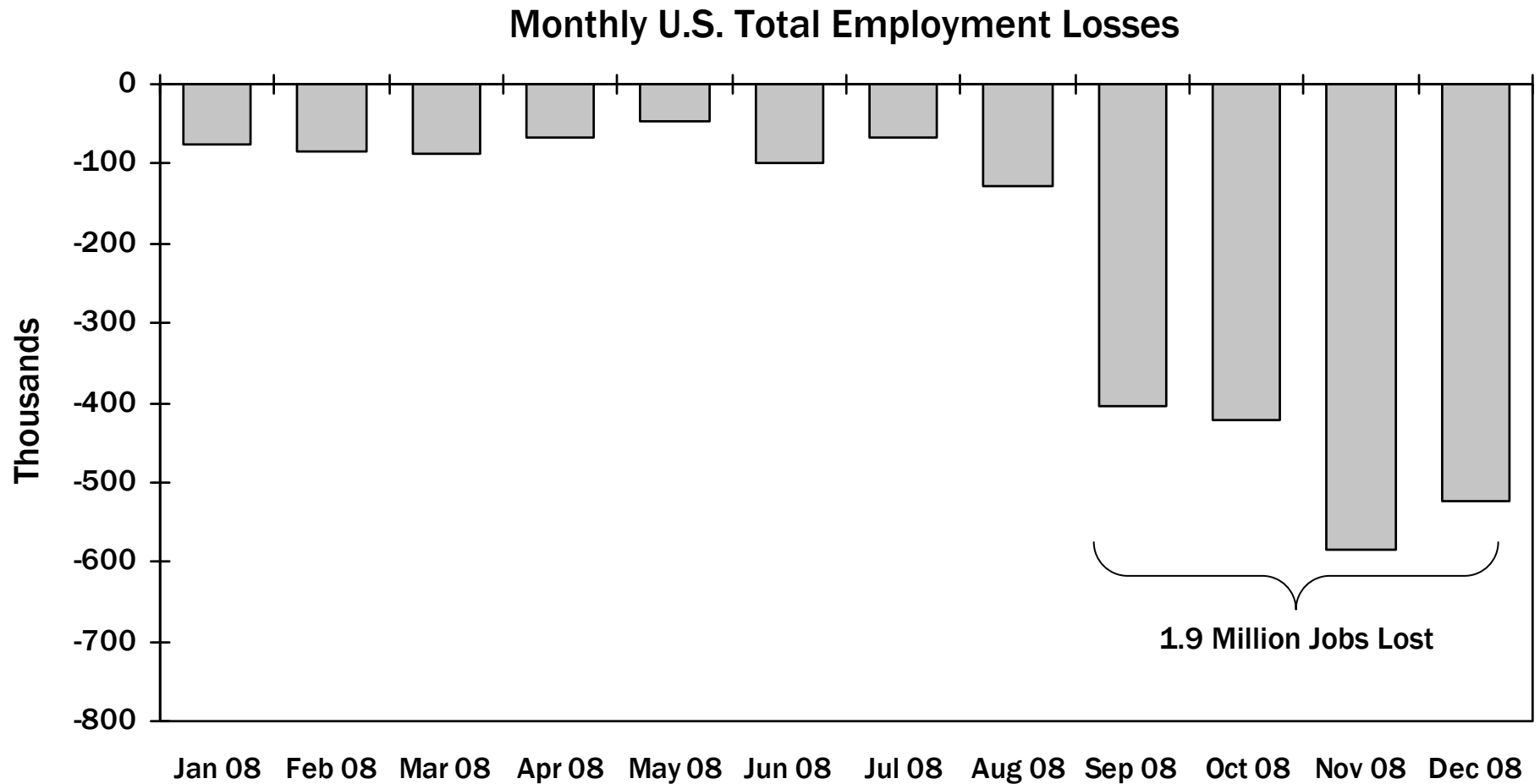
Source: U.S. Census Bureau

Weakness in the U.S. Economy Has Led to a Drop in Consumer Sentiment, and a Sharp Decline in Retail Sales



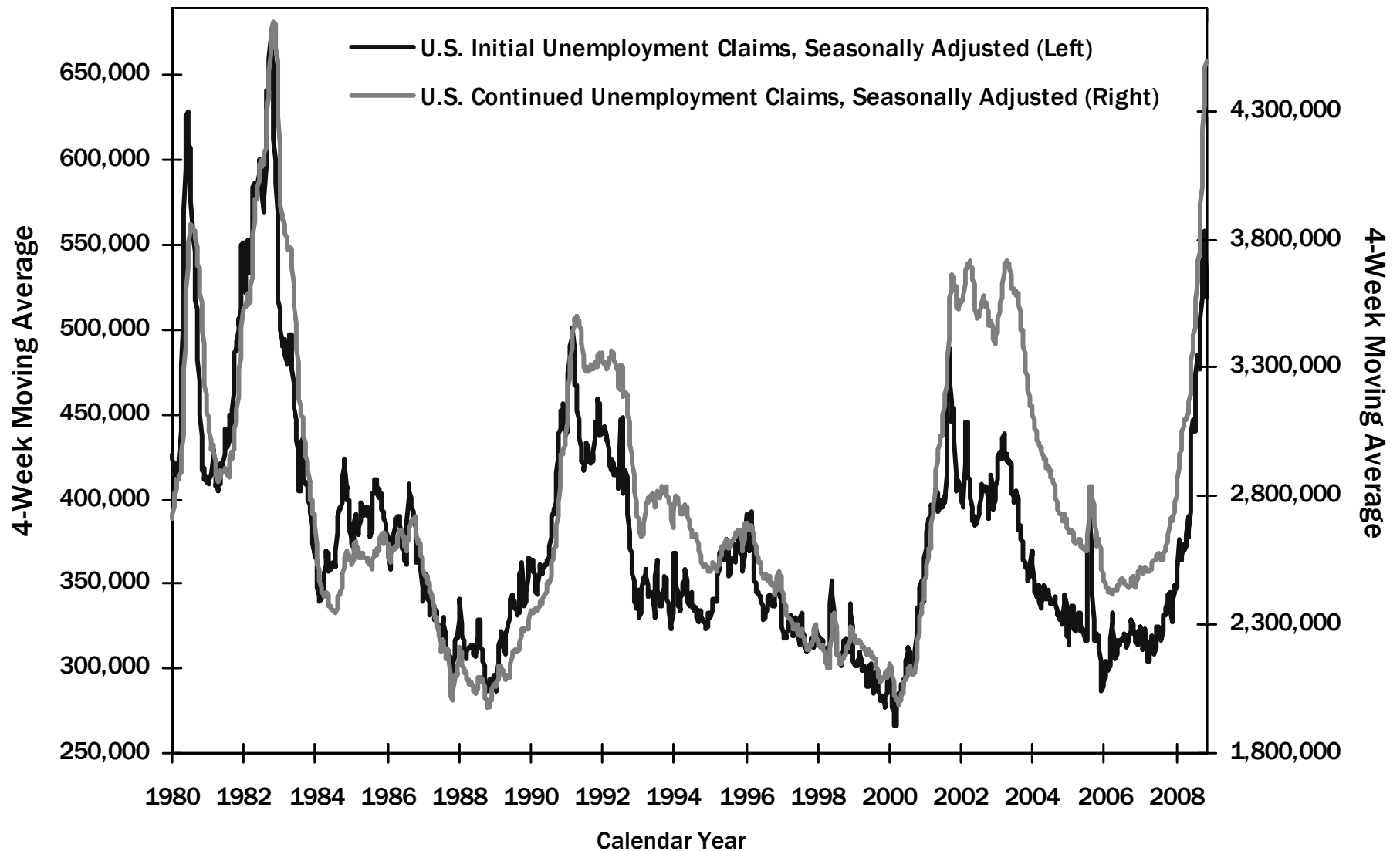
Source: Retail Sales - U.S. Census Bureau; Consumer Sentiment - University of Michigan

U.S. Total Employment Has Decreased by 2.6 Million Jobs Since December 2007; 1.9 Million Jobs Have Been Lost in the Last Four Months Alone



Source: U.S. Bureau of Labor Statistics

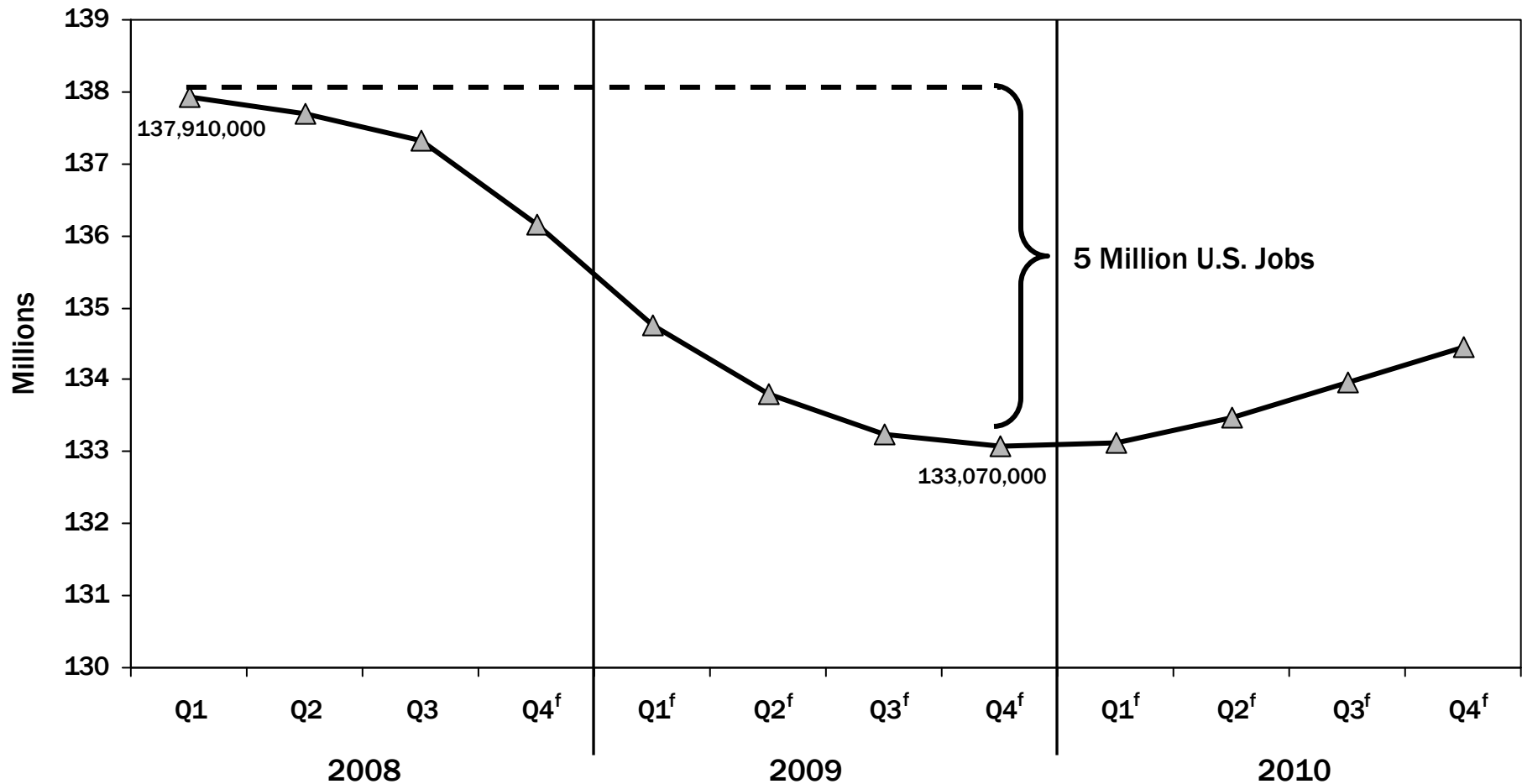
U.S. Unemployment Claims Have Already Surpassed the 1990 and 2001 Recession Levels



