



The City of New York

Michael R. Bloomberg, Mayor

Financial Plan Summary

Fiscal Years 2009 — 2013

Office of Management and Budget
Mark Page, Director

May 1, 2009



Overview

- ❖ **New York City's budget is balanced for the current Fiscal Year, FY 2009, and we are presenting a plan for balance for next Fiscal Year, FY 2010, which begins on July 1, 2009. Budget balance in FY 2009 and FY 2010 is supported by the boom year surpluses which we rolled forward, knowing that the boom times do not last forever. These boom year resources will come to an end with FY 2010 (See page 13).**
- ❖ **The City's economy continues to struggle along with the U.S. and world economies. We are forecasting that the City will lose 328,000 jobs during this recession, which is up from our forecast of 294,000 job losses just a few months ago. This includes the loss of 47,000 securities sector jobs (See pages 7-8). The real estate market has weakened in the City and the tourism sector of our economy is slower as well.**
- ❖ **Our plan for balance in FY 2010 and to begin to address the gap in FY 2011 requires at least \$1.4 billion of actions by the State and the City's labor unions (See page 3). We have been taking actions to balance the FY 2010 budget since January 2008, when "irrational exuberance" started to cause concern. Since that time, City agencies have taken gap closing actions of over \$3 billion to help budget balance in FY 2010 (See page 17), reducing headcount in FY 2010 by over 13,000 Citywide (See page 18). It also has been necessary to raise additional revenue from the City's tax base because City revenues have dropped by almost \$5 billion between FY 2008 and FY 2010 (See page 15). Our tax revenue forecast for FY 2010 has fallen by another \$680 million since January.**
- ❖ **The budget gap we are facing in FY 2011, even assuming that we get the help we need from Albany and organized labor, and assuming that the economy begins to recover next year, is \$4.6 billion (See pages 13-14).**

Overview

- ❖ Since FY 2002, we have worked hard to balance the demand for City services with available City resources.
- ❖ During the boom years, we were able to provide more services that New Yorkers demand and deserve with the extraordinary excess resources which the economy generated, while at the same time rolling resources forward to the leaner years where we now find ourselves.
- ❖ City revenues have grown by 49% since FY 2002 (from \$26.1 billion to \$39.0 billion). During the same period, our controllable expenses have grown by 37%, (from \$15.2 billion to \$20.9 billion), while our non-controllable expenses and debt service have grown by 77% (from \$13.1 billion to \$23.3 billion). City headcount in FY 2010 will be 306,000, a decrease of over 10,000 full time and FTEs since January 2002.

Overview

Although City agencies have taken \$3.4 billion of gap closing actions for FY 2010, we continue to provide the services which New Yorkers demand and deserve.

- ❖ Although uniform police headcount has fallen by approximately 3,400, crime has dropped nearly 40% since 2002, including by 13% year-to-date this year.
- ❖ Fire deaths are at the lowest seven-year total in history.
- ❖ High School graduation rates have increased by 22% since 2002.
- ❖ Public school students have made double digit gains in reading and math since 2002, and the longstanding achievement gap between black and Hispanic students and their white peers is narrowing.
- ❖ Major in-school crime is down more than 30%.
- ❖ Our streets are the cleanest they have been in more than 30 years.
- ❖ More than 500 acres of new parkland has been added to the City since 2002.
- ❖ Average life expectancy is longer than ever.
- ❖ Street homelessness is down 47% since the first-ever citywide count in 2005. In NYC, one in every 3,554 people is unsheltered. That compares to 1 in 282 in San Francisco, 1 in 301 in Seattle, and 1 in 1,800 in Chicago.

Anticipated State and Labor Actions

\$ in Millions

	FY 2010	FY 2011
<u>State Actions</u>		
Increase Sales Tax By 0.5%	\$552	\$572
Repeal Sales Tax Clothing Exemption	394	409
Consumer Plastic Bag Use Fee	100	160
Subtotal – State Actions	\$1,046	\$1,141
<u>Labor Actions</u>		
New Pension Tier for New Employees (Tier 5)*	\$200	\$200
Health Care Cost Containment	200	200
10% Premium Contribution for Health Insurance	---	357
Subtotal – Labor Actions	\$400	\$757
Total	\$1,446	\$1,898

*Also requires State action

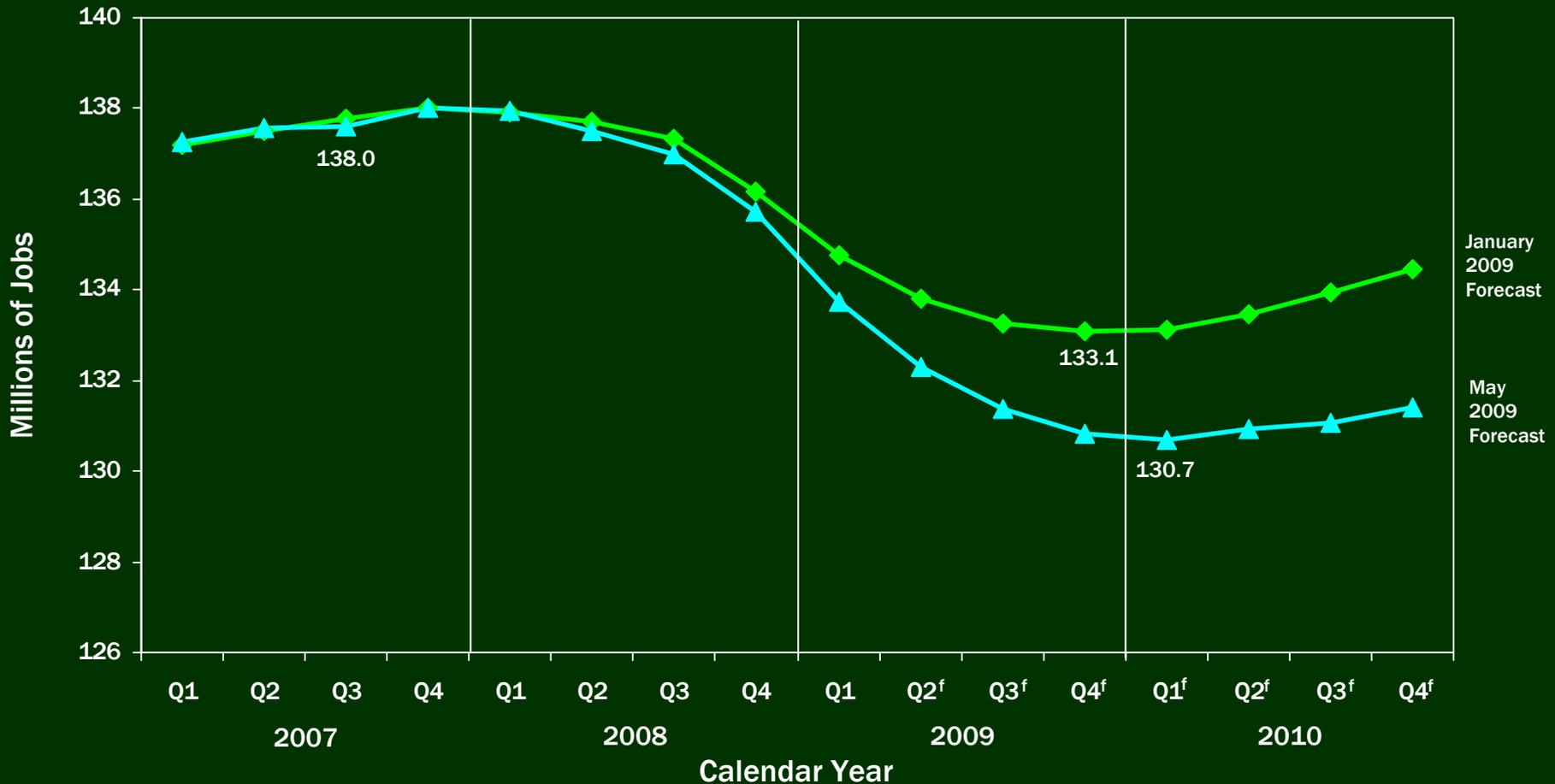
Measures for Slowing the Growth of the Uncontrollable Expenses Require the Assistance of Our Partners in Organized Labor and the State

- ❖ **Pensions** – We continue to ask Albany (with the cooperation of the City’s Unions) for a new Tier 5 for new 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. Uncontrolled growth of mandated pension expenses will inevitably reduce our ability to pay for the salaries and wages of the City’s workforce.
- ❖ **Employee Health Benefits** – Our plan relies on \$200 million of savings annually from health care cost containment beginning in FY 2010. 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 beginning in FY 2011.
- ❖ To date, we have not achieved these savings from Albany and the City’s Unions.

I. Economic Update

The U.S. Is Now Expected to Lose a Total of 7.3 Million Jobs, 2 Million More Than Our January Forecast