Source: U.S. Department of Labor

The Nation Is Now Projected to Lose 5 Million Jobs Through Q4 2009

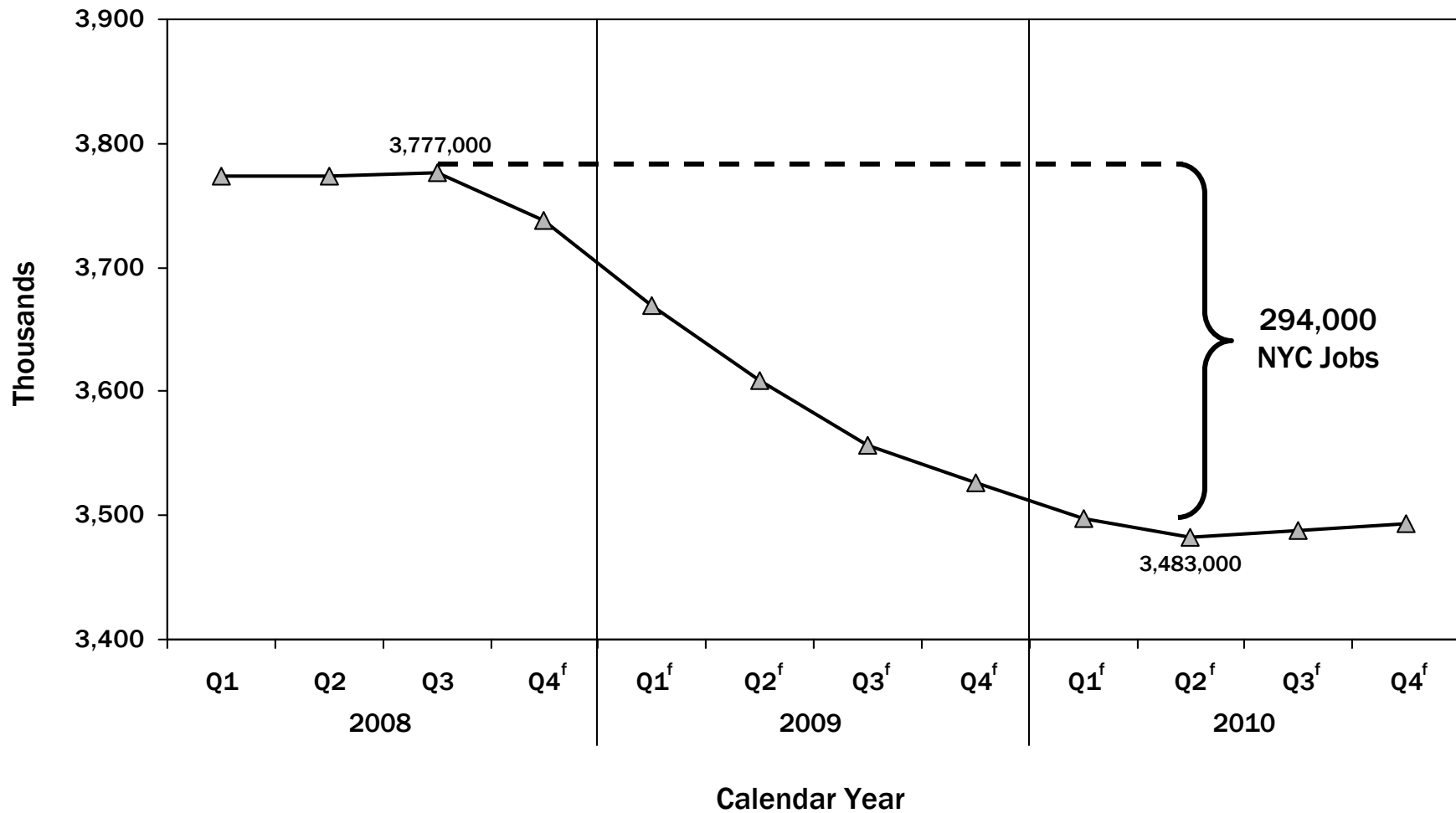
U.S. Total Employment



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

New York City Is Now Expected to Lose 294,000 Jobs Through Q2 2010

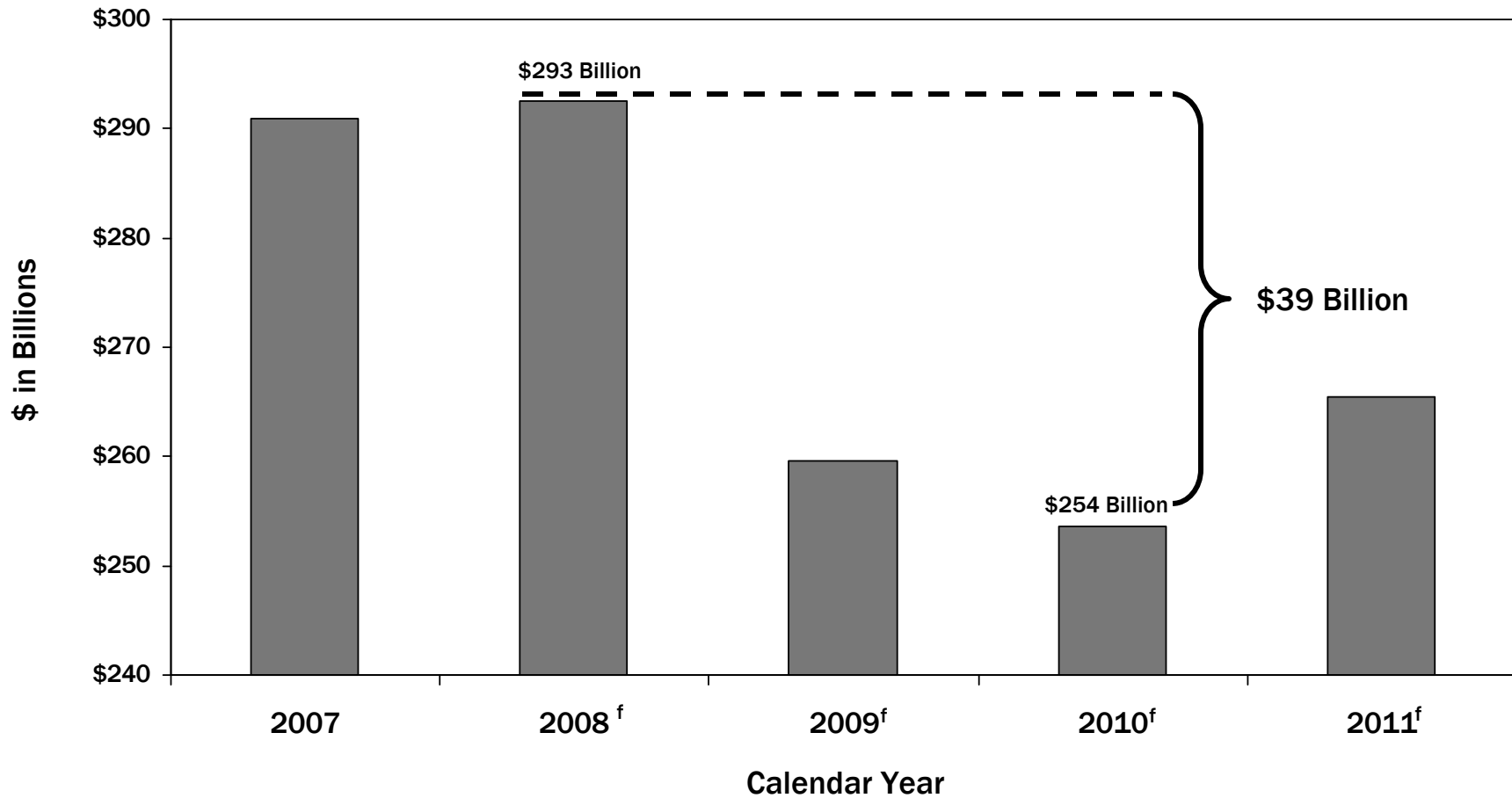
New York City Total Public and Private Employment



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

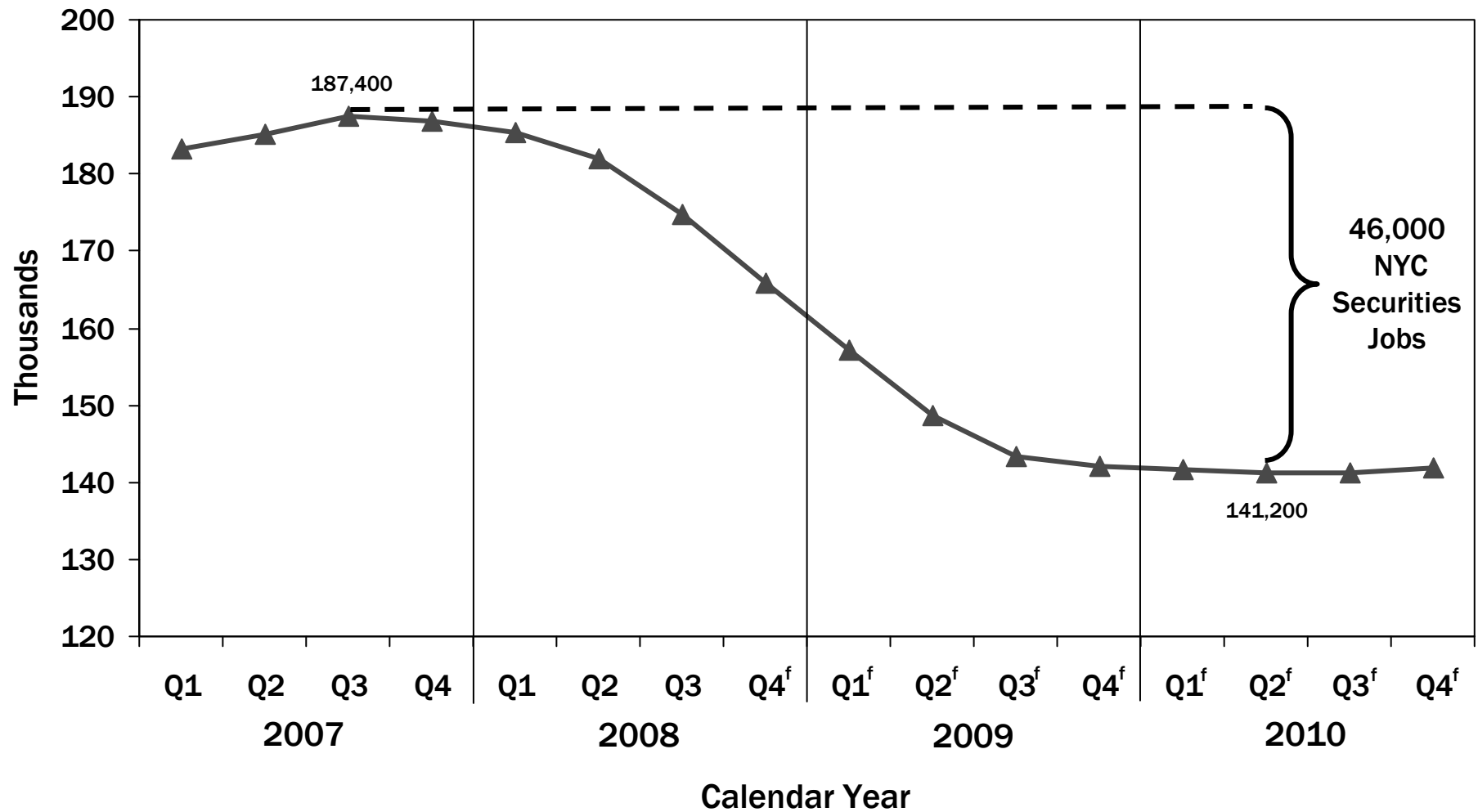
New York City Wage Earnings Are Expected to Decline By \$33 Billion in 2009 and by an Additional \$6 Billion in 2010

New York City Wage Earnings



Source: NYS DOL, OMB
f = forecast

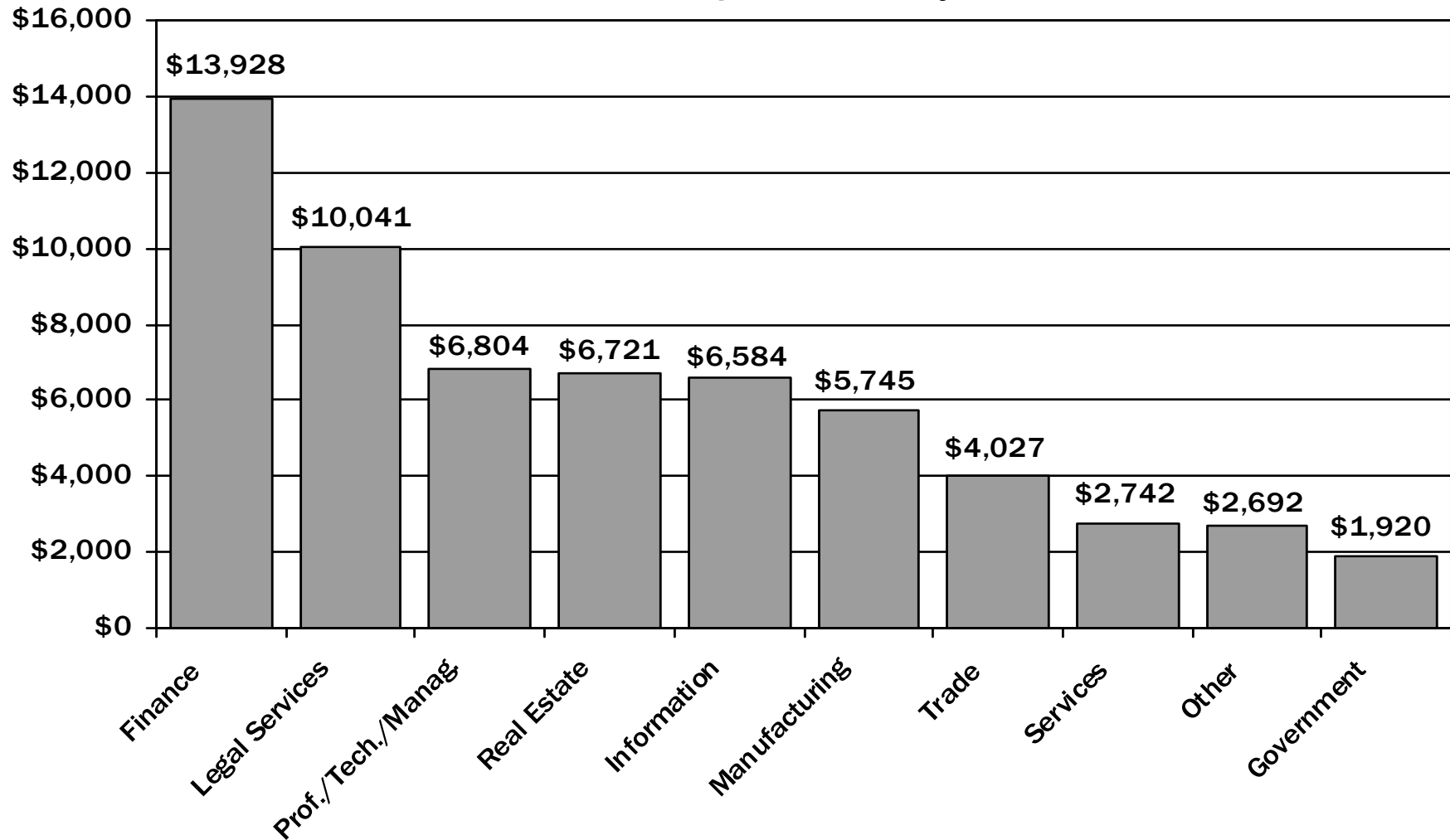
Wall Street Is Now Expected to Cut 46,000 Jobs in New York City Through Q2 2010



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

The Loss of Finance Sector Jobs in New York City Has a Disproportionate Impact on the Local Economy

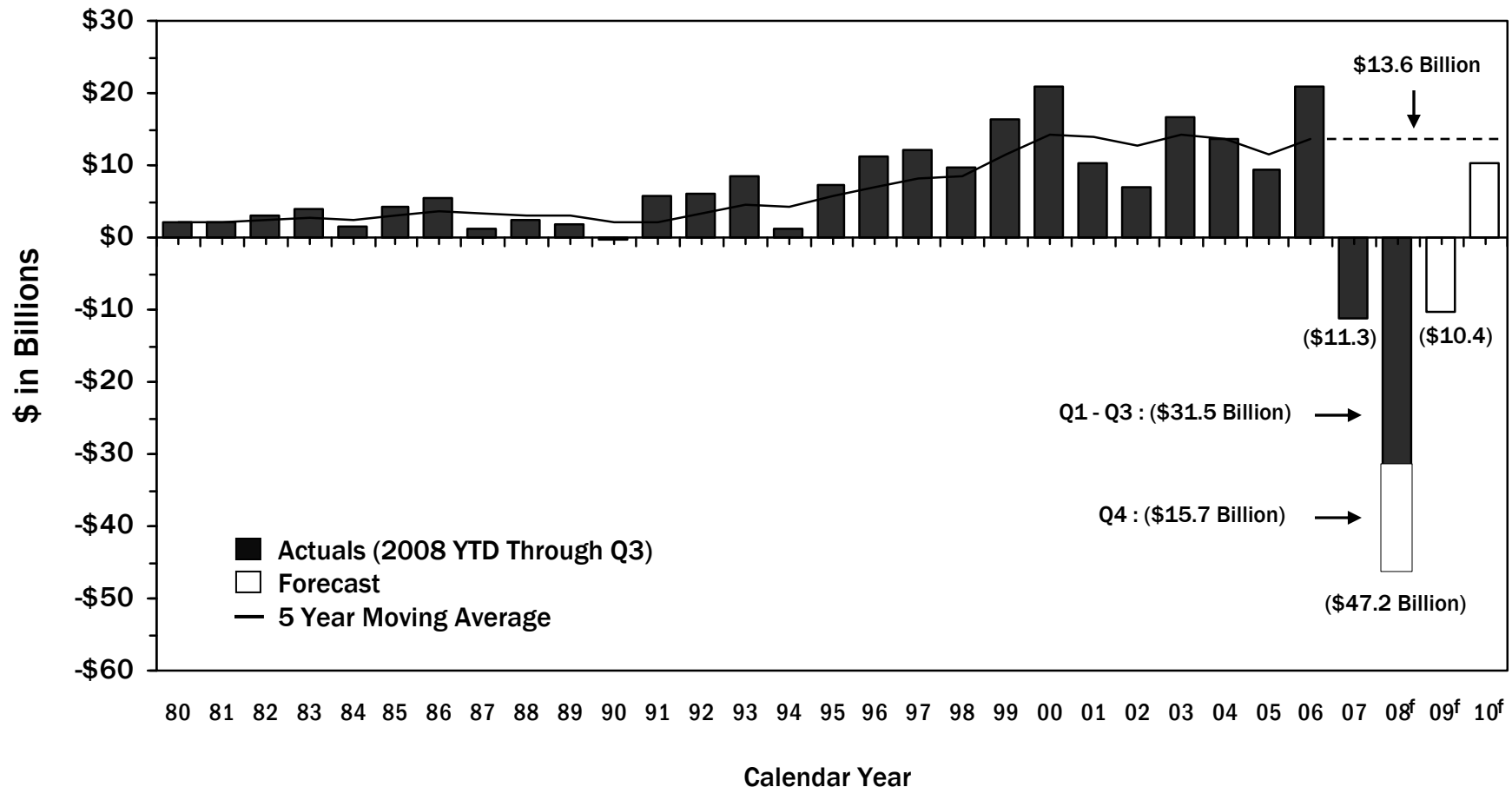
Taxes Paid per Worker by Sector



Source: NYC DOF Tax Year 2004

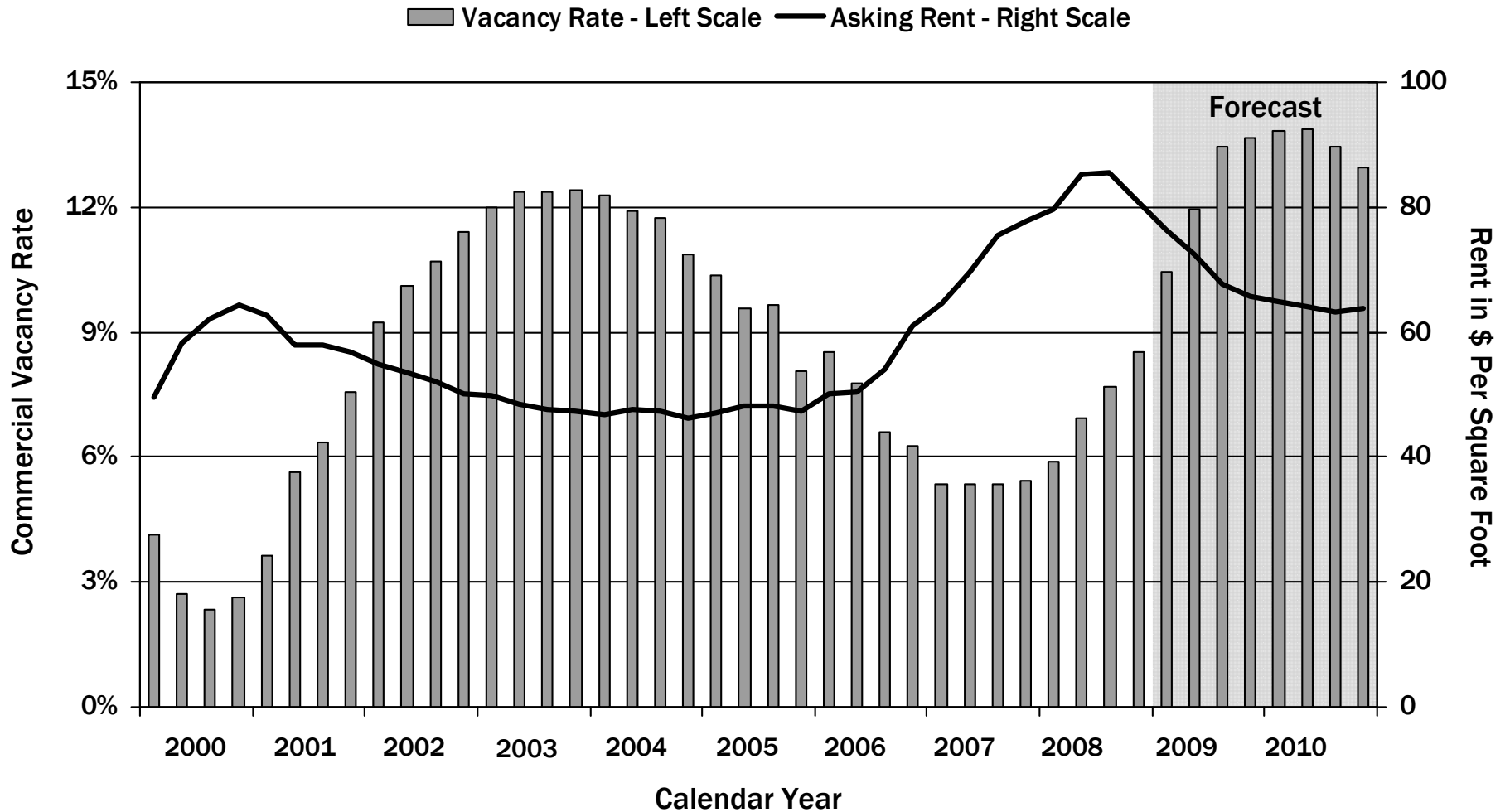
Wall Street Lost \$31.5 Billion in the First Three Quarters of 2008 and Is Expected to Lose \$15.7 Billion in the Fourth Quarter. Further Losses Are Anticipated in 2009

New York Stock Exchange Member Firm Profits



Sources: Securities Industry and Financial Market Association, OMB
 f = forecast

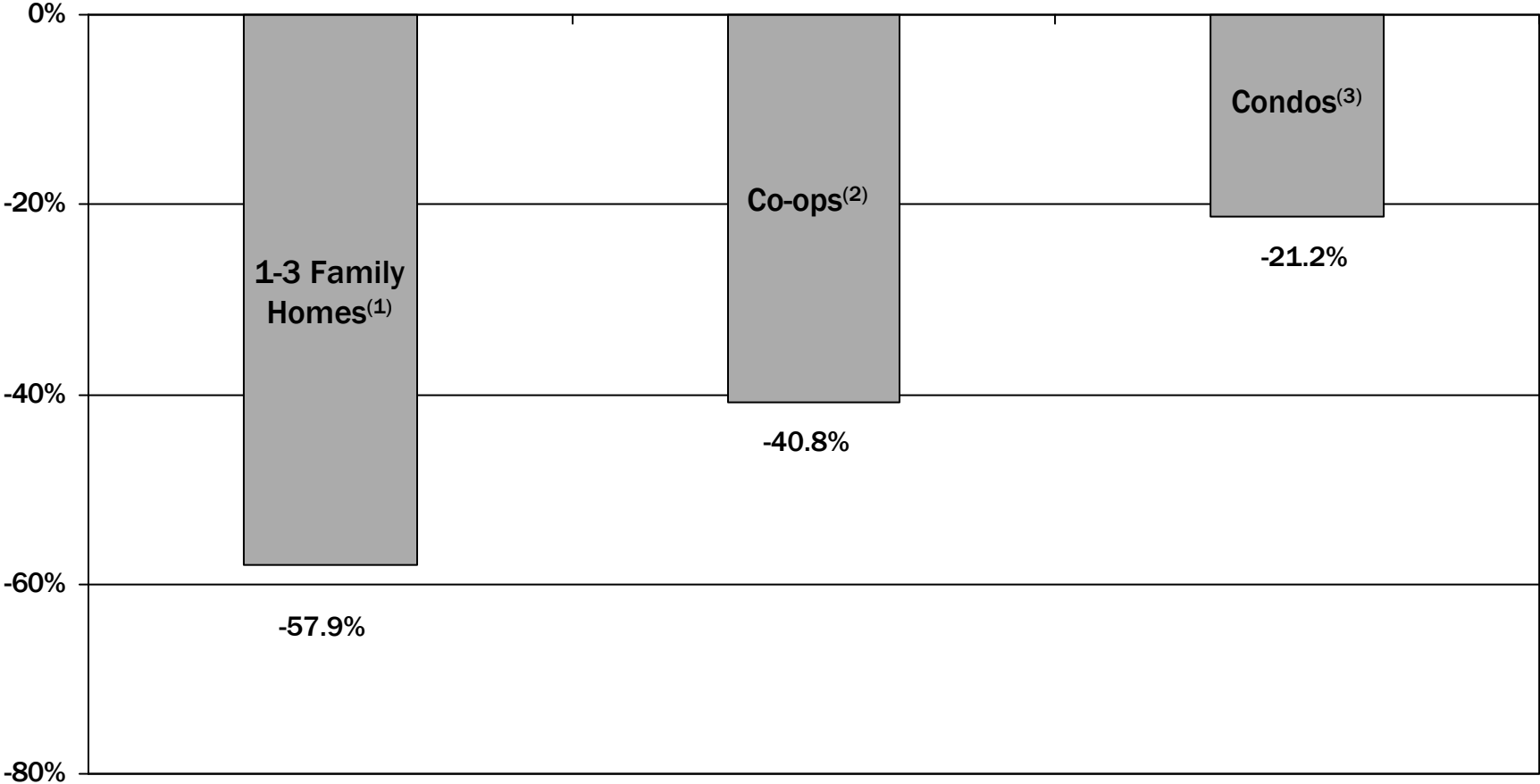
The Commercial Vacancy Rate in New York City Is Going Up and Asking Rents Are Falling



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

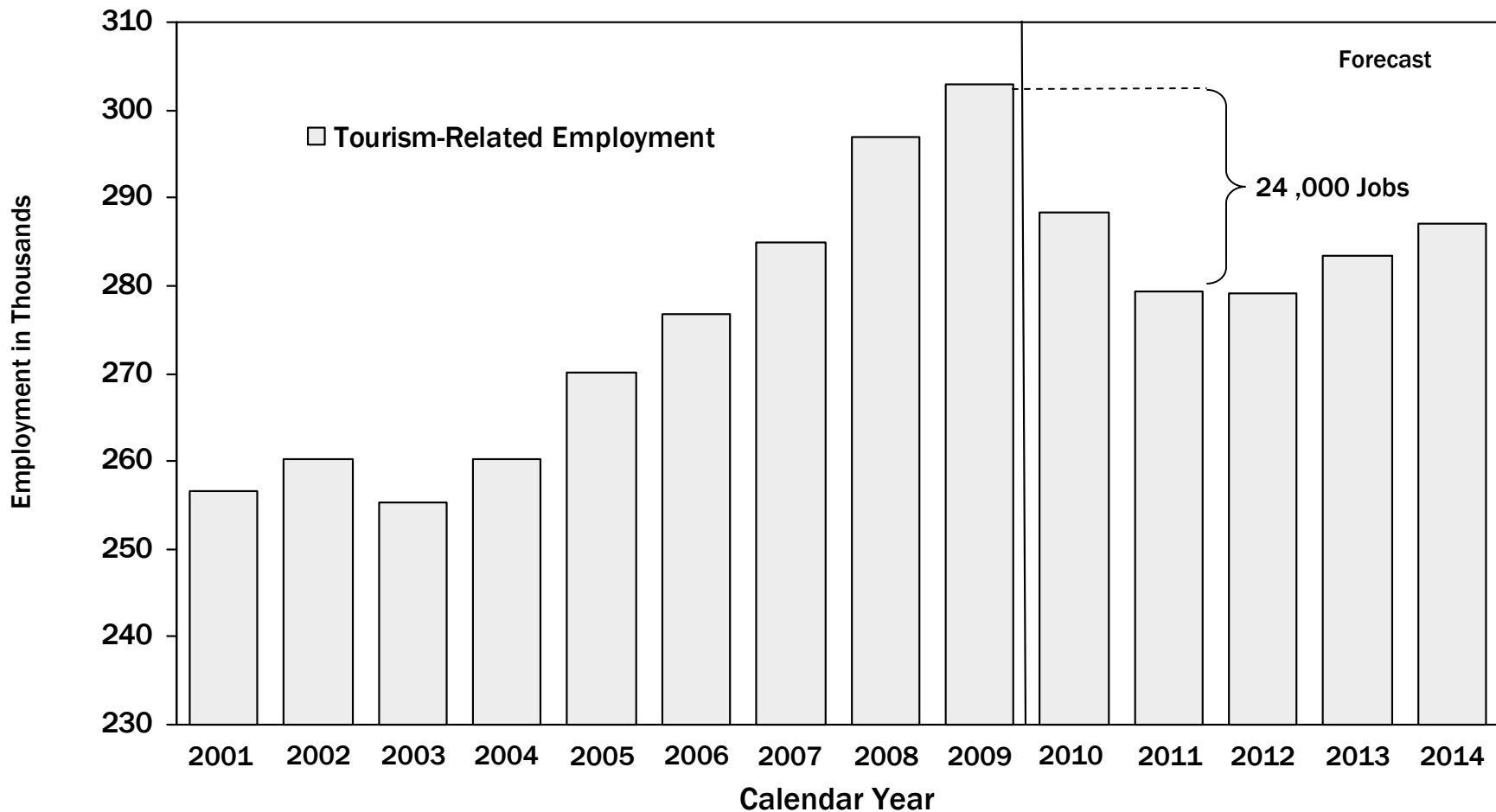
The Recession and the Ongoing Credit Market Freeze Have Battered Residential Sales Volume in New York City

Percentage Decline in Sales Volume from the Peak Quarter



Source: NYC DOF
(1) FY 06 Q1 to FY 09 Q1
(2) FY 05 Q1 to FY 09 Q1
(3) FY 07 Q4 to FY 09 Q1

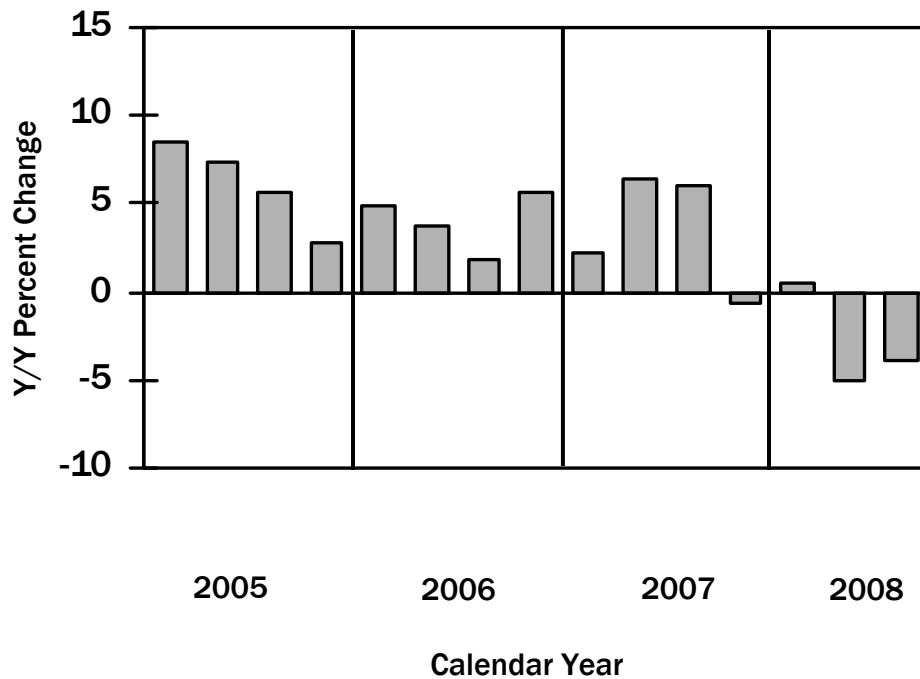
The City's Leisure and Hospitality Sector Is Forecast to Lose 24,000 Jobs Over the Next Two Years



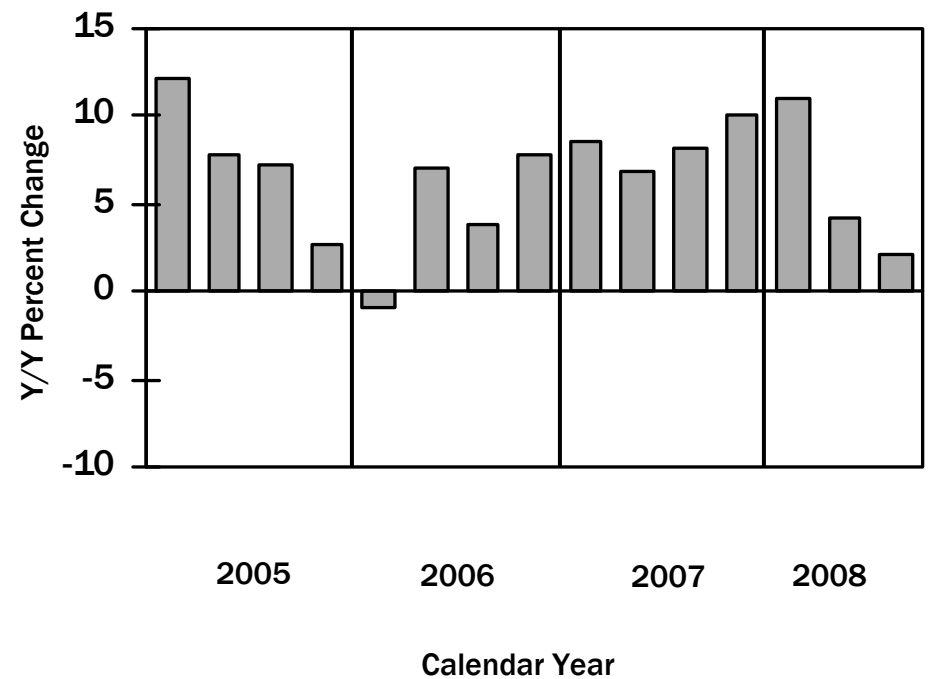
Sources: Bureau of Labor Statistics; OMB Forecast

Domestic Travel to Local Airports Has Declined, While International Travel Is Slowing

Domestic Travel
Percent Change⁽¹⁾

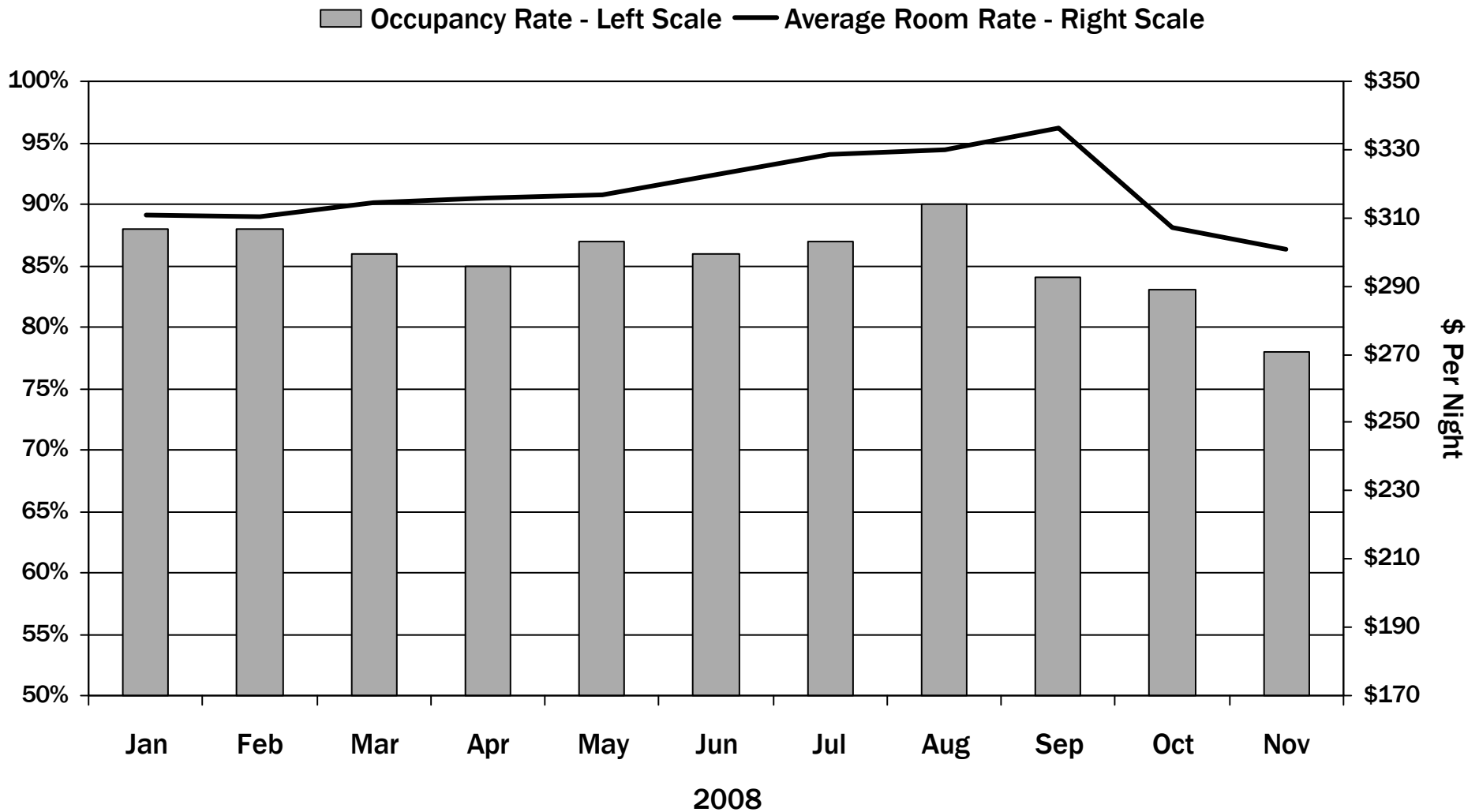


International Travel
Percent Change⁽¹⁾



Source: Port Authority of New York and New Jersey
⁽¹⁾Year-Over-Year Percentage Change

Since Last Summer the Hotel Occupancy Rate in New York City Has Been Dropping Along with the Average Room Rate



Source: PKF Consulting. Data seasonally adjusted by OMB

The Second Quarter FY 2009 Non-Property Tax Collections Are Down by \$1.38 Billion From the Prior Year

	\$ in Millions			Second Quarter Total
	October	November	December	
Non-Property Taxes				
PIT Before NYS Adjustment	(\$91)	\$6	(\$103)	(\$188)
NYS Adjustment	---	173	(173)	---
PIT After NYS Adjustment ⁽¹⁾	(\$91)	\$179	(\$276)	(\$188)
% Change	(15.7%)	35.2%	(33.3%)	(9.8%)
Business Taxes⁽²⁾	(128)	2	(89)	(215)
% Change	(191.0%)	11.6%	(10.2%)	(22.5%)
Sales Tax	16	(17)	(62)	(62)
% Change	4.8%	(4.5%)	(12.2%)	(5.1%)
Transaction Taxes⁽³⁾	(135)	(123)	(153)	(411)
% Change	(51.8%)	(56.2%)	(63.2%)	(57.0%)
All Other Taxes⁽⁴⁾	(5)	(112)	(384)	(502)
% Change	(8.5%)	(70.9%)	(55.7%)	(54.7%)
Total Non-Property Taxes	(\$343)	(\$71)	(\$964)	(\$1,378)
% Change	(26.0%)	(5.6%)	(30.7%)	(24.0%)

⁽¹⁾ Before TFA retention.