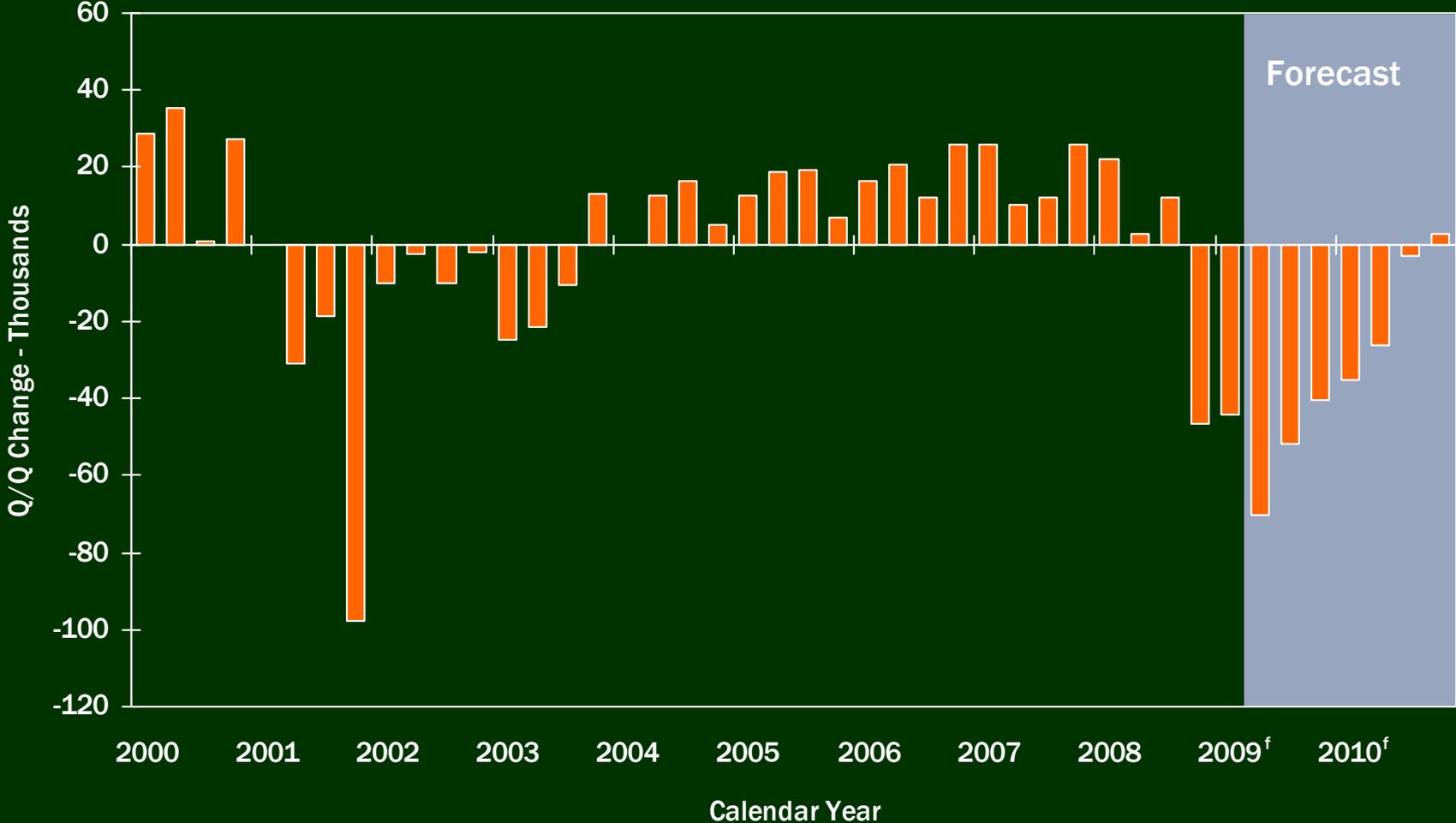
U.S. Total Employment in Millions of Jobs



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

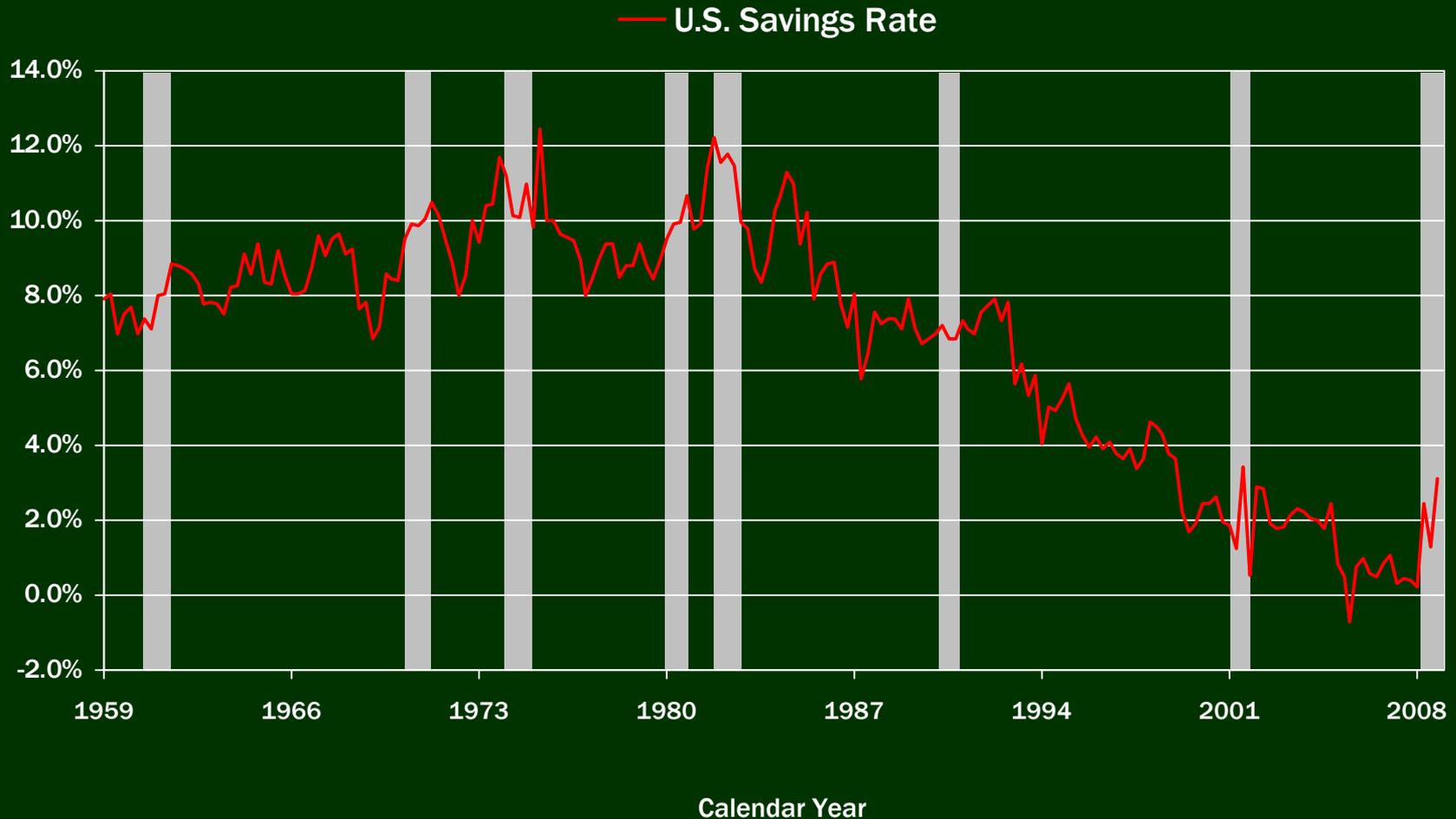
The City Is Now Expected to Lose 328,000 Jobs Through the 3rd Quarter of CY 2010 (Including the Loss of 47,000 Securities Sector Jobs), Up from Our January Forecast of 294,000 Jobs

Change in NYC Total Employment



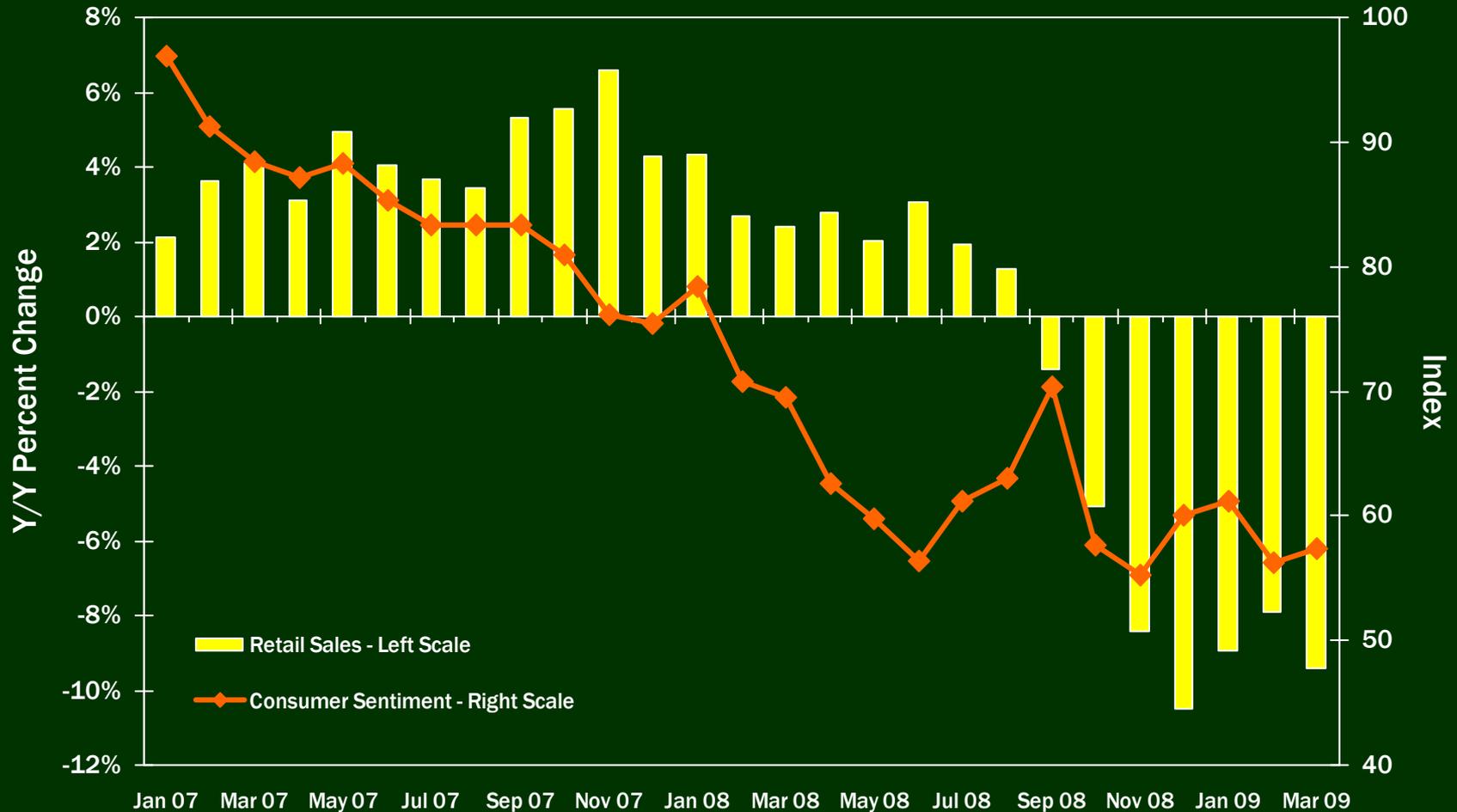
Source: NYS Department of Labor, OMB
f = forecast

The U.S. Savings Rate Has Recently Reversed Its 25-Year Decline as Households Have Begun Saving Again