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

⁽³⁾ Includes real property transfer tax and mortgage recording tax.

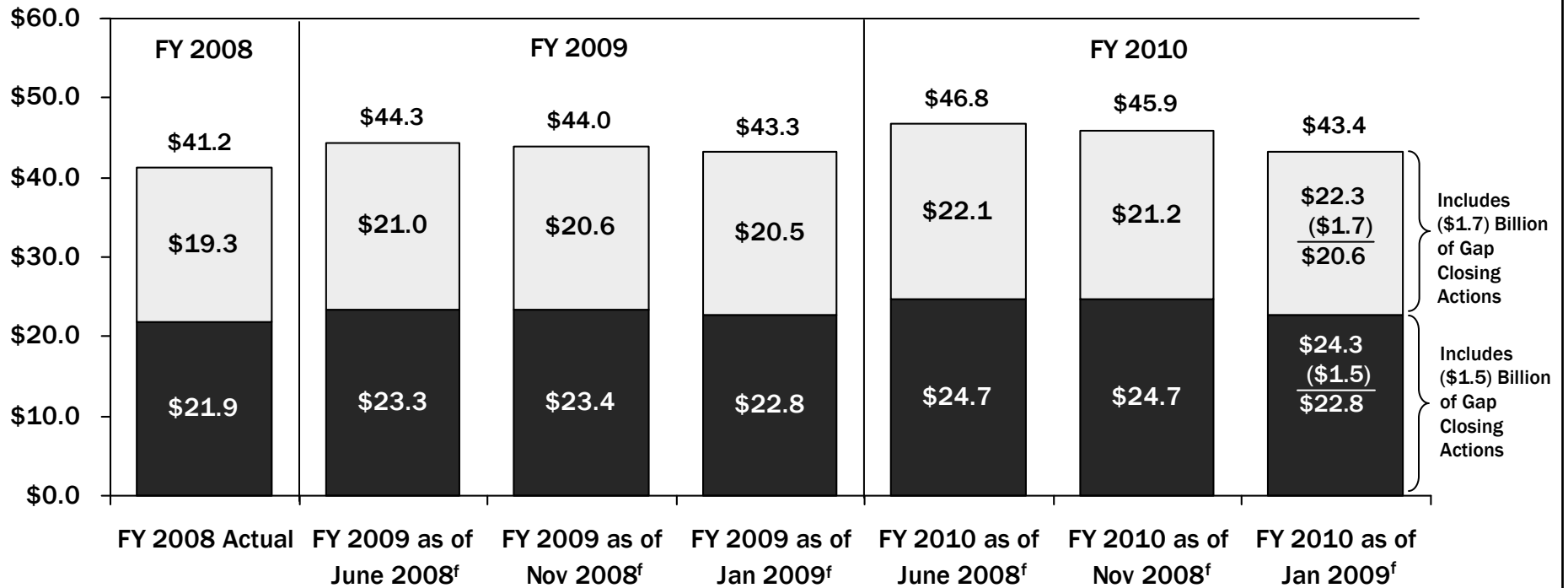
⁽⁴⁾ Includes hotel, commercial rent, utility, cigarette, STAR Aid and other taxes.

II. Budget Update

Our City Funded Expenses Have Grown by 5% Between FY 2008 and FY 2009, But Are Virtually Flat Between FY 2009 and FY 2010

Total City Funds Expenses - \$ in Billions

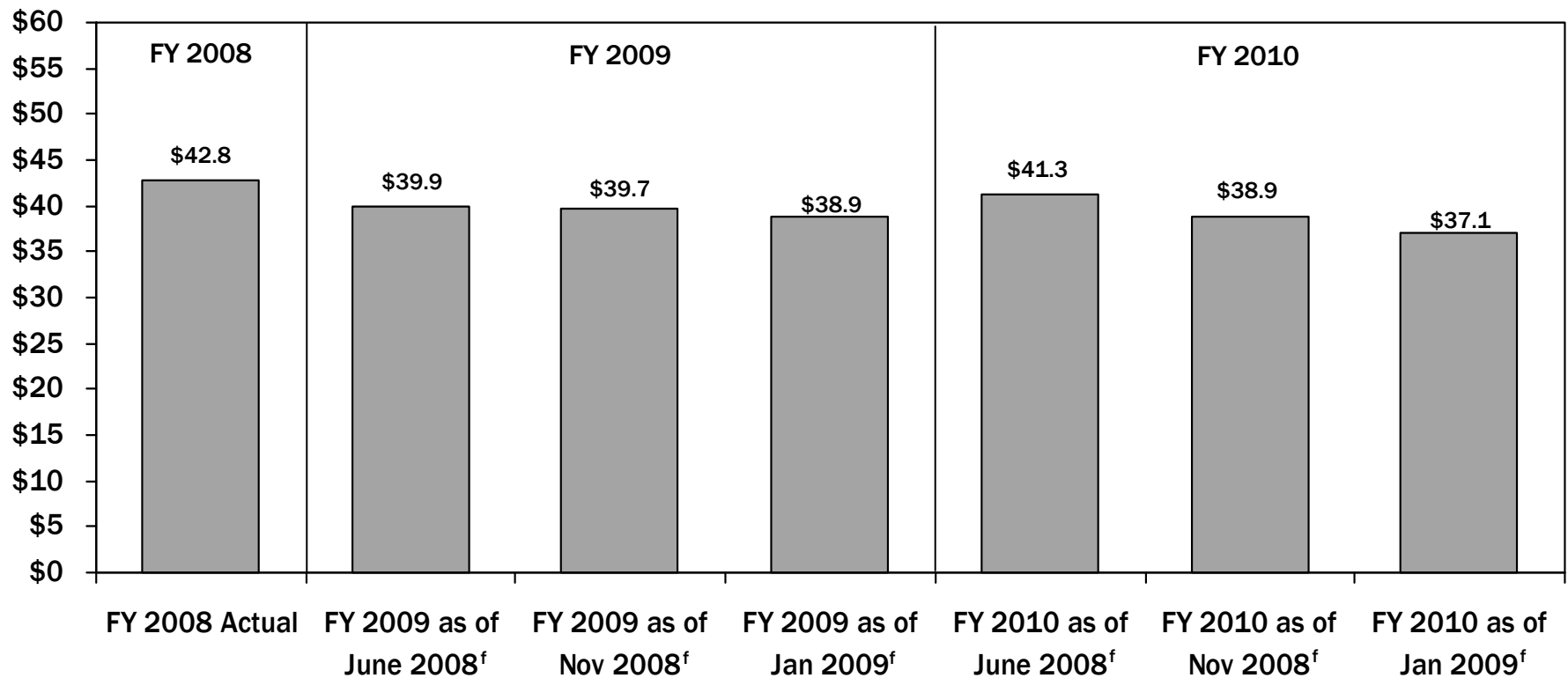
Controllable Agency Expenses
 Non-Controllable Agency Expenses



Note: Excludes the impact of prepayments and debt defeasances
f = forecast

Without Action* Our City Revenues Would Have Fallen to an Annual Rate \$3.9 Billion Lower in FY 2009 Than FY 2008 and Have Fallen Further to an Annual Rate \$1.8 Billion Lower in FY 2010 Than FY 2009, for a Total Decline of \$5.7 Billion

Total City Funds Revenue - \$ in Billions



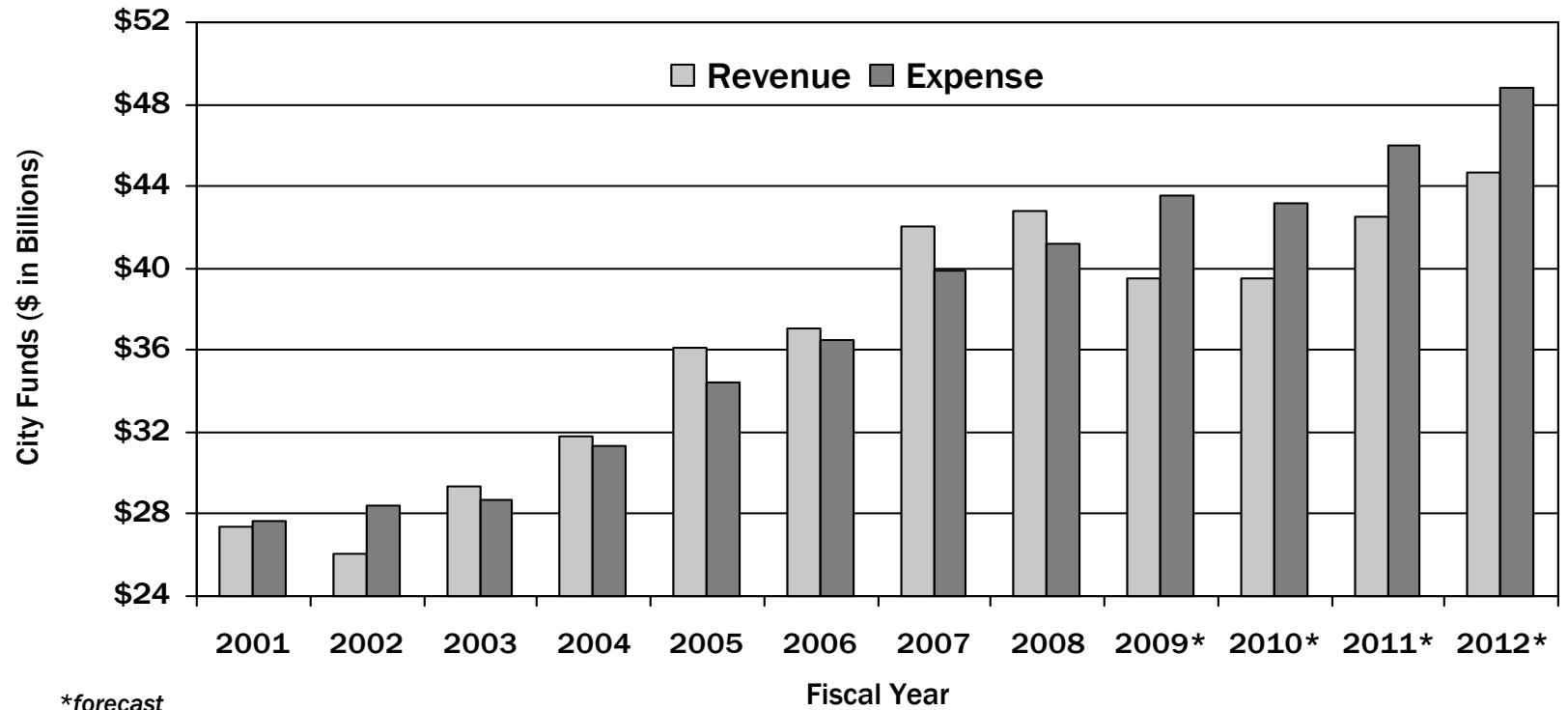
Note: Excludes the impact of prepayments and debt defeasances

f = forecast

*Actions excluded are rescinding the 7% property tax rate cut, the possible sales tax increase program and the \$400 property tax rebate

Revenue and Expenses

January 2009 Plan



Excluding the impact of rolls and debt defeasances

	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Revenue	\$27.4	\$26.1	\$29.4	\$31.8	\$36.1	\$37.1	\$42.0	\$42.8	\$39.5	\$39.5	\$42.5	\$44.7
Expenditure	\$27.7	\$28.4	\$28.7	\$31.3	\$34.4	\$36.5	\$39.9	\$41.2	\$43.2	\$43.4	\$46.0	\$48.8
Operating Surplus / (Deficit)	(\$0.3)	(\$2.3)	\$0.7	\$0.5	\$1.7	\$0.6	\$2.1	\$1.6	(\$3.7)	(\$3.9)	(\$3.5)	(\$4.1)
Cumulative Surplus / (Deficit)	\$2.9	\$0.6	\$1.3	\$1.8	\$3.5	\$4.1	\$6.2	\$7.8	\$4.1	\$0.2	(\$3.3)	(\$7.4)

City Funds Changes Between June 2008 Plan and January 2009 Plan (6 Months)

(\$ in Millions)

	FY 2008			FY 2009		FY 2010			Changes Jun-Jan
	Actuals	Jun 2008 Plan	Nov 2008 Plan	Jan 2009 Plan	Changes Jun-Jan	Jun 2008 Plan	Nov 2008 Plan	Jan 2009 Plan	
Revenues⁽¹⁾	\$42,836	\$39,877	\$39,677	\$38,883	(\$994)	\$41,251	\$38,932	\$37,111	(\$4,140)
<i>Year-to-Year Change:</i>		(\$2,959) (6.9%)	(\$3,159) (7.4%)	(\$3,953) (9.2%)		\$1,374 3.4%	(\$745) (1.9%)	(\$1,772) (4.6%)	
November Gap Closing Revenue Actions		\$ ---	\$832	\$576	\$576	\$ ---	\$1,479	\$1,479	\$1,479
January Sales Tax Increase Program		\$ ---	\$ ---	\$77	\$77	\$ ---	\$ ---	\$894	\$894
Adjusted Revenues (See pages 31-32)	\$42,836	\$39,877	\$40,509	\$39,536	(\$341)	\$41,251	\$40,411	\$39,484	(\$1,767)
<i>Year-to-Year Change:</i>		(\$2,959) (6.9%)	(\$2,327) (5.4%)	(\$3,300) (7.7%)		\$1,374 3.4%	(\$98) (0.2%)	(\$52) (0.1%)	
Expenditures⁽¹⁾									
Controllable Agency Expenses (See page 35)	\$19,335	\$20,971	\$20,634	\$20,513	(\$458)	\$22,048	\$21,247	\$20,568	(\$1,480)
<i>Year-to-Year Change:</i>		\$1,636 8.5%	\$1,299 6.7%	\$1,178 6.1%		\$1,077 5.1%	\$613 3.0%	\$55 0.3%	
Non-Controllable Agency Expenses (See page 40)	\$21,894	\$23,370	\$23,348	\$22,746	(\$624)	\$24,704	\$24,649	\$22,814	(\$1,890)
<i>Year-to-Year Change:</i>		\$1,476 6.7%	\$1,454 6.6%	\$852 3.9%		\$1,334 5.7%	\$1,301 5.6%	\$68 0.3%	
Total Expenditures	\$41,229	\$44,341	\$43,982	\$43,259	(\$1,082)	\$46,752	\$45,896	\$43,382	(\$3,370)
<i>Year-to-Year Change:</i>		\$3,112 7.5%	\$2,753 6.7%	\$2,030 4.9%		\$2,411 5.4%	\$1,914 4.4%	\$123 0.3%	
Operating Surplus/(Deficit)	\$1,607	(\$4,464)	(\$3,473)	(\$3,723)	\$741	(\$5,501)	(\$5,485)	(\$3,898)	\$1,603
Current Year Roll (Cost)	(\$4,635)	(\$812)	(\$1,803)	(\$1,553)	(\$741)	(\$350)	(\$350)	(\$350)	\$ ---
Prior Year Roll (Benefit)	\$4,600	\$4,635	\$4,635	\$4,635	\$ ---	\$812	\$1,803	\$1,553	\$741
Net Impact of Debt Defeasances ⁽²⁾	(\$1,567)	\$641	\$641	\$641	\$ ---	\$2,695	\$2,695	\$2,695	\$ ---
Gap to be Closed	\$5	\$ ---	\$ ---	\$ ---	\$ ---	(\$2,344)	(\$1,337)	\$ ---	\$2,344

⁽¹⁾ Excludes the impact of prepayments and debt defeasances

⁽²⁾ Debt defeasances of \$350 million, \$1.254 billion & \$1.986 billion in FY 06 to FY 08 respectively, which impacts FY 07 to FY 10

III. Revenues

City Revenue

January 2009 Plan

\$ in Millions

	Actuals	Plan			
		FY 2008	FY 2009	FY 2010	FY 2011
Property Tax	\$13,062	\$13,781	\$14,767	\$15,624	\$16,152
Year-to-Year Change:		719 5.5%	986 7.2%	857 5.8%	528 3.4%
Economically Sensitive Taxes (See page 32)	\$24,602	\$20,549	\$17,828	\$19,698	\$21,228
Year-to-Year Change:		(4,053) (16.5%)	(2,721) (13.2%)	1,870 10.5%	1,530 7.8%
Subtotal	\$37,664	\$34,330	\$32,595	\$35,322	\$37,380
Year-to-Year Change:		(3,334) (8.9%)	(1,735) (5.1%)	2,727 8.4%	2,058 5.8%
June - November 2008 Gap Closing Revenue Actions	---	\$576	\$1,479	\$1,554	\$1,615
January 2009 Sales Tax Increase Program	---	\$77	\$894	\$920	\$972
Total Tax Revenue	\$37,664	\$34,983	\$34,968	\$37,796	\$39,967
Year-to-Year Change:		(2,681) (7.1%)	(15) ---	2,828 8.1%	2,171 5.7%
Non-Tax Revenue	\$5,172	\$4,553	\$4,516	\$4,685	\$4,753
Year-to-Year Change:		(619) (12.0%)	(37) (0.8%)	169 3.7%	68 1.5%
Total Revenue (From Page 28)	\$42,836	\$39,536	\$39,484	\$42,481	\$44,720
Year-to-Year Change:		(3,300) (7.7%)	(52) (0.1%)	2,997 7.6%	2,239 5.3%

Notes: Excludes the impact of prepayments and debt defeasances

Economically Sensitive Taxes

\$ in Millions

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Income	\$8,760	\$7,154	\$5,707	\$6,854	\$7,458
<i>Year-to-Year Change:</i>		<i>(1,606)</i> <i>(18.3%)</i>	<i>(1,447)</i> <i>(20.2%)</i>	<i>1,147</i> <i>20.1%</i>	<i>604</i> <i>8.8%</i>
Sales	\$4,868	\$4,555	\$4,139	\$4,341	\$4,637
<i>Year-to-Year Change:</i>		<i>(313)</i> <i>(6.4%)</i>	<i>(416)</i> <i>(9.1%)</i>	<i>202</i> <i>4.9%</i>	<i>296</i> <i>6.8%</i>
Business	\$5,412	\$4,619	\$4,232	\$4,632	\$5,181
<i>Year-to-Year Change:</i>		<i>(793)</i> <i>(14.7%)</i>	<i>(387)</i> <i>(8.4%)</i>	<i>400</i> <i>9.5%</i>	<i>549</i> <i>11.9%</i>
Real Estate Transaction Taxes	\$2,546	\$1,507	\$1,159	\$1,246	\$1,320
<i>Year-to-Year Change:</i>		<i>(1,039)</i> <i>(40.8%)</i>	<i>(348)</i> <i>(23.1%)</i>	<i>87</i> <i>7.5%</i>	<i>74</i> <i>5.9%</i>
Other*	\$3,016	\$2,714	\$2,591	\$2,625	\$2,632
<i>Year-to-Year Change:</i>		<i>(302)</i> <i>(10.0%)</i>	<i>(123)</i> <i>(4.5%)</i>	<i>34</i> <i>1.3%</i>	<i>7</i> <i>0.3%</i>
Total Economically Sensitive Taxes (From page 31)	\$24,602	\$20,549	\$17,828	\$19,698	\$21,228
<i>Year-to-Year Change:</i>		<i>(4,053)</i> <i>(16.5%)</i>	<i>(2,721)</i> <i>(13.2%)</i>	<i>1,870</i> <i>10.5%</i>	<i>1,530</i> <i>7.8%</i>

Note: Excludes the impact of prepayments and debt defeasances.

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

IV. Controllable and Non-Controllable Agency Expenses

Controllable Agency Expenses

January 2009 Plan

City Funds - \$ in Millions

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Uniformed Forces					
Police Department	\$3,735	\$4,031	\$4,054	\$4,161	\$4,239
Fire Department	1,323	1,399	1,411	1,428	1,426
Department of Correction	927	985	949	987	1,004
Sanitation Department	1,206	1,258	1,291	1,396	1,422
Subtotal: Uniformed Forces	\$7,191	\$7,673	\$7,705	\$7,972	\$8,091
Year -To-Year:		482	32	267	119
Change:		6.7%	0.4%	3.5%	1.5%
Health and Welfare					
Social Services	\$438	\$509	\$535	\$541	\$541
Children's Services	830	789	716	710	718
Homeless Services	360	332	276	277	277
Health and Mental Hygiene	570	662	615	619	622
HHC Subsidy	128	95	89	88	88
Subtotal: Health and Welfare	\$2,326	\$2,387	\$2,231	\$2,235	\$2,246
Year -To-Year:		61	(156)	4	11
Change:		2.6%	(6.5%)	0.2%	0.5%
Other Mayoral					
Housing Preservation & Development	\$75	\$80	\$61	\$58	\$57
Environmental Protection	850	971	883	879	878
Finance	210	212	199	197	196
Transportation	422	478	471	494	509
Parks and Recreation	277	275	255	255	255
Citywide Administrative Services	196	210	200	199	193
All Other Mayoral	1,572	1,736	1,436	1,395	1,400
Energy, Leases & OTPS Inflaters	---	(97)	(25)	151	318
Subtotal: Other Mayoral	\$3,602	\$3,865	\$3,480	\$3,628	\$3,806
Year -To-Year:		263	(385)	148	178
Change:		7.3%	(10.0%)	4.3%	4.9%
Education					
Department of Education	\$4,780	\$5,160	\$5,193	\$5,761	\$5,664
CUNY	445	456	416	408	410
Subtotal: Education	\$5,225	\$5,616	\$5,609	\$6,169	\$6,074
Year -To-Year:		391	(7)	560	(95)
Change:		7.5%	(0.1%)	10.0%	(1.5%)
Elected Officials					
Mayoralty	\$64	\$68	\$66	\$66	\$66
All Other Elected	398	395	391	364	363
Subtotal: Elected Officials	\$462	\$463	\$457	\$430	\$429
Year -To-Year:		1	(6)	(27)	(1)
Change:		0.2%	(1.3%)	(5.9%)	(0.2%)
Labor Reserve	\$529	\$509	\$1,086	\$1,465	\$1,860
Year -To-Year:		(20)	577	379	395
Change:		(3.8%)	113.4%	34.9%	27.0%
Total Controllable Agency Spending (From page 28)	\$19,335	\$20,513	\$20,568	\$21,899	\$22,506
Year -To-Year:		1,178	55	1,331	607
Change:		6.1%	0.3%	6.5%	2.8%

Note: Excludes the impact of prepayments

January 2009 Plan

Agency Programs to Reduce the Gap

Increases the Gap / (Decreases the Gap)

	Fiscal Year 2009				Fiscal Year 2010			
	City Funds - \$ in Millions				City Funds - \$ in Millions			
	Expense	Revenue	Total	Percentage	Expense	Revenue	Total	Percentage
Uniformed Forces								
Police	\$8	---	\$8	0.2%	(\$93)	---	(\$93)	(2.3%)
Fire	---	---	---	0.0%	(39)	---	(39)	(2.8%)
Correction	---	---	---	0.0%	(18)	---	(18)	(1.9%)
Sanitation	---	---	---	0.0%	(35)	---	(35)	(2.7%)
Health and Welfare								
Administration for Children's Services	---	---	---	0.0%	(45)	---	(45)	(6.0%)
Social Services	(12)	---	(12)	(2.1%)	(45)	---	(45)	(8.2%)
Homeless Services	---	---	---	0.0%	(20)	---	(20)	(6.9%)
Youth & Community Development	1	---	1	0.5%	(12)	---	(12)	(7.0%)
Health & Mental Hygiene	---	---	---	0.0%	(18)	(7)	(25)	(7.1%)
Other Mayoral								
Housing Preservation & Development	---	(1)	(1)	(0.7%)	(2)	(2)	(4)	(6.4%)
Finance	---	---	---	0.0%	(6)	(8)	(14)	(6.8%)
Transportation	(1)	(8)	(9)	(1.9%)	(3)	(28)	(31)	(7.1%)
Parks & Recreation	---	---	---	0.0%	(14)	(4)	(18)	(7.0%)
Libraries	---	---	---	0.0%	(20)	---	(20)	(7.0%)
Department of Cultural Affairs	---	---	---	0.0%	(10)	---	(10)	(7.0%)
Citywide Administrative Services	(1)	(10)	(11)	(5.4%)	---	(7)	(7)	(3.6%)
All Other Agencies	(18)	(5)	(23)	(1.6%)	(56)	(18)	(74)	(5.6%)
Major Organizations								
Education	4	---	4	0.1%	(306)	---	(306)	(4.1%)
CUNY	5	---	5	2.4%	(3)	(10)	(13)	(7.0%)
HHC	---	---	---	0.0%	(5)	---	(5)	(5.3%)
Other								
Procurement Savings	---	---	---		---	---	---	
Fleet Reduction	---	---	---		---	---	---	
Consumer Plastic Bag Use Fee	---	---	---		---	(84)	(84)	
Data Mining to Improve Billing and Collection	---	---	---		---	---	---	
Total Agency Programs	(\$14)	(\$24)	(\$38)	(0.2%)	(\$750)	(\$168)	(\$918)	(4.5%)

**Since January 2008, We Have Taken \$1.6 Billion of Agency Actions in FY 2009, and
\$3.1 Billion of Agency Actions in FY 2010 to Help Close the Budget Gap in FY 2010
Increases the Gap / (Decreases the Gap)**

	Fiscal Year 2009 City Funds - \$ in Millions				Fiscal Year 2010 City Funds - \$ in Millions			
	Expense	Revenue	Total	Percentage	Expense	Revenue	Total	Percentage
Uniformed Forces								
Police	(\$163)	(\$10)	(\$173)	(4.6%)	(\$315)	(\$76)	(\$391)	(10.2%)
Fire	(50)	(12)	(62)	(4.6%)	(96)	(35)	(131)	(9.7%)
Correction	(30)	---	(30)	(3.2%)	(74)	---	(74)	(7.8%)
Sanitation	(89)	(23)	(112)	(8.8%)	(106)	(37)	(143)	(10.7%)
Health and Welfare								
Administration for Children's Services	(76)	---	(76)	(9.6%)	(142)	---	(142)	(18.1%)
Social Services	(65)	(1)	(66)	(10.9%)	(114)	---	(114)	(18.9%)
Homeless Services	(32)	---	(32)	(10.4%)	(56)	---	(56)	(18.3%)
Youth & Community Development	(13)	---	(13)	(5.3%)	(36)	---	(36)	(20.0%)
Health & Mental Hygiene	(30)	(9)	(39)	(9.6%)	(54)	(18)	(72)	(19.0%)
Other Mayoral								
Housing Preservation & Development	(8)	(2)	(10)	(12.8%)	(12)	(2)	(14)	(22.7%)
Finance	(7)	(40)	(47)	(23.4%)	(18)	(47)	(65)	(32.7%)
Transportation	(25)	(29)	(54)	(11.3%)	(34)	(53)	(87)	(19.6%)
Parks & Recreation	(14)	(17)	(31)	(11.4%)	(34)	(20)	(54)	(20.5%)
Libraries	(17)	---	(17)	(5.4%)	(61)	---	(61)	(20.0%)
Cultural Affairs	(11)	---	(11)	(7.2%)	(29)	---	(29)	(20.1%)
Citywide Administrative Services	(8)	(27)	(35)	(19.1%)	(12)	(22)	(34)	(19.0%)
All Other Agencies	(216)	(68)	(284)	(18.9%)	(267)	(71)	(338)	(24.7%)
Major Organizations								
Education	(479)	---	(479)	(6.5%)	(944)	---	(944)	(11.9%)
CUNY	(10)	---	(10)	(4.2%)	(27)	(9)	(36)	(19.1%)
HHC	---	(5)	(5)	(5.2%)	(6)	(15)	(21)	(22.6%)
Other								
Procurement Savings	(56)	---	(56)		(111)	---	(111)	
Fleet Reduction	---	---	---		(20)	---	(20)	
Consumer Plastic Bag Use Fee	---	---	---		---	(84)	(84)	
Data Mining to Improve Billing and Collection	---	(2)	(2)		---	(25)	(25)	
Total Agency Programs	(\$1,399)	(\$245)	(\$1,644)	(8.0%)	(\$2,568)	(\$514)	(\$3,082)	(14.7%)

Examples of New Agency Programs to Eliminate the Gap in FY 2010 as of January 2009

January 2009 Agency Programs	Increase the Gap / (Decrease the Gap) City Funds - \$ In Millions FY 2010
Police: Reduce Uniformed Officer Headcount by 1,000	(\$48.9)
Parks: Reduce Seasonal Aides by 167	(\$5.6)
Fire: Eliminate 30 Basic Life Support Ambulance Tours	(\$3.3)
Fire: Eliminate 5 th Firefighter on 64 Engines ⁽⁴⁾ or Eliminate Companies in Dual Company Fire Houses	(\$17.0)
Citywide: Plastic Carry Bag Fee of 5 Cents per Bag	(\$84.0)
Transportation: Increase Rates for Single Space Parking Meters	(\$16.8)
Libraries: 7% Reduction in Subsidies	(\$20.1)
ACS: Reduce Foster Care Boarding Home Rates	(\$5.7)
ACS: Reduce Low Priority Child Care Services	(\$7.1)
ACS: Eliminate 549 Child Welfare Positions	(\$15.5)
DHS: Reduce Funding for Homeless Prevention	(\$5.1)
Correction: Supervised Release of Low-Risk Defendants to Probation	(\$3.4)
DFTA: Reduce Senior Center Funding by 5%	(\$5.3)
Health: Increase Health Code Enforcement on Unsanitary Restaurants	(\$3.7)
Education: Reduce 1,440 Pedagogical Employees in the Schools	(\$91.2)

⁽⁴⁾Items Requiring Negotiations with Labor Unions

FY 2010 Full-Time Headcount Reduction City Funded

			<u>Nov Plan</u>			<u>Jan Plan</u>			<u>Total Reduction</u>		
			Layoffs	Attrition	Total	Layoffs	Attrition	Total	Layoffs	Attrition	Total
MAYORAL AGENCIES:											
Uniform Forces											
Police	- Uniform		---	(1,067)	(1,067)	---	(1,000)	(1,000)	---	(2,067)	(2,067)
	- Civilian		---	(127)	(127)	---	(342)	(342)	---	(469)	(469)
Fire	- Uniform		---	---	---	---	(451)	(451)	---	(451)	(451)
	- Civilian		(3)	---	(3)	---	(198)	(198)	(3)	(198)	(201)
Sanitation	- Uniform		---	(191)	(191)	---	(31)	(31)	---	(222)	(222)
	- Civilian		---	2	2	---	(20)	(20)	---	(18)	(18)
Correction	- Uniform		---	(671)	(671)	---	(161)	(161)	---	(832)	(832)
	- Civilian		---	(16)	(16)	---	---	---	---	(16)	(16)
	<i>Subtotal</i>		(3)	(2,070)	(2,073)	---	(2,203)	(2,203)	(3)	(4,273)	(4,276)
Health and Welfare:											
Social Services			---	(110)	(110)	---	(379)	(379)	---	(489)	(489)
Admin. For Children Services				(127)	(127)	(608)	(234)	(842)	(608)	(361)	(969)
Homeless Services			---	50	50	(222)	(43)	(265)	(222)	7	(215)
Health and Mental Hygiene			(57)	---	(57)	---	(2)	(2)	(57)	(2)	(59)
	<i>Subtotal</i>		(57)	(187)	(244)	(830)	(658)	(1,488)	(887)	(845)	(1,732)
Other Agencies:											
Housing Preservation and Development			---	(8)	(8)	---	(43)	(43)	---	(51)	(51)
Environmental Protection			---	---	---	---	12	12	---	12	12
Finance			---	10	10	(17)	25	8	(17)	35	18
Transportation			---	5	5	---	(5)	(5)	---	---	---
Parks			---	(214)	(214)	---	(109)	(109)	---	(323)	(323)
Citywide Administrative Services			---	64	64	---	---	---	---	64	64
All Other			(21)	(316)	(337)	(31)	(158)	(189)	(52)	(474)	(526)
	<i>Subtotal</i>		(21)	(459)	(480)	(48)	(278)	(326)	(69)	(737)	(806)
Department of Education:											
Pedagogical (City Funds)			---	---	---	---	(1,440)	(1,440)	---	(1,440)	(1,440)
Pedagogical (Non-Categorical State Educ. Aid)			---	---	---	(13,930)	(260)	(14,190)	(13,930)	(260)	(14,190)
Civilian			(344)	(131)	(475)	---	---	---	(344)	(131)	(475)
	<i>Subtotal</i>		(344)	(131)	(475)	(13,930)	(1,700)	(15,630)	(14,274)	(1,831)	(16,105)
Total			(425)	(2,847)	(3,272)	(14,808)	(4,839)	(19,647)	(15,233)	(7,686)	(22,919)