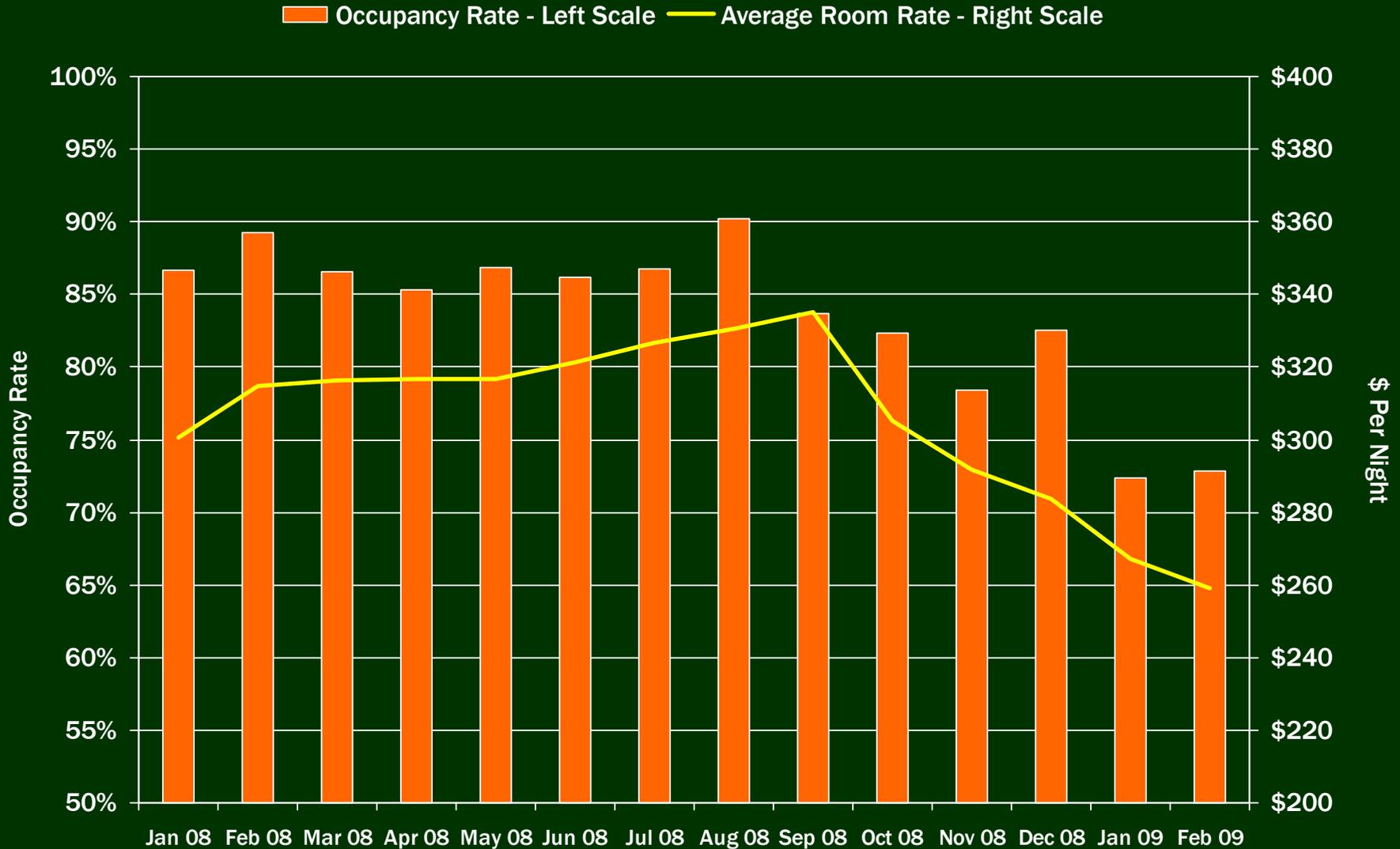
Shaded area indicates a national recession as defined by the National Bureau of Economic Research

Consumer Sentiment Has Dropped Sharply, Resulting in a Decline in Retail Sales



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

Hotel Room Rates and Occupancy Rates Have Been Falling Since Last Summer

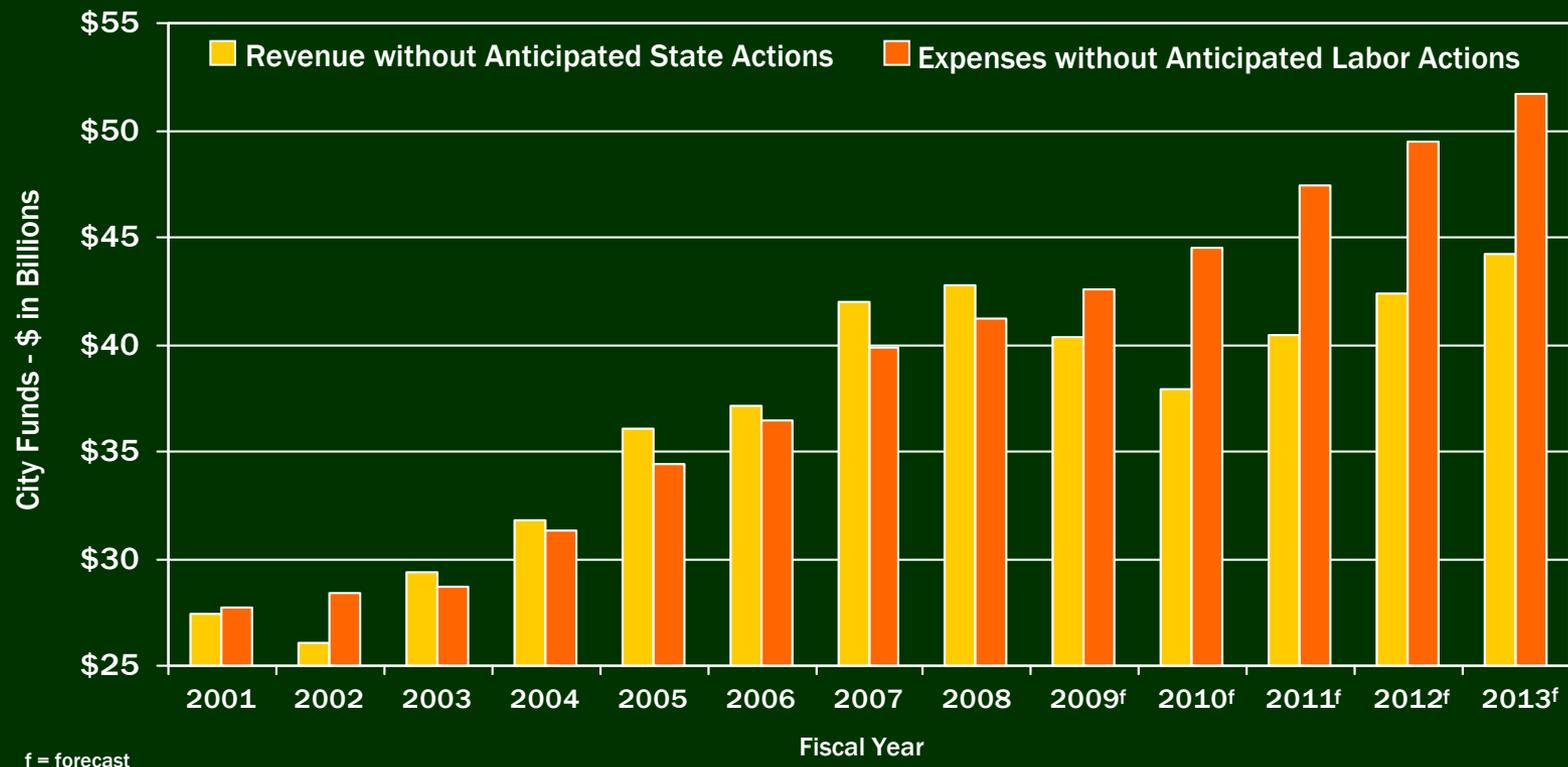


Source: PKF Consulting, Data seasonally adjusted by OMB

II. Budget Update

Revenue and Expenses Without Anticipated State and Labor Actions

May 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	FY 13
Revenue w/o Anticipated State Actions	\$27.4	\$26.1	\$29.4	\$31.8	\$36.1	\$37.1	\$42.0	\$42.8	\$40.3	\$37.9	\$40.4	\$42.4	\$44.2
Expenses w/o Anticipated Labor Actions	\$27.7	\$28.4	\$28.7	\$31.3	\$34.4	\$36.5	\$39.9	\$41.2	\$42.6	\$44.5	\$47.4	\$49.5	\$51.7
Operating Surplus / (Deficit)	(\$0.3)	(\$2.3)	\$0.7	\$0.5	\$1.7	\$0.6	\$2.1	\$1.6	(\$2.3)	(\$6.6)	(\$7.0)	(\$7.1)	(\$7.5)
Cumulative Surplus / (Deficit)									\$5.5	(\$1.1)	(\$8.1)	(\$15.2)	(\$22.7)
Benefit of Anticipated State and Labor Actions (see page 3)									\$0.1	\$1.5	\$1.9	\$2.0	\$2.1
Operating Surplus / (Deficit)									(\$2.2)	(\$5.1)	(\$5.1)	(\$5.1)	(\$5.4)
Cumulative Surplus / (Deficit)	\$2.9	\$0.6	\$1.3	\$1.8	\$3.5	\$4.1	\$6.2	\$7.8	\$5.6	\$0.5	(\$4.6)	(\$9.7)	(\$15.1)