Non-Controllable Agency Expenses

January 2009 Plan

City Funds - \$ in Millions

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Non-Controllable Agency Expenses					
Pensions	\$5,571	\$6,215	\$6,325	\$6,850	\$7,098
<i>Includes Tier 5 Proposal</i>	<i>Year-to-Year</i>	\$644	\$110	\$525	\$248
	<i>Change:</i>	11.6%	1.8%	8.3%	3.6%
Fringe Benefits	\$5,642	\$5,784	\$5,388	\$5,421	\$5,545
<i>Includes Health Benefits Cost Containment</i>	<i>Year-to-Year</i>	\$142	(\$396)	\$33	\$124
	<i>Change:</i>	2.5%	(6.8%)	0.6%	2.3%
Subtotal: Employee-Related Costs	\$11,213	\$11,999	\$11,713	\$12,271	\$12,643
	<i>Year-to-Year</i>	\$786	(\$286)	\$558	\$372
	<i>Change:</i>	7.0%	(2.4%)	4.8%	3.0%
Debt Service	\$3,592	\$3,734	\$4,214	\$4,646	\$5,076
<i>Includes Capital Reduction</i>	<i>Year-to-Year</i>	\$142	\$480	\$432	\$430
	<i>Change:</i>	4.0%	12.9%	10.3%	9.3%
Medicaid	\$5,621	\$5,469	\$4,623	\$4,783	\$5,956
<i>Includes Federal Matching Percent for Medicaid</i>	<i>Year-to-Year</i>	(\$152)	(\$846)	\$160	\$1,173
	<i>Change:</i>	(2.7%)	(15.5%)	3.5%	24.5%
Re-estimate of Prior Year Expenses	(\$399)	(\$500)	\$ ---	\$ ---	\$ ---
	<i>Year-to-Year</i>	(\$101)	\$500	\$ ---	\$ ---
	<i>Change:</i>	(25.3%)	100.0%	0.0%	0.0%
General Reserve	\$ ---	\$100	\$300	\$300	\$300
	<i>Year-to-Year</i>	\$100	\$200	\$ ---	\$ ---
	<i>Change:</i>	0.0%	200.0%	0.0%	0.0%
All Other ⁽¹⁾	\$1,867	\$1,944	\$1,964	\$2,143	\$2,278
	<i>Year-to-Year</i>	\$77	\$20	\$179	\$135
	<i>Change:</i>	4.1%	1.0%	9.1%	6.3%
Total Non-Controllable Expenses	\$21,894	\$22,746	\$22,814	\$24,143	\$26,253
(From page 28)	<i>Year-to-Year</i>	\$852	\$68	\$1,329	\$2,110
	<i>Change:</i>	3.9%	0.3%	5.8%	8.7%

Note: Excludes the impact of prepayments and debt defeasances

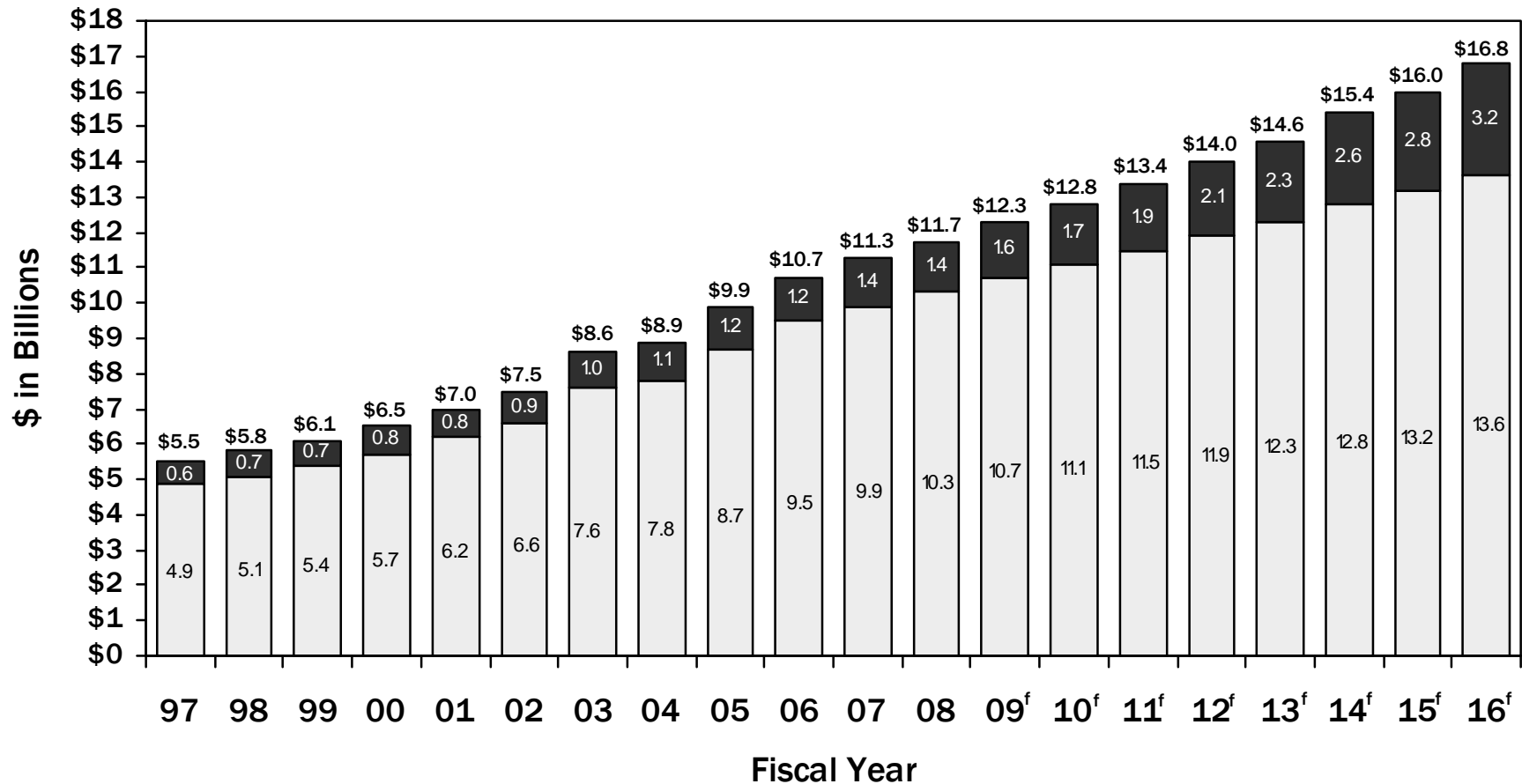
⁽¹⁾Includes Public Assistance, Judgments & Claims, Indigent Defense Service, Contractual, Criminal Justice and Water & Sewer for City Facilities.

Our Measures for Slowing the Growth of the Uncontrollable Expenses Require the Assistance of Our Partners in Organized Labor, State Government and the Federal Government

- ❖ **Pensions – New NYS legislation proposes a new Tier 5 for City employees which would eventually save the City cumulatively \$7 billion by FY 2030. Annual savings of \$200 million are included in the Financial Plan beginning in FY 2010.**
- ❖ **Employee Health Benefits – Our plan relies on \$200 million of savings annually from health care cost containment. In addition, we will work with our partners in organized labor to secure a contribution from City employees toward the increasing cost of health benefits. A 10% contribution would generate over \$350 million in savings to the City for FY 2010.**
- ❖ **Medicaid - The plan put forth by the U.S. Congress to increase federal participation in Medicaid will save the City \$1 billion in FY 2010.**

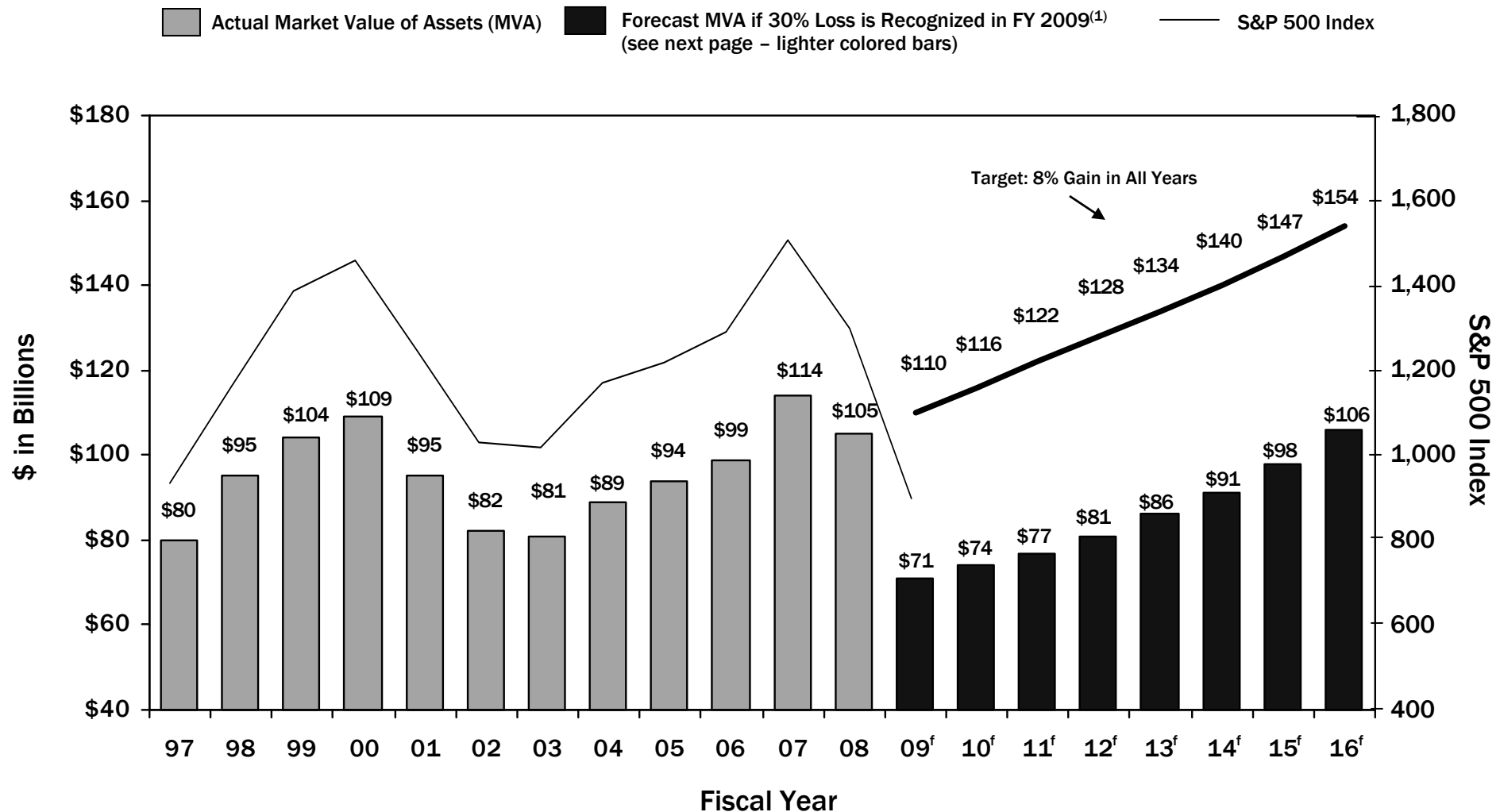
Payments To Retirees for Pensions and Health Benefits (Not Direct New York City Budget Expense) Grow From \$11.7 Billion to \$16.8 Billion Between FY 2008 and FY 2016

□ Pension Benefits ■ Retiree Health Benefits



Note: Pension Benefits include covered organizations and benefit payments from variable supplement funds.
 Retiree Health Benefits exclude covered organizations.
 f = forecast

The New York City Retirement Systems' Market Value of Assets Has Dropped by Approximately 30% (Over \$30 Billion) Since June



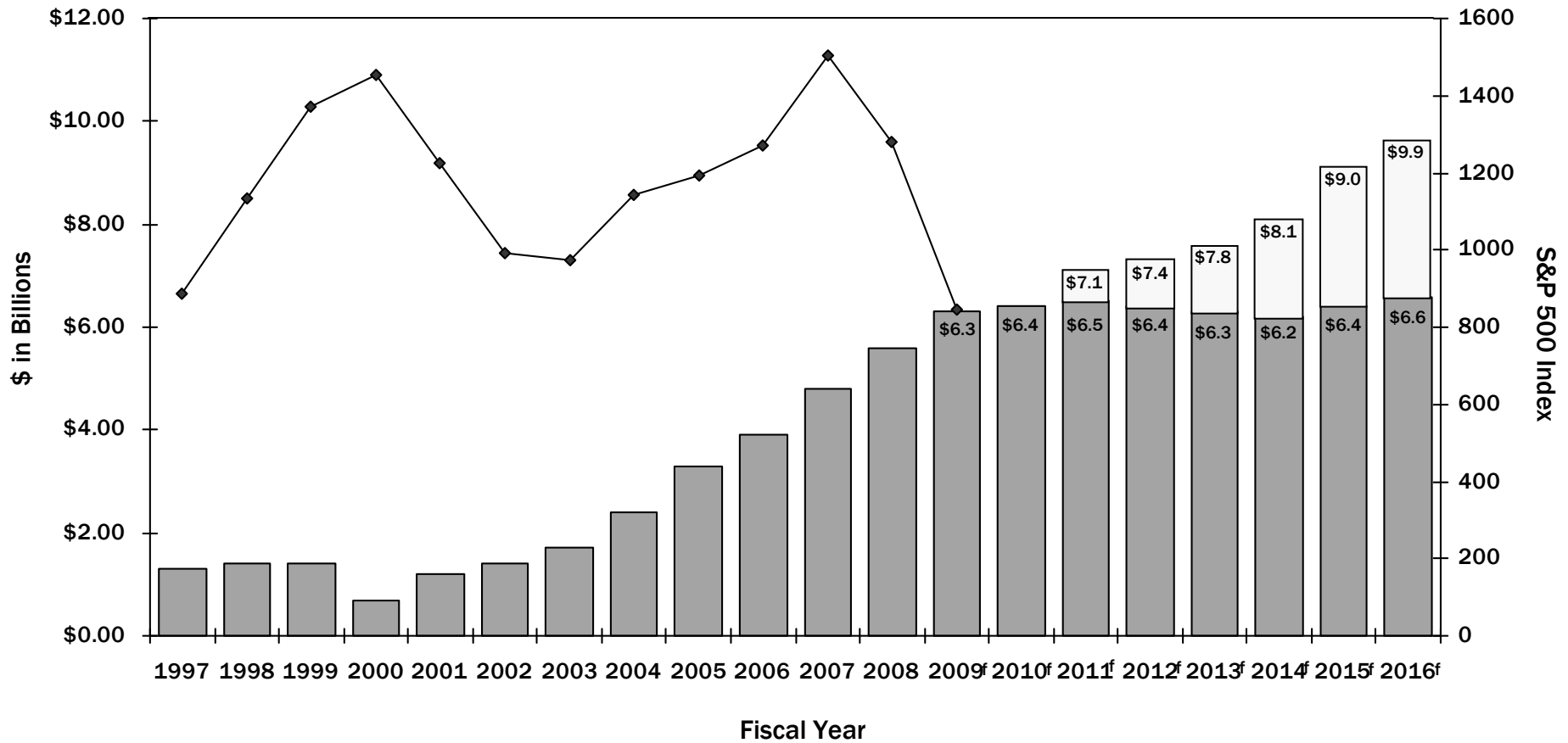
⁽¹⁾Assumes 8% gains in each of the following years.

Note: Includes All Five Systems and Variable Supplement Funds

f = forecast

If the Current 30% Loss in Asset Value Continues, NYC Retirement Systems' Employer Contributions Will Increase by \$10.9 Billion Through FY 2016 to Cover the Loss in Corpus Value

- NYC Pension Contribution if 30% Loss Recognized as of June 30, 2009⁽¹⁾
- NYC Pension Contribution Based on Asset Value as of June 30, 2008⁽¹⁾
- S&P 500 Index



⁽¹⁾Assumes 8% gains in each of the following years.
 Note: Includes all five systems
 f = forecast

V. State and Federal Aid

New York City Would Lose \$1.5 Billion of Funding if the New York State Executive Budget Is Adopted as Proposed

	Loss to NYC (\$ in Millions)
Revenue Sharing Elimination	(\$656)
Reduced State Funding for Education ❖	(\$771)
Reduced State Funding for Social Services	(\$221)
Reduced State Funding for Uniform Services	(\$84)
Reduced State Funding for Health and Mental Health	(\$69)
Reduced State Funding for Transportation and Labor	(\$48)
Increased Revenue from Red Light Cameras	\$100
Pension Reform	\$200
Mandate Relief	\$49
Total Cost to New York City	(\$1,500)

❖ A \$771 million reduction in state funding for education in New York City would lead to almost 14,000 lay-offs at the NYC Department of Education.

Since FY 2002 New York City Has Increased Its Commitment to Education While the New York State Commitment to Our School Children Has Lagged Behind

Education Funding

	FY 2002	FY 2010	Increase FY 2002 - FY 2010
New York City	\$5.85 Billion	\$10.88 Billion	\$5.03 Billion
New York State	\$5.65 Billion	\$8.71 Billion	\$3.06 Billion

- ❖ **In FY 2002, New York City paid 45.2% of the cost of educating our school children while the State of New York paid 43.6% of this cost.**

- ❖ **By FY 2010, New York City increased its contribution by over \$5 billion and we now pay for 51% of the cost of educating our school children. The State's share of this cost has dropped to 41% during this period.**

The NYS Executive Budget, if Adopted as Proposed, Shifts Many State Responsibilities onto the City's Ledger

Examples of State FY 2009-10 Executive Budget Cost Shifts

- ❖ **Child Welfare** - The State Executive Budget would require the City to pay more for child welfare prevention and protection services which the State paid for in the past, costing the City \$20 million in FY 2009 and \$40 million in FY 2010.
- ❖ **Foster Care** - The State Executive Budget eliminates flexibility in the provision of preventive services, costing the City \$7.5 million in FY 2009 and \$15 million in FY 2010.
- ❖ **Juvenile Detention** - The State Executive Budget reduces funding to care for juvenile offenders, costing the City \$7 million in FY 2009 and \$13 million in FY 2010.
- ❖ **Homeless Shelter** – The State Executive Budget reduces funding for homeless adult services by \$13 million, shifting this cost to the City.
- ❖ **Pre-K Special Education** – The State Executive Budget reduces the State reimbursement for mandated Pre-K Special Education services, a total loss of \$181 million to the City for the period FY 2009–10.

Federal American Recovery and Reinvestment Act

- ❖ **We** are relying on \$1 billion of federal funding in our plan for balance in FY 2010.
- ❖ **We** have assumed that this funding comes from an increase in the federal share of Medicaid, which is included in the bill drafted by the U.S. Congress.
- ❖ **T**here are a number of proposals for additional funding for localities in education and other areas in this bill, and New York City has significant needs in these areas. We will be working with the State and our federal legislators to ensure that New York City receives its fair share of funds. It is important that New York State not supplant other funds with this federal funding.

Possible Sales Tax Increase Program

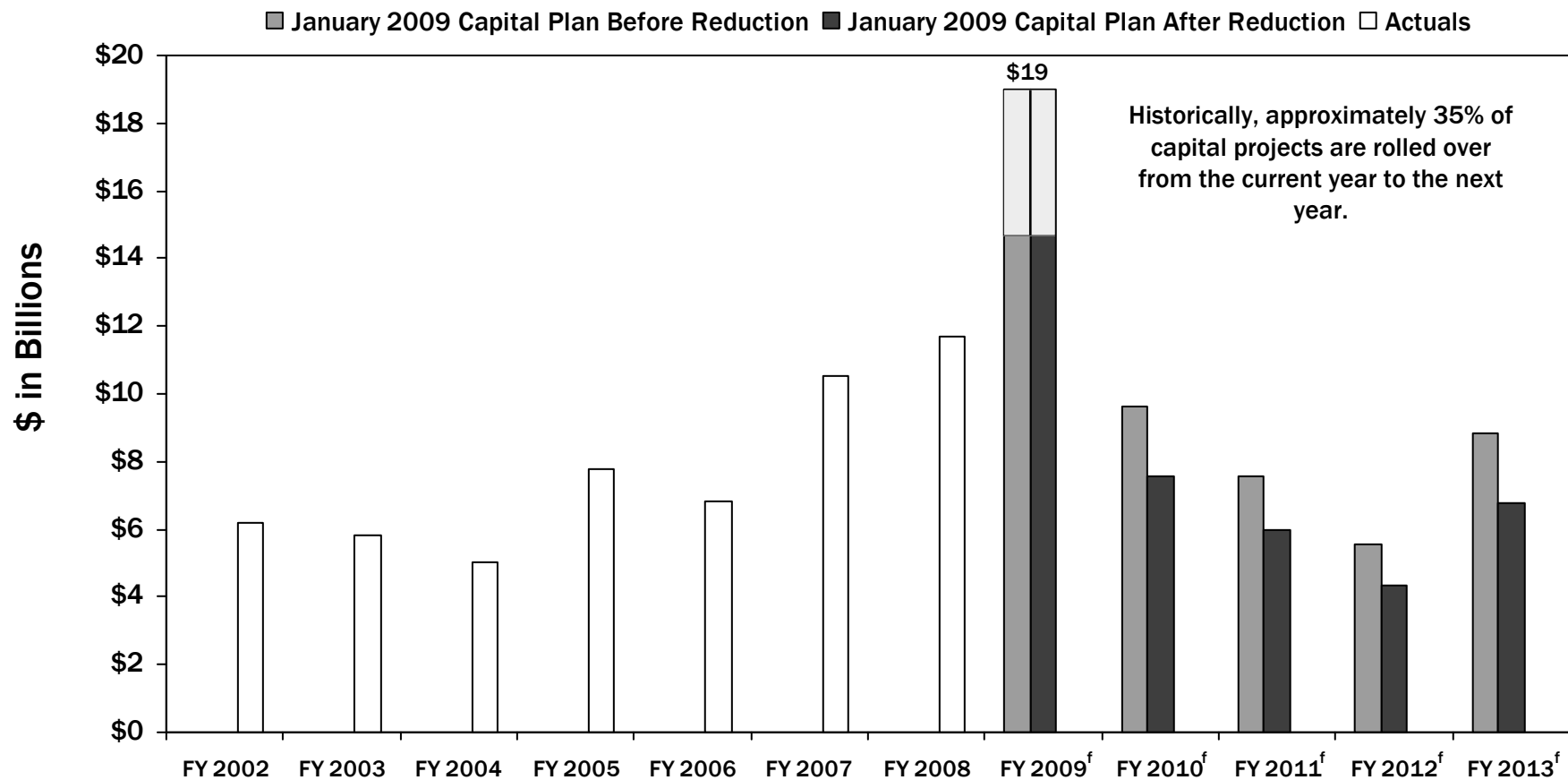
\$ in Millions

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Possible Sales Tax Increase				
Repeal Sales Tax Clothing Exemption				
(Includes Two Tax-Free Weeks)	\$36	\$394	\$409	\$439
Additional ¼% Sales Tax Rate Increase	25	302	304	316
NYS Base Broadeners	16	198	207	217
Total Possible Sales Tax Increase	<u>\$77</u>	<u>\$894</u>	<u>\$920</u>	<u>\$972</u>

VI. Capital

We Will Cut the Rate of Growth in Debt Service Costs to the Rate of Growth Forecast for the City's Revenues by Reducing the 10-Year Capital Commitment Plan for FY 2010 – FY 2019

The FY 2009 – 2013 Five-Year Capital Plan Includes a 30% Reduction in New York City General Obligation and TFA Funded Capital Projects in FY 2010 -2013



f = forecast

The Reduction in the Ten-Year Capital Plan FY 2010 – FY 2019 Will Reduce the Long-Term Average Annual Growth in Debt Service Costs to the Level of Forecast Growth in City Revenues

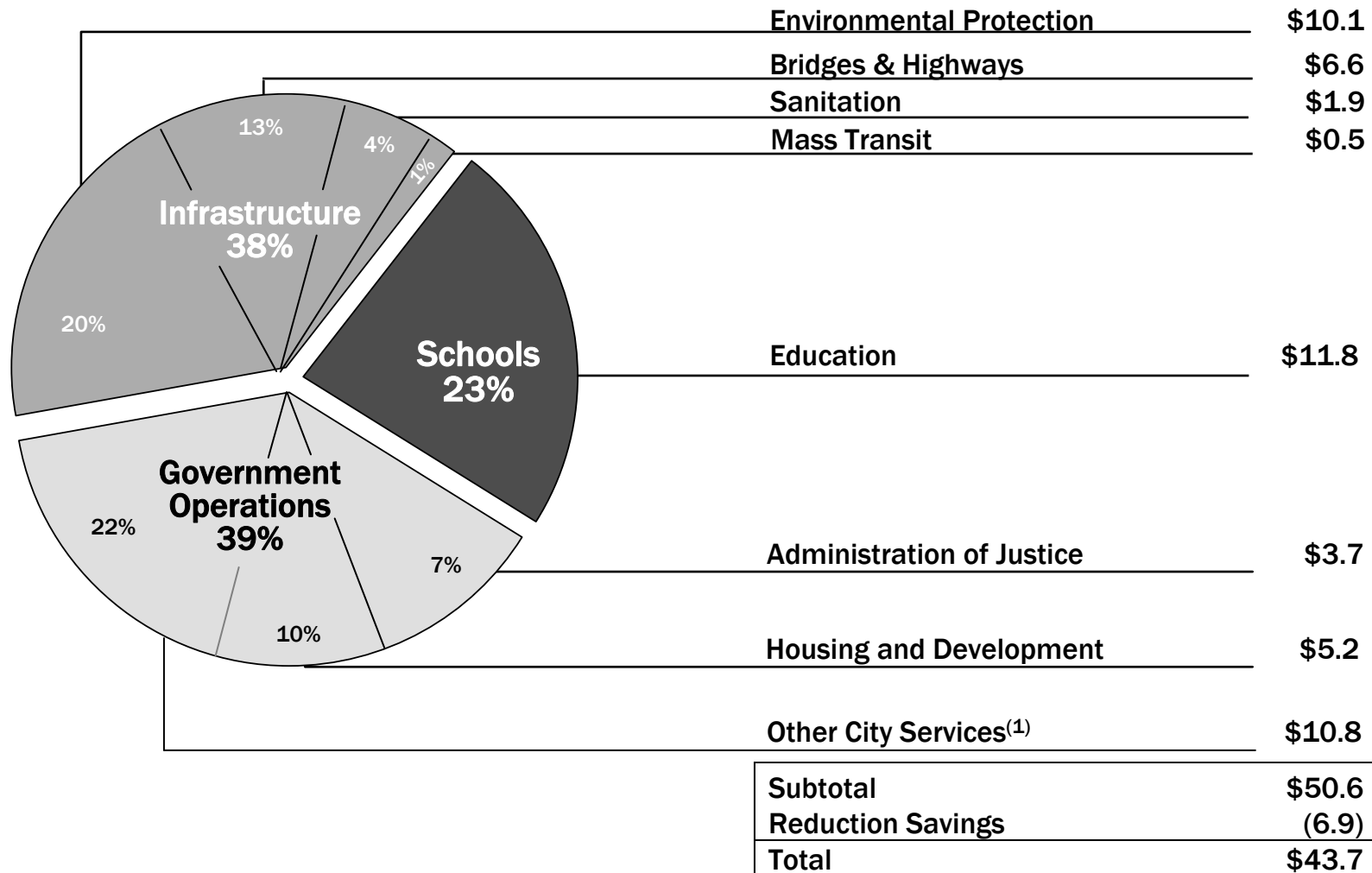
	<u>Annual Average % Growth in Debt Service Cost</u>	<u>Annual Average % Growth in City Revenue</u>
November 2008 Capital Plan	4.8%	4.5%
January 2009 Capital Plan Before Reduction	4.8%	3.4%
January 2009 Capital Plan After Reduction	3.4%	3.4%

The Five-Year Capital Strategy FY 2009-2013

Totals \$43.7 Billion After the Capital Reduction; The Cost of These Investments in Our City's Future are Reflected in the Debt Service Cost We Pay in Our Operating Budget

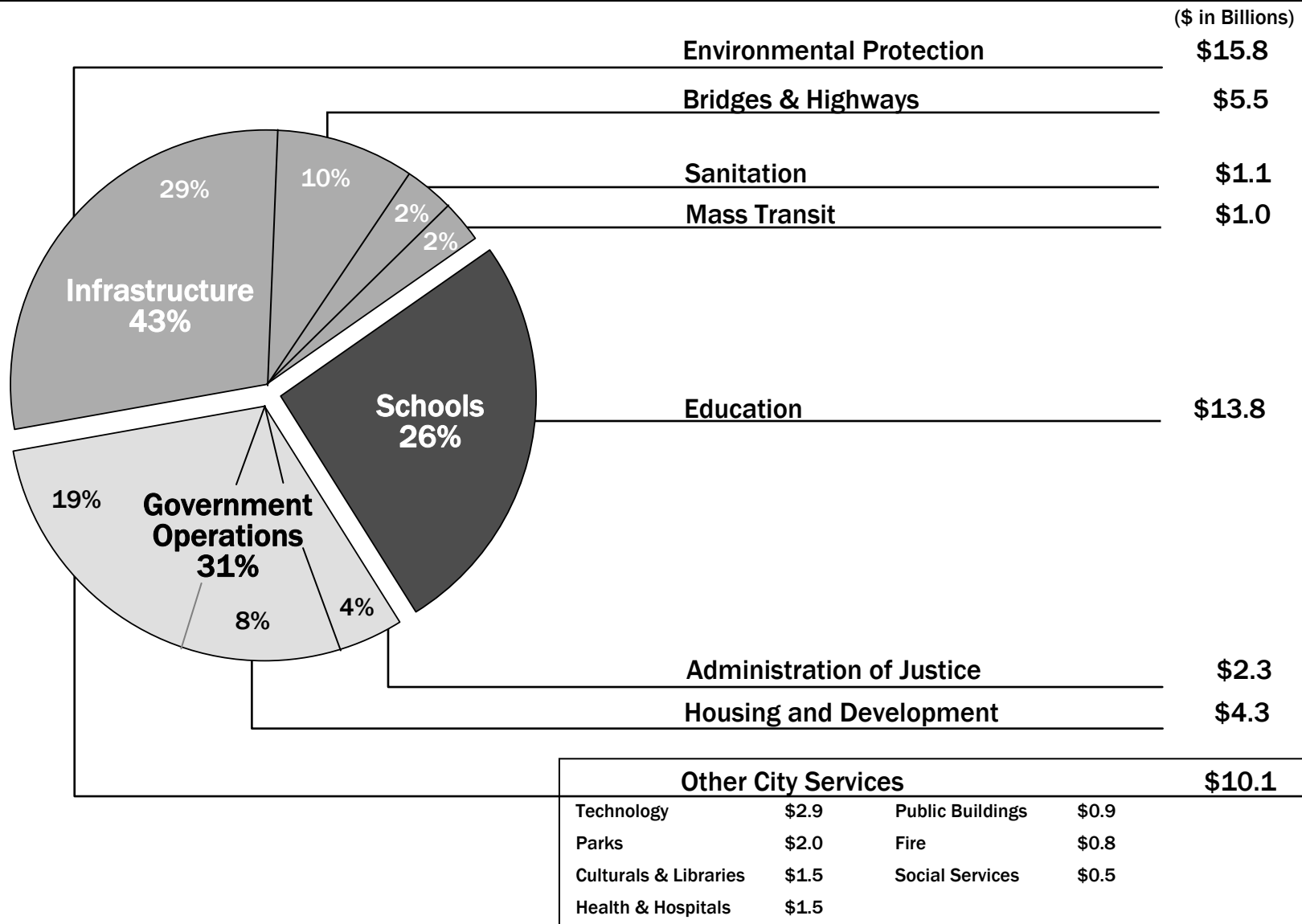
The Capital Plan Includes a 30% Reduction in New York City General Obligation and New York City TFA Funded Capital Projects in FY 2010-2013

(\$ in Billions)



⁽¹⁾Including Technology, Parks, Culturals & Libraries, Health & Hospitals, Public Buildings, Fire, Social Services

Our Capital Commitments FY 2002 – FY 2008 Totalled \$53.9 Billion



Capital Highlights

- ❖ We have invested **\$15.8 billion** in our water and sewer system since FY 2002 including the Third Water Tunnel.
- ❖ We have invested **\$5.5 billion** in our bridges and highways since FY 2002 including retrofitting the East River bridges.