City Funds Changes Between June 2008 Plan and May 2009 Plan

City Funds - \$ in Millions

	FY 2009			FY 2010			FY 2011		
	June 2008 Plan	May 2009 Plan	Changes Since June 2008	June 2008 Plan	May 2009 Plan	Changes Since June 2008	June 2008 Plan	May 2009 Plan	Changes Since June 2008
Revenue									
Without Anticipated State Actions ⁽¹⁾ (see page 15)	\$39,877	\$40,317	\$440	\$41,251	\$37,926	(\$3,325)	\$43,739	\$40,416	(\$3,323)
<i>Year-to-Year Change:</i>	<i>(2,959) (6.9%)</i>	<i>(2,519) (5.9%)</i>		<i>1,374 3.4%</i>	<i>(2,391) (5.9%)</i>		<i>2,488 6.0%</i>	<i>2,490 6.6%</i>	
Expenditures⁽⁴⁾									
Controllable Agency Expenses (see page 20)	\$20,971	\$20,558	(\$413)	\$22,048	\$20,913	(\$1,135)	\$23,351	\$21,861	(\$1,490)
<i>Year-to-Year Change:</i>	<i>1,636 8.5%</i>	<i>1,223 6.3%</i>		<i>1,077 5.1%</i>	<i>355 1.7%</i>		<i>1,303 5.9%</i>	<i>948 4.5%</i>	
Debt Service	3,745	3,557	(188)	4,221	4,174	(47)	4,660	4,530	(130)
<i>Year-to-Year Change:</i>	<i>153 4.3%</i>	<i>(35) (1.0%)</i>		<i>476 12.7%</i>	<i>617 17.3%</i>		<i>439 10.4%</i>	<i>356 8.5%</i>	
Non-Controllable Expenses (see page 21)	19,625	18,540	(1,085)	20,683	19,476	(1,207)	21,436	21,031	(405)
<i>Year-to-Year Change:</i>	<i>1,323 7.2%</i>	<i>238 1.3%</i>		<i>1,058 5.4%</i>	<i>936 5.0%</i>		<i>753 3.6%</i>	<i>1,555 8.0%</i>	
Total Expenditures									
Without Anticipated Labor Actions	\$44,341	\$42,655	(\$1,686)	\$46,952	\$44,563	(\$2,389)	\$49,447	\$47,422	(\$2,025)
<i>Year-to-Year Change:</i>	<i>3,112 7.5%</i>	<i>1,426 3.5%</i>		<i>2,611 5.9%</i>	<i>1,908 4.5%</i>		<i>2,495 5.3%</i>	<i>2,859 6.4%</i>	
Operating Surplus/(Deficit)									
Without Anticipated State and Labor Actions	(\$4,464)	(\$2,338)	\$2,126	(\$5,701)	(\$6,637)	(\$936)	(\$5,708)	(\$7,006)	(\$1,298)
Current Year Roll (Cost) ⁽²⁾	(812)	(3,026)	(2,214)	(350)	(530)	(180)	---	---	---
Prior Year Roll – Benefit ⁽²⁾	4,635	4,635	---	812	3,026	2,214	350	530	180
Net Impact of Prior Debt Defeasances ⁽³⁾	641	641	---	2,695	2,695	---	---	---	---
Benefit of Anticipated State and Labor Actions (see page 3)	---	88	88	200	1,446	1,246	200	1,898	1,698
Gap to be Closed	\$ ---	\$ ---	\$ ---	(\$2,344)	\$ ---	\$2,344	(\$5,158)	(\$4,578)	\$580

⁽¹⁾ Excludes the impact of prepayments and debt defeasances.

⁽²⁾ Includes current debt defeasance of \$530 million.

⁽³⁾ Includes prior debt defeasances of \$350 million, \$1.254 billion, and \$1.986 billion in FY 06 to FY 08 respectively, which impacts FY 07 to FY 10.

City Revenue

		\$ in Millions				
		FY 2007 ⁽¹⁾	FY 2008	FY 2009 ^f	FY 2010 ^f	FY 2011 ^f
Property Tax		\$12,958	\$13,062	\$14,408	\$16,127	\$17,173
	Year-to-Year	487	104	1,346	1,719	1,046
	Change:	3.9%	0.8%	10.3%	11.9%	6.5%
Economically Sensitive Taxes		\$24,871	\$24,602	\$21,142	\$17,202	\$18,790
	Year-to-Year	4,078	(269)	(3,460)	(3,940)	1,588
	Change:	19.6%	(1.1%)	(14.1%)	(18.6%)	9.2%
Subtotal - Tax Revenue		\$37,829	\$37,664	\$35,550	\$33,329	\$35,963
	Year-to-Year	4,565	(165)	(2,114)	(2,221)	2,634
	Change:	13.7%	(0.4%)	(5.6%)	(6.2%)	7.9%
Non-Tax Revenue		\$4,175	\$5,172	\$4,767	\$4,597	\$4,453
	Year-to-Year	361	997	(405)	(170)	(144)
	Change:	9.5%	23.9%	(7.8%)	(3.6%)	(3.1%)
Subtotal - City Revenue		\$42,004	\$42,836	\$40,317	\$37,926	\$40,416
	Year-to-Year	4,926	832	(2,519)	(2,391)	2,490
	Change:	13.3%	2.0%	(5.9%)	(5.9%)	6.6%
Anticipated State Actions				\$88	\$1,046	\$1,141
Total Revenue		\$42,004	\$42,836	\$40,405	\$38,972	\$41,557
	Year-to-Year	4,926	832	(2,431)	(1,433)	2,585
	Change:	13.3%	2.0%	(5.7%)	(3.5%)	6.6%

Notes: Excludes the impact of prepayments and debt defeasances

⁽¹⁾ Change from FY 2006 – data not shown.

f = forecast

Economically Sensitive Taxes

Drop a Combined \$7.4 Billion in FY 09 and FY 10

		\$ in Millions				
		FY 2007 ⁽¹⁾	FY 2008	FY 2009 ^f	FY 2010 ^f	FY 2011 ^f
Personal Income		\$7,920	\$8,760	\$7,146	\$5,578	\$6,409
	Year-to-Year	1,210	840	(1,614)	(1,568)	831
	Change:	18.0%	10.6%	(18.4%)	(21.9%)	14.9%
Sales		4,619	4,868	4,593	4,069	4,205
	Year-to-Year	201	249	(275)	(524)	136
	Change:	4.5%	5.4%	(5.6%)	(11.4%)	3.3%
Business		\$6,013	5,412	5,012	3,957	4,448
	Year-to-Year	1,670	(601)	(400)	(1,055)	491
	Change:	38.5%	(10.0%)	(7.4%)	(21.0%)	12.4%
Real Estate Transaction Taxes		3,293	2,546	1,346	1,088	1,200
	Year-to-Year	645	(747)	(1,200)	(258)	112
	Change:	24.4%	(22.7%)	(47.1%)	(19.2%)	10.3%
Other*		3,026	3,016	3,045	2,510	2,528
	Year-to-Year	352	(10)	29	(535)	18
	Change:	13.2%	(0.3%)	1.0%	(17.6%)	0.7%
Total Economically Sensitive Taxes		\$24,871	\$24,602	\$21,142	\$17,202	\$18,790
	Year-to-Year	4,078	(269)	(3,460)	(3,940)	1,588
	Change:	19.6%	(1.1%)	(14.1%)	(18.6%)	9.2%

Note: Excludes the impact of prepayments, debt defeasances, and tax programs

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

⁽¹⁾ Change from FY06 – data not shown.

^f = forecast

Since January 2008, We Have Taken \$1.7 Billion of Agency Actions for FY 2009, and \$3.4 Billion of Agency Actions for FY 2010 to Help Close the Budget Gap for FY 2010⁽¹⁾
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	(\$163)	(\$10)	(\$173)	(4.6%)	(\$340)	(\$76)	(\$416)	(10.9%)
Fire	(54)	(11)	(65)	(4.8%)	(103)	(37)	(140)	(10.2%)
Correction	(30)	---	(30)	(3.2%)	(79)	---	(79)	(8.4%)
Sanitation	(89)	(23)	(112)	(8.6%)	(114)	(37)	(151)	(11.2%)
Health and Welfare								
Administration for Children's Services	(77)	---	(77)	(9.3%)	(170)	---	(170)	(20.7%)
Social Services	(65)	(1)	(66)	(10.9%)	(135)	(1)	(136)	(22.1%)
Homeless Services	(32)	---	(32)	(10.4%)	(67)	---	(67)	(21.4%)
Youth & Community Development	(13)	---	(13)	(6.8%)	(44)	---	(44)	(22.8%)
Health & Mental Hygiene	(30)	(9)	(39)	(11.3%)	(66)	(19)	(85)	(24.1%)
Other Mayoral								
Housing Preservation & Development	(8)	(3)	(11)	(16.4%)	(14)	(3)	(17)	(25.0%)
Finance	(7)	(40)	(47)	(22.4%)	(22)	(51)	(73)	(35.0%)
Transportation	(27)	(29)	(56)	(13.5%)	(47)	(57)	(104)	(24.8%)
Parks & Recreation	(14)	(17)	(31)	(11.3%)	(41)	(24)	(65)	(23.9%)
Libraries	(17)	---	(17)	(5.4%)	(72)	---	(72)	(22.2%)
Cultural Affairs	(11)	---	(11)	(7.1%)	(34)	---	(34)	(22.3%)
Citywide Administrative Services	(8)	(27)	(35)	(19.8%)	(15)	(32)	(47)	(26.6%)
All Other Agencies	(216)	(69)	(285)	(20.9%)	(309)	(72)	(381)	(28.5%)
Major Organizations								
Education	(479)	---	(479)	(6.4%)	(1,045)	---	(1,045)	(13.3%)
CUNY	(10)	---	(10)	(6.1%)	(27)	(9)	(36)	(22.3%)
HHC	---	(5)	(5)	(5.8%)	(9)	(16)	(25)	(29.5%)
Other								
Procurement Savings	(56)	---	(56)		(111)	---	(111)	
Consumer Plastic Bag Use Fee	---	---	---		---	(84)	(84)	
Data Mining to Improve Billing and Collection	---	(2)	(2)		---	(25)	(25)	
Total Agency Programs	(\$1,406)	(\$246)	(\$1,652)	(8.1%)	(\$2,864)	(\$543)	(\$3,407)	(16.4%)

⁽¹⁾ vs. Budget.

FY 2010 Headcount Reduction

	Nov 2008 and Jan 2009 Plans			May 2009 Plan			Total		
	Layoffs	Attrition	Total	Layoffs	Attrition	Total	Layoffs	Attrition	Total
Uniform Forces									
Police	- Uniform	(2,067)	(2,067)	---	---	---	---	(2,067)	(2,067)
	- Civilian	(469)	(469)	(395)	(125)	(520)	(395)	(594)	(989)
Fire	- Uniform	(451)	(451)	---	---	---	---	(451)	(451)
	- Civilian	(3)	(198)	(201)	---	---	(3)	(198)	(201)
Sanitation	- Uniform	(222)	(222)	---	---	---	---	(222)	(222)
	- Civilian	(18)	(18)	---	---	---	---	(18)	(18)
Correction	- Uniform	(832)	(832)	---	---	---	---	(832)	(832)
	- Civilian	(16)	(16)	---	(72)	(72)	---	(88)	(88)
	Subtotal	(4,273)	(4,276)	(395)	(197)	(592)	(398)	(4,470)	(4,868)
Health and Welfare:									
Social Services		(489)	(489)	---	(164)	(164)	---	(653)	(653)
Admin. For Children Services		(361)	(969)	---	---	---	(608)	(361)	(969)
Homeless Services		7	(215)	(88)	(17)	(105)	(310)	(10)	(320)
Health and Mental Hygiene		(2)	(59)	---	(50)	(50)	(57)	(52)	(109)
	Subtotal	(845)	(1,732)	(88)	(231)	(319)	(975)	(1,076)	(2,051)
Other Agencies:									
Housing Preservation and Development		(51)	(51)	(28)	(5)	(33)	(28)	(56)	(84)
Environmental Protection		12	12	---	(3)	(3)	---	9	9
Finance		35	18	(26)	---	(26)	(43)	35	(8)
Transportation		---	---	---	(104)	(104)	---	(104)	(104)
Parks		(490)	(490)	---	(115)	(115)	---	(605)	(605)
Citywide Administrative Services		64	64	---	---	---	---	64	64
All Other		(474)	(526)	(102)	(140)	(242)	(154)	(614)	(768)
	Subtotal	(904)	(973)	(156)	(367)	(523)	(225)	(1,271)	(1,496)
Department of Education:									
Pedagogical*		(1,440)	(1,440)	---	---	---	---	(1,440)	(1,440)
Civilian		(131)	(475)	---	---	---	(344)	(131)	(475)
	Subtotal	(1,571)	(1,915)	---	---	---	(344)	(1,571)	(1,915)
Enhanced Agencies									
Libraries		(148)	(850)	(241)	---	(241)	(943)	(148)	(1,091)
Cultural Institutions		---	(321)	(93)	---	(93)	(414)	---	(414)
Health and Hospitals Corporation		---	---	(130)	(270)	(400)	(130)	(270)	(400)
NYCHA		(888)	(1,206)	(12)	(88)	(100)	(330)	(976)	(1,306)
	Subtotal	(1,036)	(2,377)	(476)	(358)	(834)	(1,817)	(1,394)	(3,211)
Total		(8,629)	(11,273)	(1,115)	(1,153)	(2,268)	(3,759)	(9,782)	(13,541)

November and January Plan values restated to include reductions in Cultural Institutions, Libraries, NYCHA, and FTE's for the Department of Parks and Recreation

*Excludes January Plan reduction of 14,190 State funded positions that have been restored with Federal stimulus funds

Examples of New Agency Programs to Eliminate the Gap in FY 2010 in May 2009 Plan

Agency Programs		Increases the Gap / (Decreases the Gap) City Funds - \$ In Millions FY 2010
Police:	Reduction of 125 Traffic "Management" Enforcement Agents	(\$5.0)
Fire:	Reduction in Uniformed Administrative Overtime	(\$3.4)
Parks:	Reduction in Seasonal Staff Equivalent to 115 Positions	(\$4.4)
DCAS:	Renegotiation of City Leases	(\$2.0)
Libraries:	4% Reduction in Subsidies Equivalent to 241 Positions	(\$11.2)
DoITT:	Renegotiation of Vendor Contracts	(\$4.8)
Sanitation:	Reduced Waste Export Contract Costs	(\$6.5)
ACS:	Eliminate 1,100 Low Priority Childcare Slots	(\$9.1)

Controllable Agency Expenses⁽¹⁾

May 2009 Plan City Funds - \$ in Millions

	FY 2007 ⁽²⁾	FY 2008	FY 2009 ^f	FY 2010 ^f	FY 2011 ^f
Uniformed Forces					
Police Department	\$3,461	\$3,735	\$4,027	\$4,033	\$4,146
Fire Department	1,272	1,323	1,396	1,414	1,425
Department of Correction	913	927	989	967	988
Sanitation Department	1,145	1,206	1,244	1,272	1,376
Subtotal: Uniformed Forces	\$6,791	\$7,191	\$7,656	\$7,686	\$7,935
Year-To-Year:	231	400	465	30	249
Change:	3.5%	5.9%	6.5%	0.4%	3.2%
Health and Welfare					
Social Services	\$512	\$438	\$566	\$587	\$592
Children's Services	901	830	805	702	703
Homeless Services	348	360	344	303	312
Health and Mental Hygiene	589	570	660	610	620
HHC Subsidy	80	128	95	86	86
Subtotal: Health and Welfare	\$2,430	\$2,326	\$2,470	\$2,288	\$2,313
Year-To-Year:	(121)	(104)	144	(182)	25
Change:	(4.7%)	(4.3%)	6.2%	(7.4%)	1.1%
Other Mayoral					
Housing Preservation & Development	\$74	\$75	\$82	\$63	\$57
Environmental Protection	808	850	945	965	906
Finance	201	210	216	224	222
Transportation	358	422	473	446	446
Parks and Recreation	250	277	278	256	254
Citywide Administrative Services	179	196	213	223	228
Labor Reserve	346	529	433	969	1,335
All Other Mayoral	1,364	1,572	1,712	1,549	1,572
Subtotal: Other Mayoral	\$3,580	\$4,131	\$4,352	\$4,695	\$5,020
Year-To-Year:	332	551	221	343	325
Change:	10.2%	15.4%	5.3%	7.9%	6.9%
Education					
Department of Education (see below)	\$4,852	\$4,780	\$5,160	\$5,374	\$5,762
CUNY	411	445	457	418	408
Subtotal: Education	\$5,263	\$5,225	\$5,617	\$5,792	\$6,170
Year-To-Year:	386	(38)	392	175	378
Change:	7.9%	(0.7%)	7.5%	3.1%	6.5%
Elected Officials					
Mayoralty	\$63	\$64	\$68	\$64	\$64
All Other Elected	378	398	395	388	359
Subtotal: Elected Officials	\$441	\$462	\$463	\$452	\$423
Year-To-Year:	22	21	1	(11)	(29)
Change:	5.3%	4.8%	0.2%	(2.4%)	(6.4%)
Total Controllable Agency Spending	\$18,505	\$19,335	\$20,558	\$20,913	\$21,861
Year-To-Year:	850	830	1,223	355	948
Change:	4.8%	4.5%	6.3%	1.7%	4.5%
Department of Education (Including State and Federal Funds)	\$13,400	\$14,311	\$14,820	\$15,242	\$16,076
Year-To-Year:	790	911	509	422	834
Change:	6.3%	6.8%	3.6%	2.8%	5.5%

Note: Excludes the impact of prepayments; ⁽¹⁾ Actual Change. ⁽²⁾ Change from FY 2006 - data not shown. f = forecast

Non-Controllable Agency Expenses and Debt Service

City Funds - \$ in Millions

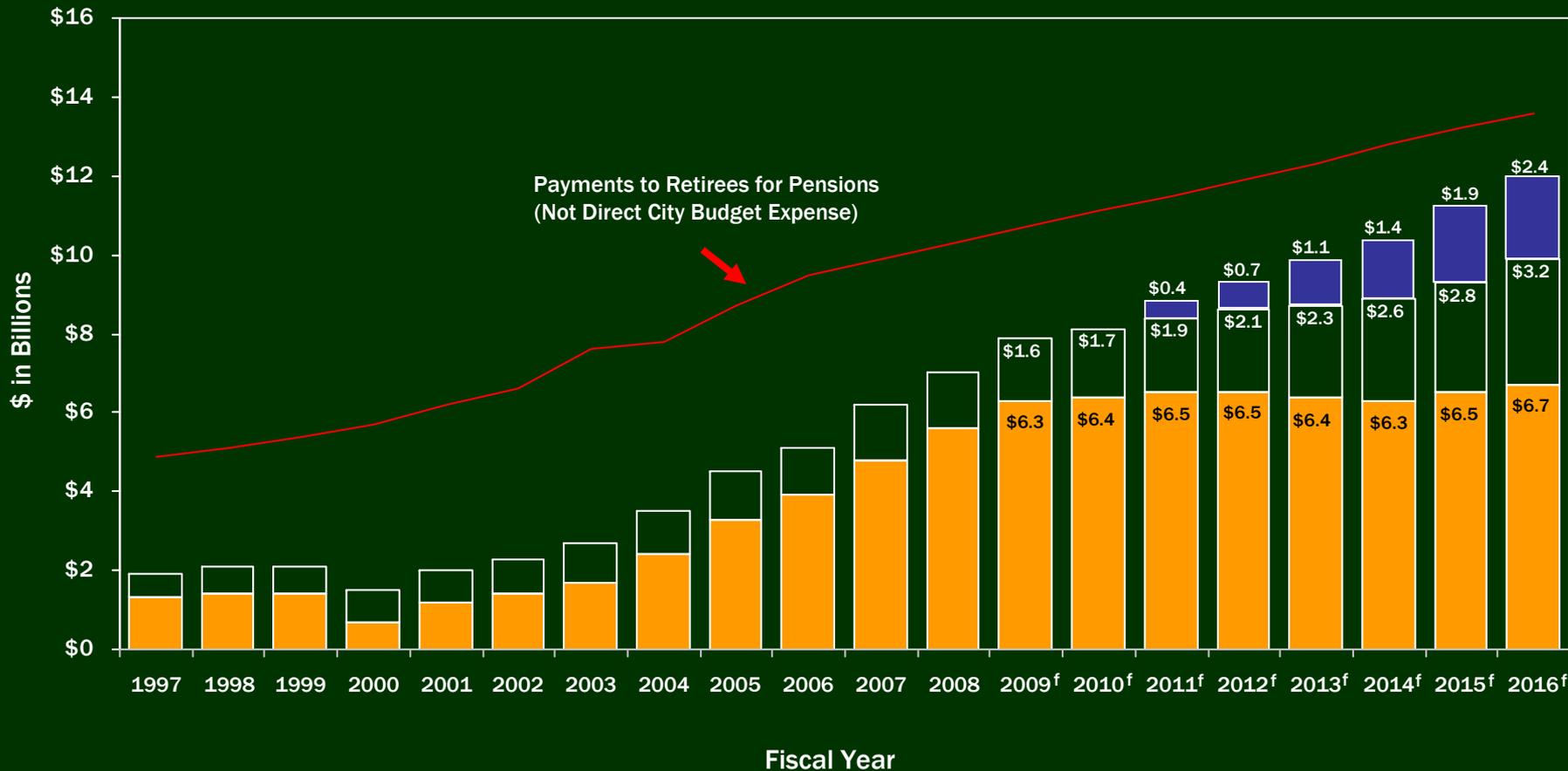
		FY 2002	FY 2007 ⁽¹⁾	FY 2008	FY 2009 ^f	FY 2010 ^f	FY 2011 ^f
Non-Controllable Agency Expenses							
Pensions		\$1,334	\$4,689	\$5,571	\$6,224	\$6,535	\$7,053
<i>Excludes Anticipated Labor Actions</i>	<i>Year-to-Year Change:</i>		\$3,355 251.5%	\$882 18.8%	\$653 11.7%	\$311 5.0%	\$518 7.9%
Fringe Benefits		\$3,790	\$5,340	\$5,642	\$5,810	\$5,990	\$6,462
<i>Excludes Anticipated Labor Actions</i>	<i>Year-to-Year Change:</i>		\$1,550 40.9%	\$302 5.7%	\$168 3.0%	\$180 3.1%	\$472 7.9%
Retiree Health Benefits Trust			\$1,500	\$ ---	\$ ---	(\$82)	(\$395)
Employee-Related Costs		\$5,124	\$11,529	\$11,213	\$12,034	\$12,443	\$13,120
	<i>Year-to-Year Change:</i>		\$6,405 125.0%	(\$316) (2.7%)	\$821 7.3%	\$409 3.4%	\$677 5.4%
Medicaid		\$3,537	\$5,016	\$5,621	\$5,015	\$4,773	\$5,487
<i>Includes Federal Matching Percent for Medicaid</i>	<i>Year-to-Year Change:</i>		\$1,479 41.8%	\$605 12.1%	(\$606) (10.8%)	(\$242) (4.8%)	\$714 15.0%
Re-estimate of Prior Year Expenses		(\$413)	(\$515)	(\$399)	(\$500)	\$ ---	\$ ---
	<i>Year-to-Year Change:</i>		(\$102) (24.7%)	\$116 22.5%	(\$101) (25.3%)	\$500 100.0%	\$ --- 0.0%
General Reserve		\$ ---	\$ ---	\$ ---	\$40	\$300	\$300
	<i>Year-to-Year Change:</i>		\$ --- 0.0%	\$ --- 0.0%	\$40 0.0%	\$260 650.0%	\$ --- 0.0%
All Other ⁽²⁾		\$1,560	\$1,919	\$1,867	\$1,951	\$1,960	\$2,124
	<i>Year-to-Year Change:</i>		\$359 23.0%	(\$52) (2.7%)	\$84 4.5%	\$9 0.5%	\$164 8.4%
Subtotal Non-Controllable Expenses		\$9,808	\$17,949	\$18,302	\$18,540	\$19,476	\$21,031
	<i>Year-to-Year Change:</i>		\$8,141 83.0%	\$353 2.0%	\$238 1.3%	\$936 5.0%	\$1,555 8.0%
Anticipated Labor Actions					\$ ---	(\$400)	(\$757)
Total Non-Controllable Expenses		\$9,808	\$17,949	\$18,302	\$18,540	\$19,076	\$20,274
	<i>Year-to-Year Change:</i>		\$8,141 83.0%	\$353 2.0%	\$238 1.3%	\$536 2.9%	\$1,198 6.3%
Debt Service		\$3,327	\$3,454	\$3,592	\$3,557	\$4,174	\$4,530
<i>Includes Capital Reduction</i>	<i>Year-to-Year Change:</i>		\$127 3.8%	\$138 4.0%	(\$35) (1.0%)	\$617 17.3%	\$356 8.5%
Total Non-Controllable and Debt Service		\$13,135	\$21,403	\$21,894	\$22,097	\$23,250	\$24,804
	<i>Year-to-Year Change:</i>		\$8,268 62.9%	\$491 2.3%	\$203 0.9%	\$1,153 5.2%	\$1,554 6.7%