VII. Tables

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	\$4,011	\$1,436	\$2,055	\$7,502	\$431	---	\$43	\$124	\$69	\$667	\$8,169	\$7,953	\$7,656	
Fire Department	1,451	504	913	2,868	175	---	6	24	66	271	3,139	3,128	2,855	
Dept. of Correction	854	316	277	1,447	145	---	7	20	165	337	1,784	1,782	1,740	
Dept. of Sanitation	726	305	208	1,239	545	---	7	31	214	797	2,036	2,033	1,987	
Subtotal	\$7,042	\$2,561	\$3,453	\$13,056	\$1,296	---	\$63	\$199	\$514	\$2,072	\$15,128	\$14,896	\$14,238	
HEALTH AND WELFARE														
Administration for Children's Services	\$406	\$115	\$52	\$573	\$2,351	---	\$2	\$2	---	\$2,355	\$2,928	\$2,896	\$907	
Department of Social Services	713	269	105	1,087	1,024	6,957	5	4	86	8,076	9,163	9,155	6,749	
Department of Homeless Services	120	37	15	172	723	---	1	1	---	725	897	793	374	
Department of Health and Mental Hygiene	419	109	45	573	1,311	---	1	3	23	1,338	1,911	1,900	820	
Health and Hospitals Corporation ⁽¹⁾	---	23	---	23	203	---	5	190	134	532	555	463	235	
Subtotal	\$1,658	\$553	\$217	\$2,428	\$5,612	\$6,957	\$14	\$200	\$243	\$13,026	\$15,454	\$15,207	\$9,085	
EDUCATION														
Dept. of Education	\$9,793	\$2,791	\$2,313	\$14,897	\$5,121	---	\$20	\$39	\$892	\$6,072	\$20,969	\$20,833	\$10,488	
City University	376	83	46	505	248	---	---	1	49	298	803	768	554	
Subtotal	\$10,169	\$2,874	\$2,359	\$15,402	\$5,369	---	\$20	\$40	\$941	\$6,370	\$21,772	\$21,601	\$11,042	
OTHER AGENCIES	\$2,196	\$677	\$296	\$3,169	\$4,456	---	\$82	\$198	\$1,727	\$6,463	\$9,632	\$8,654	\$6,775	
ELECTED OFFICIALS	\$445	\$109	\$58	\$612	\$101	---	\$7	\$1	---	\$109	\$721	\$718	\$648	
MISC. BUDGET	\$509	---	---	\$509	---	\$1,419 ⁽²⁾	---	---	\$304	\$1,723	\$2,232	\$2,232	\$1,892	
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$100	\$100	\$100	\$100	\$79	
RE-ESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	(\$500)	---	---	---	---	(\$500)	(\$500)	(\$500)	(\$500)	
TOTAL ⁽³⁾	\$22,019	\$6,774	\$6,383	\$35,176	\$16,334	\$8,376	\$186	\$638	\$3,829	\$29,363	\$64,539	\$62,908	\$43,259	
City Funds	\$12,465	\$5,784	\$6,215	\$24,464	\$7,392	\$7,044	\$177	\$448	\$3,734	\$18,795	\$43,259			
Less: Prepayments	---	\$460	---	\$460	\$225	(\$270)	---	---	\$2,400	\$2,355	\$2,815	\$2,815	\$2,815	
Total After Prepayments	\$22,019	\$6,314	\$6,383	\$34,716	\$16,109	\$8,646	\$186	\$638	\$1,429	\$27,008	\$61,724	\$60,093	\$40,444	

⁽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	\$4,015	\$1,351	\$2,017	\$7,383	\$274	---	\$42	\$136	\$78	\$530	\$7,913	\$7,695	\$7,578	
Fire Department	1,440	469	910	2,819	131	---	7	26	74	238	3,057	3,047	2,840	
Dept. of Correction	816	298	262	1,376	144	---	6	22	184	356	1,732	1,731	1,690	
Dept. of Sanitation	738	297	202	1,237	550	---	6	34	240	830	2,067	2,064	2,025	
Subtotal	\$7,009	\$2,415	\$3,391	\$12,815	\$1,099	---	\$61	\$218	\$576	\$1,954	\$14,769	\$14,537	\$14,133	
HEALTH AND WELFARE														
Administration for Children's Services	\$372	\$103	\$40	\$515	\$2,229	---	\$2	\$2	---	\$2,233	\$2,748	\$2,742	\$814	
Department of Social Services	713	264	109	1,086	953	6,056	4	5	96	7,114	8,200	8,196	5,992	
Department of Homeless Services	116	37	15	168	531	---	1	1	---	533	701	667	318	
Department of Health and Mental Hygiene	400	104	49	553	1,193	---	1	3	26	1,223	1,776	1,774	774	
Health and Hospitals Corporation ⁽¹⁾	---	25	---	25	169	---	5	190	167	531	556	483	257	
Subtotal	\$1,601	\$533	\$213	\$2,347	\$5,075	\$6,056	\$13	\$201	\$289	\$11,634	\$13,981	\$13,862	\$8,155	
EDUCATION														
Dept. of Education	\$9,225	\$2,696	\$2,480	\$14,401	\$5,280	---	\$17	\$40	\$998	\$6,335	\$20,736	\$20,604	\$10,541	
City University	373	78	50	501	188	---	---	1	37	226	727	714	500	
Subtotal	\$9,598	\$2,774	\$2,530	\$14,902	\$5,468	---	\$17	\$41	\$1,035	\$6,561	\$21,463	\$21,318	\$11,041	
OTHER AGENCIES	\$2,100	\$627	\$309	\$3,036	\$3,740	---	\$73	\$214	\$2,011	\$6,038	\$9,074	\$8,110	\$6,651	
ELECTED OFFICIALS	\$423	\$102	\$59	\$584	\$89	---	\$5	\$1	---	\$95	\$679	\$677	\$634	
MISC. BUDGET	\$1,086	---	---	\$1,086	---	\$1,771 ⁽²⁾	---	---	\$341	\$2,112	\$3,198	\$3,198	\$2,700	
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$101	\$101	\$101	\$101	\$68	
RE-ESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	---	---	---	---	---	---	---	---	---	
TOTAL ⁽³⁾	\$21,817	\$6,451	\$6,502	\$34,770	\$15,471	\$7,827	\$169	\$675	\$4,353	\$28,495	\$63,265	\$61,803	\$43,382	
City Funds	\$12,748	\$5,388	\$6,325	\$24,461	\$7,664	\$6,396	\$162	\$485	\$4,214	\$18,921	\$43,382			
Less: Prepayments	---	---	---	---	---	---	---	---	\$2,970	\$2,970	\$2,970	\$2,970	\$2,970	
Total After Prepayments	\$21,817	\$6,451	\$6,502	\$34,770	\$15,471	\$7,827	\$169	\$675	\$1,383	\$25,525	\$60,295	\$58,833	\$40,412	

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

⁽²⁾ Includes subsidies to MTA, general reserve, indigent defense services and other contractual services.

⁽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	\$4	(\$85)	(\$38)	(\$119)	(\$157)	---	(\$1)	\$12	\$9	(\$137)	(\$256)	(\$258)	(\$78)	
Fire Department	(11)	(35)	(3)	(49)	(44)	---	1	2	8	(33)	(82)	(81)	(15)	
Dept. of Correction	(38)	(18)	(15)	(71)	(1)	---	(1)	2	19	19	(52)	(51)	(50)	
Dept. of Sanitation	12	(8)	(6)	(2)	5	---	(1)	3	26	33	31	31	38	
Subtotal	(\$33)	(\$146)	(\$62)	(\$241)	(\$197)	---	(\$2)	\$19	\$62	(\$118)	(\$359)	(\$359)	(\$105)	
HEALTH AND WELFARE														
Administration for Children's Services	(\$34)	(\$12)	(\$12)	(\$58)	(\$122)	---	---	---	---	(\$122)	(\$180)	(\$154)	(\$93)	
Department of Social Services	---	(5)	4	(1)	(71)	(901)	(1)	1	10	(962)	(963)	(959)	(757)	
Department of Homeless Services	(4)	---	---	(4)	(192)	---	---	---	---	(192)	(196)	(126)	(56)	
Department of Health and Mental Hygiene	(19)	(5)	4	(20)	(118)	---	---	---	3	(115)	(135)	(126)	(46)	
Health and Hospitals Corporation ⁽¹⁾	---	2	---	2	(34)	---	---	---	33	(1)	1	20	22	
Subtotal	(\$57)	(\$20)	(\$4)	(\$81)	(\$537)	(\$901)	(\$1)	\$1	\$46	(\$1,392)	(\$1,473)	(\$1,345)	(\$930)	
EDUCATION														
Dept. of Education	(\$568)	(\$95)	\$167	(\$496)	\$159	---	(\$3)	\$1	\$106	\$263	(\$233)	(\$229)	\$53	
City University	(3)	(5)	4	(4)	(60)	---	---	---	(12)	(72)	(76)	(54)	(54)	
Subtotal	(\$571)	(\$100)	\$171	(\$500)	\$99	---	(\$3)	\$1	\$94	\$191	(\$309)	(\$283)	(\$1)	
OTHER AGENCIES	(\$96)	(\$50)	\$13	(\$133)	(\$716)	---	(\$9)	\$16	\$284	(\$425)	(\$558)	(\$544)	(\$124)	
ELECTED OFFICIALS	(\$22)	(\$7)	\$1	(\$28)	(\$12)	---	(\$2)	---	---	(\$14)	(\$42)	(\$41)	(\$14)	
MISC. BUDGET	\$577	---	---	\$577	---	\$352 ⁽²⁾	---	---	\$37	\$389	\$966	\$966	\$808	
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$1	\$1	\$1	\$1	(\$11)	
REESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	\$500	---	---	---	---	\$500	\$500	\$500	\$500	
TOTAL ⁽³⁾	(\$202)	(\$323)	\$119	(\$406)	(\$863)	(\$549)	(\$17)	\$37	\$524	(\$868)	(\$1,274)	(\$1,105)	\$123	
City Funds	\$283	(\$396)	\$110	(\$3)	\$272	(\$648)	(\$15)	\$37	\$480	\$126	\$123			
Less: Prepayments	---	(\$460)	---	(\$460)	(\$225)	\$270	---	---	\$570	\$615	\$155	\$155	\$155	
Total After Prepayments	(\$202)	\$137	\$119	\$54	(\$638)	(\$819)	(\$17)	\$37	(\$46)	(\$1,483)	(\$1,429)	(\$1,260)	(\$32)	

⁽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.

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				
Revenue Forecast Changes Included in the November 2008 Plan	(\$280)	(\$1,312)	(\$1,134)	(\$1,035)
Revenue Forecast Changes Since the November 2008 Plan				
Property Tax Revenue	---	32	(49)	(267)
Economically Sensitive Tax Revenue	(807)	(2,036)	(1,743)	(1,732)
State Budget Revenue Impact	(327)	(194)	(139)	(75)
Non-Tax Revenue	75	(33)	(15)	(2)
Total Revenue Changes Since the June 2008 Plan	(\$1,339)	(\$3,543)	(\$3,080)	(\$3,111)
Expense Changes				
Expense Changes Included in the November 2008 Plan	(\$23)	(\$11)	(\$23)	(\$25)
Expense Changes Since the November 2008 Plan				
Pension	(87)	202	50	60
State Budget Expense Impact	---	(32)	(51)	(67)
Energy	97	137	56	13
Reduced General Reserve	200	---	---	---
Re-estimate of Prior Year Expenses	500	---	---	---
Debt Service	15	9	33	138
Other Expense Changes	(16)	(109)	(100)	(107)
Total Expense Changes Since the June 2008 Plan	\$686	\$196	(\$35)	\$12
Surplus / (Gap) to be Closed January 2009 Plan	(\$653)	(\$5,691)	(\$8,273)	(\$8,207)
Gap Closing Programs				
Agency Programs Identified in the November 2008 Plan	\$462	\$1,083	\$1,032	\$991
November 2008 Plan Revenue Program	576	256	256	256
Total Gap Closing Programs	\$1,038	\$1,339	\$1,288	\$1,247
Remaining Gap	\$385	(\$4,352)	(\$6,985)	(\$6,960)
Additional Gap Closing Program Since the November 2008 Plan				
Agency Programs Since the November 2008 Plan	\$37	\$918	\$1,026	\$1,089
Reduced Uncontrollable Expenses				
Federal Matching Percent for Medicaid	\$ ---	\$1,000	\$1,000	\$ ---
Tier 5 Pension Legislation	---	200	200	200
10% Premium Copay / Conform Retiree Health Vesting to State Proposal	---	357	386	418
Revenue Initiative				
Restore Revenue Sharing to FY 2008 Level	\$242	\$242	\$242	\$242
Sales Tax Increase Program	77	894	920	972
Total Additional Gap Closing Program	\$356	\$3,611	\$3,774	\$2,921
Prepayments of FY 2010 Expenses	(\$741)	\$741	\$ ---	\$ ---
Gap to be Closed January 2009 Plan	\$ ---	\$ ---	(\$3,211)	(\$4,039)

Five-Year Financial Plan

Revenues and Expenditures

(All Funds)

\$ in Millions

Revenues	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Taxes					
General Property Tax	\$14,357	\$16,246	\$17,178	\$17,767	\$18,155
Other Taxes	19,869	17,232	19,102	20,633	22,141
Discretionary Transfers ^{(1) (2)}	546	546	---	---	---
Debt Defeasance ⁽⁴⁾	362	382	---	---	---
Tax Audit Revenue	680	596	596	595	594
Sales Tax Increase Program	77	894	920	972	1,023
Subtotal: Taxes	\$35,891	\$35,896	\$37,796	\$39,967	\$41,913
Miscellaneous Revenues	5,945	5,739	5,908	5,976	5,992
Unrestricted Intergovernmental Aid	254	254	254	254	254
Less: Intra-City Revenue	(1,631)	(1,462)	(1,462)	(1,462)	(1,462)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$40,444	\$40,412	\$42,481	\$44,720	\$46,682
Other Categorical Grants	1,104	1,021	1,023	1,026	1,025
Inter-Fund Revenues	477	445	437	434	433
Total City, Capital IFA & Other Categorical Funds	\$42,025	\$41,878	\$43,941	\$46,180	\$48,140
Federal Categorical Grants	6,037	5,326	5,323	5,334	5,334
State Categorical Grants	12,031	11,629	12,127	12,390	12,833
Total Revenues	\$60,093	\$58,833	\$61,391	\$63,904	\$66,307
Expenditures					
Personal Service					
Salaries and Wages	\$22,019	\$21,817	\$22,980	\$23,203	23,472
Pensions	6,383	6,502	7,031	7,280	7,554
Fringe Benefits ⁽¹⁾	6,774	6,451	6,504	6,767	7,711
Subtotal: Personal Service	\$35,176	\$34,770	\$36,515	\$37,250	\$38,737
Other Than Personal Service					
Medical Assistance	\$5,644	\$4,756	\$4,916	\$6,089	\$6,270
Public Assistance	1,313	1,299	1,299	1,299	1,299
All Other ^{(1) (2)}	18,477	17,787	18,601	19,256	19,834
Subtotal: Other Than Personal Service	\$25,434	\$23,842	\$24,816	\$26,644	\$27,403
General Obligation and Lease Debt Service ^{(1) (2) (3)}	3,829	4,353	4,783	5,211	5,496
General Obligation and TFA Debt Defeasances ⁽⁴⁾	(279)	(2,313)	---	---	---
FY 2008 Budget Stabilization & Discretionary Transfers ⁽¹⁾	(4,089)	---	---	---	---
FY 2009 Budget Stabilization & Discretionary Transfers ⁽²⁾	1,553	(1,007)	---	---	---
FY 2010 Budget Stabilization ⁽³⁾	---	350	(350)	---	---
General Reserve	100	300	300	300	300
Subtotal	\$61,724	\$60,295	\$66,064	\$69,405	\$71,936
Less: Intra-City Expenses	(1,631)	(1,462)	(1,462)	(1,462)	(1,462)
Total Expenditures	\$60,093	\$58,833	\$64,602	\$67,943	\$70,474
Gap To Be Closed	\$ ---	\$ ---	(\$3,211)	(\$4,039)	(\$4,167)

⁽¹⁾ Fiscal Year 2008 Budget Stabilization and Discretionary Transfers total \$4.635 billion, including prepayments of subsidies of \$500 million, Budget Stabilization of \$3.073 billion, Retiree Health Benefits of \$460 million, Lease Debt Service of \$46 million, net equity contribution in bond refunding of \$10 million, and a TFA grant which increases FY2009 revenues by \$546 million.

⁽²⁾ Fiscal Year 2009 Budget Stabilization and Discretionary Transfers total \$1.553 billion, including Budget Stabilization of \$1.007 billion and a TFA Grant which increases FY2010 revenues by \$546 million.

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

⁽⁴⁾ FY2007 GO Debt Defeasance of \$536 million reduced debt service by \$27 million, \$279 million and \$277 million in FY2008 through FY2010, respectively. FY2008 GO Debt Defeasance of \$1.986 billion reduces debt service by \$2.036 billion in FY2010. FY2007 TFA Debt defeasance of \$718 million increases revenues by \$33 million, \$362 million and \$382 million in FY2008 through FY2010, respectively



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