⁽¹⁾ Change is 2002-2007 change.

⁽²⁾ Includes Public Assistance, Judgments & Claims, Indigent Defense Service, Contractual, Criminal Justice and Water & Sewer for City Facilities.
Note: Excludes the impact of prepayments and debt defeasances; f = forecast

If the Current 20% Loss in Asset Value Continues, NYC Retirement Systems' Employer Contributions (Direct City Budget Expense) Will Increase by \$7.9 Billion Through FY 2016 to Cover the Loss in Corpus Value

- Additional NYC Pension Contribution Required if 20% Loss is Recognized as of June 30, 2009⁽¹⁾
- NYC Pension Contribution Based on Asset Value as of June 30, 2008⁽¹⁾
- Retiree Health Benefits



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

III. Federal Stimulus & Local Targeted Investments

Federal Stimulus Has Enabled Us to Avoid the Teacher Layoffs Associated with the Reduction in State Funding and Reduced the City's Cost for Medicaid

Federal Stimulus Funding FY 2009 – FY 2011

\$ in Millions

	FY 2009	FY 2010	FY 2011
Education*	---	\$952	\$961
Medicaid - FMAP (based on State Allocation Formula)	\$447	\$850	\$295
Medicaid - FMAP (as intended in the Federal Stimulus)	\$614	\$1,007	\$514
Medicaid - FMAP Better / (Worse)	(\$167)	(\$157)	(\$219)

The City is receiving \$543 million less in Medicaid - FMAP funding than intended in the Federal Stimulus

*Subject to State FY 2010-2011 Appropriation

Federal Stimulus Funding Has Preserved and Augmented Other Programs in New York City

Examples of Programs Funded with Federal Stimulus

- ❖ The New York City Housing Authority will benefit from \$423 million of federal stimulus funding, which will support replacing and upgrading an additional 145 elevators across 11 developments, renovate and reconfigure 1,610 apartments at Whitman-Ingersoll Houses in Brooklyn, and create or preserve 2,399 jobs for New Yorkers
- ❖ The Department of Homeless Services will benefit from almost \$6 million of federal stimulus funding for shelters and services
- ❖ The Department of Housing Preservation and Development will benefit from \$26 million of federal stimulus funding for emergency building repairs, unsafe building demolitions and neighborhood preservation activities
- ❖ An additional \$278 million of federal stimulus funding is being used to support City capital projects, including \$175 million for the reconstruction of ramps at the St. George Ferry Terminal

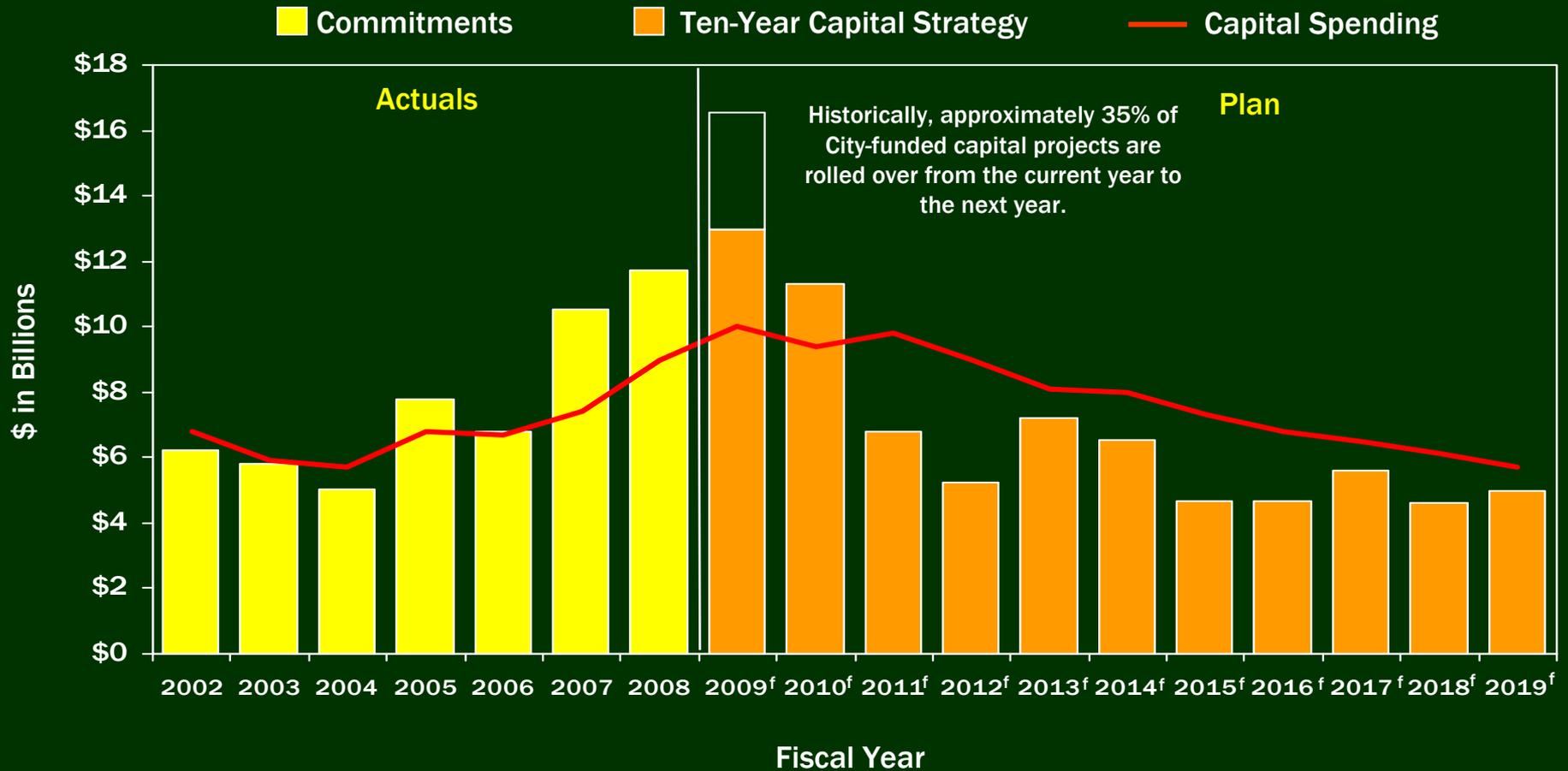
Targeted Investments to Help New Yorkers Get Through the Recession

- ❖ Increase Bridge Loans for Non-Profits to Help Cover Short-Term Costs
- ❖ Open Five New Financial Empowerment Centers
- ❖ Fund Center for NYC Neighborhood to Prevent Home Foreclosure
- ❖ Institute the Neighborhood Improvement Program Pilot to Reduce the Effects of the Mortgage Crisis in Hard-Hit Neighborhoods
- ❖ Purchase and Renovate Foreclosed Homes to Keep Neighborhoods Strong
- ❖ Help Small Businesses and Nonprofits through a Revolving Loan Guarantee
- ❖ Assist Small Businesses by Utilizing NYC Business Solutions Training Funds
- ❖ Invest in Worforce1 Career Centers to Achieve 20,000 Job Placements for New Yorkers
- ❖ Create Incubators for Start-Up Businesses
- ❖ Establish a New York City Angel Fund to Help Start-Up Small Businesses
- ❖ Launch New Programs to Help New Yorkers Start and Transition into Entrepreneurial Businesses

IV. Capital

FY 2002 – 2019 Capital Commitments – All Funds

The Capital Plan Includes a 27% Reduction in New York City General Obligation and New York City TFA Funded Capital Projects in FY 2010-2019



Note: Excludes the impact of prepayments and debt defeasances
 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>
January 2009 Capital Plan Before Reduction	4.8%	3.4%
May 2009 Capital Plan After Reduction	3.5%	3.5%

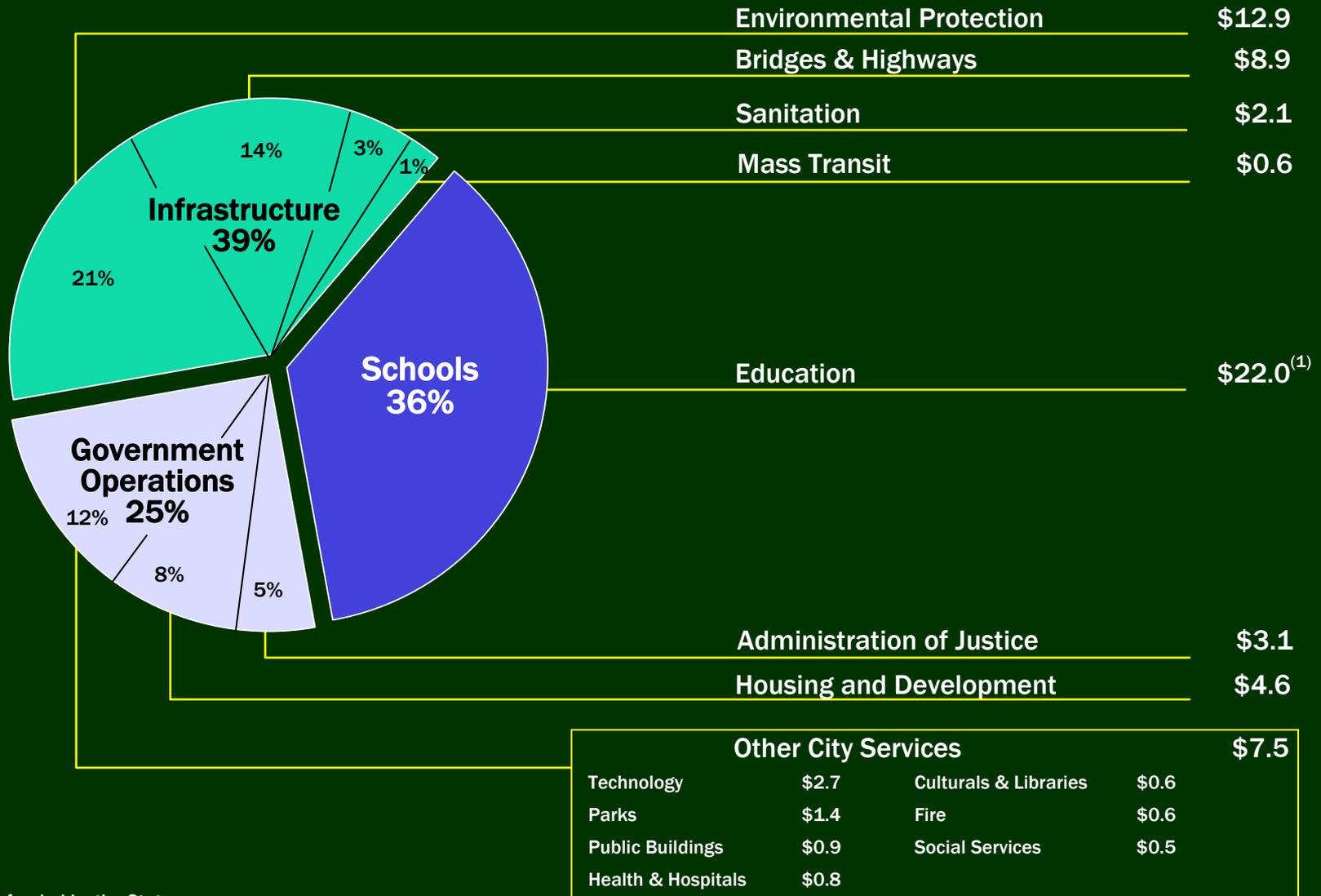
Education Capital

- ❖ The next five year plan for education capital investment will utilize federal stimulus tax-credit bonds to maintain the level of City investment as proposed in the preliminary plan last fall.
- ❖ Stimulus tax-credit bonds for education purposes are currently authorized in two forms, Qualified School Construction Bonds (QSCB) and Qualified Zone Academy Bonds (QZAB).
- ❖ These bonds replace the borrower's obligation to pay current interest with federally authorized tax credits at a value equivalent to a taxable interest rate.
- ❖ Current authorizations in these programs will require renewal by the federal government in 2010 to maintain the current \$11.3 billion five-year Education Capital Plan which is 50% funded by the State.

The Ten-Year Capital Strategy 2010-2019

Totals \$61.7 Billion in All Funds

\$ in Billions



⁽¹⁾ 50% funded by the State.

Highlights of the Capital Plan 2010-2013

\$ in Millions

❖ New School Construction (25,000 seats in classrooms)	\$3,500
❖ 911/Emergency Communications Transformation Project	1,400
❖ Street Resurfacing (2,800 lane miles) and Street Reconstruction (173 lane miles)	1,265
❖ Continued Reconstruction of the Newtown Water Pollution Control Plant	738
❖ Reconstruction of seven Belt Parkway Bridges (Mill Basin, Bay Ridge Avenue, Fresh Creek, Paerdegat Basin, Rockaway Parkway, Gerritsen Avenue & Nostrand Avenue)	773
❖ Reconstruction of the Schoharie Reservoir/Gilboa Dam	480
❖ Catskill/Delaware Ultra Violet Light Treatment Facility	402
❖ Construction of the Hamilton Avenue, East 91st Street & Southwest Brooklyn Marine Transfer Stations	350
❖ Willets Point Redevelopment	302
❖ Energy Retrofit Projects in City Building	199
❖ Modernization of Harlem Hospital Campus	170
❖ Construction of the new Public Health Laboratory	133
❖ Reconstruction of the City Island Bridge	120
❖ Reconstruction of the Roosevelt Avenue Bridge over the Van Wyck Expressway	114

V. 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	\$4,033	\$1,436	\$2,058	\$7,527	\$456	---	\$43	\$124	\$67	\$690	\$8,217	\$7,991	\$7,651
Fire Department	1,456	510	913	2,879	182	---	7	24	75	288	3,167	3,156	2,864
Dept. of Correction	868	323	278	1,469	134	---	7	20	148	309	1,778	1,778	1,738
Dept. of Sanitation	729	304	209	1,242	528	---	6	31	194	759	2,001	1,998	1,952
Subtotal	\$7,086	\$2,573	\$3,458	\$13,117	\$1,300	---	\$63	\$199	\$484	\$2,046	\$15,163	\$14,923	\$14,205
HEALTH AND WELFARE													
Administration for Children's Services	\$404	\$116	\$52	\$572	\$2,411	---	\$3	\$2	---	\$2,416	\$2,988	\$2,956	\$924
Department of Social Services	717	270	106	1,093	1,052	6,503	6	4	59	7,624	8,717	8,709	6,319
Department of Homeless Services	121	37	16	174	751	---	1	1	---	753	927	805	387
Department of Health and Mental Hygiene	425	111	46	582	1,333	---	1	3	27	1,364	1,946	1,925	824
Health and Hospitals Corporation ⁽⁴⁾	---	22	---	22	217	---	5	190	124	536	558	453	226
Subtotal	\$1,667	\$556	\$220	\$2,443	\$5,764	\$6,503	\$16	\$200	\$210	\$12,693	\$15,136	\$14,848	\$8,680
EDUCATION													
Dept. of Education	\$9,708	\$2,803	\$2,313	\$14,824	\$5,248	---	\$21	\$39	\$852	\$6,160	\$20,984	\$20,848	\$10,462
City University	377	83	46	506	258	---	---	1	49	308	814	769	555
Subtotal	\$10,085	\$2,886	\$2,359	\$15,330	\$5,506	---	\$21	\$40	\$901	\$6,468	\$21,798	\$21,617	\$11,017
OTHER AGENCIES	\$2,224	\$691	\$297	\$3,212	\$4,544	---	\$83	\$198	\$1,658	\$6,483	\$9,695	\$8,720	\$6,768
ELECTED OFFICIALS	\$452	\$108	\$58	\$618	\$104	---	\$7	\$1	---	\$112	\$730	\$726	\$648
MISC. BUDGET	\$433	---	---	\$433	---	\$1,358⁽²⁾	---	---	\$283	\$1,641	\$2,074	\$2,073	\$1,742
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$114	\$114	\$114	\$114	\$95
RE-ESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	(\$500)	---	---	---	---	(\$500)	(\$500)	(\$500)	(\$500)
TOTAL⁽³⁾	\$21,947	\$6,814	\$6,392	\$35,153	\$16,718	\$7,861	\$190	\$638	\$3,650	\$29,057	\$64,210	\$62,521	\$42,655
City Funds	\$12,389	\$5,810	\$6,224	\$24,423	\$7,509	\$6,537	\$181	\$448	\$3,557	\$18,232	\$42,655		
Less: Prepayments	---	\$460	---	\$460	(\$54)	(\$1,076)	---	---	\$2,012	\$882	\$1,342	\$1,342	\$1,342
Total After Prepayments	\$21,947	\$6,354	\$6,392	\$34,693	\$16,772	\$8,937	\$190	\$638	\$1,638	\$28,175	\$62,868	\$61,179	\$41,313

⁽⁴⁾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	\$1,440	\$2,017	\$7,472	\$263	---	\$42	\$131	\$84	\$520	\$7,992	\$7,764	\$7,651
Fire Department	1,450	511	910	2,871	129	---	7	25	82	243	3,114	3,103	2,901
Dept. of Correction	845	326	261	1,432	125	---	7	21	172	325	1,757	1,757	1,724
Dept. of Sanitation	742	315	201	1,258	527	---	6	33	232	798	2,056	2,054	2,015
Subtotal	\$7,052	\$2,592	\$3,389	\$13,033	\$1,044	---	\$62	\$210	\$570	\$1,886	\$14,919	\$14,678	\$14,291
HEALTH AND WELFARE													
Administration for Children's Services	\$371	\$116	\$39	\$526	\$2,245	---	\$3	\$2	---	\$2,250	\$2,776	\$2,770	\$812
Department of Social Services	721	280	109	1,110	960	6,206	6	5	67	7,244	8,354	8,394	6,175
Department of Homeless Services	113	38	15	166	659	---	1	1	---	661	827	719	347
Department of Health and Mental Hygiene	406	112	49	567	1,192	---	1	3	35	1,231	1,798	1,795	787
Health and Hospitals Corporation ⁽⁴⁾	---	25	---	25	174	---	5	190	143	512	537	457	230
Subtotal	\$1,611	\$571	\$212	\$2,394	\$5,230	\$6,206	\$16	\$201	\$245	\$11,898	\$14,292	\$14,090	\$8,351
EDUCATION													
Dept. of Education	\$10,011	\$2,967	\$2,480	\$15,458	\$5,364	---	\$19	\$40	\$1,024	\$6,447	\$21,905	\$21,773	\$10,810
City University	373	84	50	507	189	---	---	1	52	242	749	736	521
Subtotal	\$10,384	\$3,051	\$2,530	\$15,965	\$5,553	---	\$19	\$41	\$1,076	\$6,689	\$22,654	\$22,509	\$11,331
OTHER AGENCIES	\$2,154	\$679	\$310	\$3,143	\$4,070	---	\$73	\$210	\$1,847	\$6,200	\$9,343	\$8,332	\$6,764
ELECTED OFFICIALS	\$420	\$108	\$59	\$587	\$88	---	\$5	\$1	---	\$94	\$681	\$679	\$635
MISC. BUDGET	\$969	---	---	\$969	---	\$1,873⁽²⁾	---	---	\$386	\$2,259	\$3,228	\$3,228	\$2,636
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$189	\$189	\$189	\$189	\$155
RE-ESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	---	---	---	---	---	---	---	---	---
TOTAL ⁽³⁾	\$22,590	\$7,001	\$6,500	\$36,091	\$15,985	\$8,079	\$175	\$663	\$4,313	\$29,215	\$65,306	\$63,705	\$44,163
City Funds	\$12,787	\$5,708	\$6,335	\$24,830	\$7,962	\$6,556	\$168	\$473	\$4,174	\$19,333	\$44,163		
Less: Prepayments	---	---	---	---	\$278	\$275	---	---	\$3,709	\$4,262	\$4,262	\$4,262	\$4,262
Total After Prepayments	\$22,590	\$7,001	\$6,500	\$36,091	\$15,707	\$7,804	\$175	\$663	\$604	\$24,953	\$61,044	\$59,443	\$39,901

⁽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	(\$18)	\$4	(\$41)	(\$55)	(\$193)	---	(\$1)	\$7	\$17	(\$170)	(\$225)	(\$227)	---
Fire Department	(6)	1	(3)	(8)	(53)	---	---	1	7	(45)	(53)	(53)	37
Dept. of Correction	(23)	3	(17)	(37)	(9)	---	---	1	24	16	(21)	(21)	(14)
Dept. of Sanitation	13	11	(8)	16	(1)	---	---	2	38	39	55	56	63
Subtotal	(\$34)	\$19	(\$69)	(\$84)	(\$256)	---	(\$1)	\$11	\$86	(\$160)	(\$244)	(\$245)	\$86
HEALTH AND WELFARE													
Administration for Children's Services	(\$33)	---	(\$13)	(\$46)	(\$166)	---	---	---	---	(\$166)	(\$212)	(\$186)	(\$112)
Department of Social Services	4	10	3	17	(92)	(297)	---	1	8	(380)	(363)	(360)	(144)
Department of Homeless Services	(8)	1	(1)	(8)	(92)	---	---	---	---	(92)	(100)	(86)	(40)
Department of Health and Mental Hygiene	(19)	1	3	(15)	(141)	---	---	---	8	(133)	(148)	(130)	(37)
Health and Hospitals Corporation ⁽¹⁾	---	3	---	3	(43)	---	---	---	19	(24)	(21)	4	4
Subtotal	(\$56)	\$15	(\$8)	(\$49)	(\$534)	(\$297)	---	\$1	\$35	(\$795)	(\$844)	(\$758)	(\$329)
EDUCATION													
Dept. of Education	\$303	\$164	\$167	\$634	\$116	---	(\$2)	\$1	\$172	\$287	\$921	\$925	\$348
City University	(4)	1	4	1	(69)	---	---	---	3	(66)	(65)	(33)	(34)
Subtotal	\$299	\$165	\$171	\$635	\$47	---	(\$2)	\$1	\$175	\$221	\$856	\$892	\$314
OTHER AGENCIES	(\$70)	(\$12)	\$13	(\$69)	(\$474)	---	(\$10)	\$12	\$189	(\$283)	(\$352)	(\$388)	(\$4)
ELECTED OFFICIALS	(\$32)	---	\$1	(\$31)	(\$16)	---	(\$2)	---	---	(\$18)	(\$49)	(\$47)	(\$13)
MISC. BUDGET	\$536	---	---	\$536	---	\$515 ⁽²⁾	---	---	\$103	\$618	\$1,154	\$1,155	\$894
DEBT SERVICE COSTS (unallocated)	---	---	---	---	---	---	---	---	\$75	\$75	\$75	\$75	\$60
REESTIMATE OF PRIOR YEAR'S EXPENSES	---	---	---	---	\$500	---	---	---	---	\$500	\$500	\$500	\$500
TOTAL ⁽³⁾	\$643	\$187	\$108	\$938	(\$733)	\$218	(\$15)	\$25	\$663	\$158	\$1,096	\$1,184	\$1,508
City Funds	\$398	(\$102)	\$111	\$407	\$453	\$19	(\$13)	\$25	\$617	\$1,101	\$1,508		
Less: Prepayments	---	(\$460)	---	(\$460)	\$332	\$1,351	---	---	\$1,697	\$3,380	\$2,920	\$2,920	\$2,920
Total After Prepayments	\$643	\$647	\$108	\$1,398	(\$1,065)	(\$1,133)	(\$15)	\$25	(\$1,034)	(\$3,222)	(\$1,824)	(\$1,736)	(\$1,412)

⁽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 Beginning of FY 2009 (June 2008 Plan)

(Increase Gap) / Decrease Gap

City Funds - \$ in Millions

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Gap To Be Closed – June 2008 Plan	\$ ---	(\$2,344)	(\$5,158)	(\$5,108)
Revenue Changes				
Tax Revenue Forecast	(448)	(4,121)	(3,812)	(4,099)
State Budget Revenue Impact	---	17	13	13
Non-Tax Revenue	84	111	(49)	(7)
DA Restitution	125	---	---	---
Total Revenue Changes	(\$239)	(\$3,993)	(\$3,848)	(\$4,093)
Expense Changes				
Pension	(\$96)	\$110	(\$348)	(\$615)
Retiree Health Benefit Trust Fund	---	82	395	672
State Budget Expense Impact	(44)	(162)	(112)	(116)
Energy	94	134	63	13
Reduce General Reserve	260	---	---	---
Re-estimate of Prior Year Expenses	500	---	---	---
Debt Service	188	47	130	232
Surplus Rolls	104	(104)	---	---
Other Expense Changes	(171)	(381)	(249)	(255)
Total Expense Changes	\$835	(\$274)	(\$121)	(\$69)
Total Changes Since June 2008 Plan	\$596	(\$4,267)	(\$3,969)	(\$4,162)
Surplus / (Gap) to be Closed – May 2009 Plan	\$596	(\$6,611)	(\$9,127)	(\$9,270)
Gap Closing Programs				
Agency Programs	\$507	\$2,225	\$2,120	\$2,079
Mid-Year Property Tax Increase and End Rebate	576	256	256	256
Federal Matching Percent for Medicaid	447	850	295	---
Anticipated Labor Actions (Health Benefits Savings and New Pension Tier)	---	200	557	586
Anticipated State Actions (Sales Tax and Consumer Plastic Bag Use Fee)	88	1,046	1,141	1,187
Total Gap Closing Programs	\$1,618	\$4,577	\$4,369	\$4,108
Remaining Gap	\$2,214	(\$2,034)	(\$4,758)	(\$5,162)
Net Impact of Prepayments and Debt Defeasances	(\$2,214)	\$2,034	\$180	\$ ---
Gap to be Closed – May 2009 Plan	\$ ---	\$ ---	(\$4,578)	(\$5,162)

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	\$14,408	\$16,127	\$17,173	\$17,762	\$18,150
Other Taxes	20,162	16,606	18,194	19,565	20,925
Discretionary Transfers ^{(1) (2)}	546	546	---	---	---
Debt Defeasance ⁽³⁾	362	382	530	---	---
Tax Audit Revenue	980	596	596	595	594
Subtotal: Taxes without Anticipated State Actions	\$36,458	\$34,257	\$36,493	\$37,922	\$39,669
Miscellaneous Revenues without Anticipated State Actions	6,131	5,874	5,653	5,685	5,723
Anticipated State Actions	88	1,046	1,141	1,187	1,248
Unrestricted Intergovernmental Aid	340	340	340	340	340
Less: Intra-City Revenue	(1,689)	(1,601)	(1,525)	(1,524)	(1,524)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$41,313	\$39,901	\$42,087	\$43,595	\$45,441
Other Categorical Grants	1,113	1,028	1,029	1,033	1,031
Inter-Fund Revenues	472	475	449	439	439
Total City, Capital IFA & Other Categorical Funds	\$42,898	\$41,404	\$43,565	\$45,067	\$46,911
Federal Categorical Grants	6,198	6,422	6,327	5,360	5,349
State Categorical Grants	12,083	11,617	12,015	12,359	13,010
Total Revenues	\$61,179	\$59,443	\$61,907	\$62,786	65,270
Expenditures					
Personal Service					
Salaries and Wages	\$21,947	\$22,590	\$23,563	\$23,109	23,677
Pensions without Anticipated Labor Actions	6,392	6,700	7,234	7,558	7,831
Fringe Benefits without Anticipated Labor Actions ⁽⁴⁾	6,814	7,201	7,370	7,450	8,432
Anticipated Labor Actions	---	(400)	(757)	(786)	(818)
Subtotal: Personal Service	\$35,153	\$36,091	\$37,410	\$37,331	\$39,122
Other Than Personal Service					
Medical Assistance	\$5,191	\$4,907	\$5,621	\$6,090	\$6,271
Public Assistance	1,313	1,299	1,299	1,299	1,299
All Other ^{(4) (2)}	18,862	18,397	18,713	19,357	19,846
Subtotal: Other Than Personal Service	\$25,366	\$24,603	\$25,633	\$26,746	\$27,416
General Obligation and Lease Debt Service ^{(1) (2) (3)}	3,650	4,313	4,667	5,095	5,373
General Obligation and TFA Debt Defeasances (Net) ⁽³⁾	252	(2,313)	---	---	---
FY 2008 Budget Stabilization & Discretionary Transfers ⁽⁴⁾	(4,089)	---	---	---	---
FY 2009 Budget Stabilization & Discretionary Transfers ⁽²⁾	2,496	(1,950)	---	---	---
General Reserve	40	300	300	300	300
Subtotal	\$62,868	\$61,044	\$68,010	\$69,472	\$72,211
Less: Intra-City Expenses	(1,689)	(1,601)	(1,525)	(1,524)	(1,524)
Total Expenditures	\$61,179	\$59,443	\$66,485	\$67,948	\$70,687
Gap To Be Closed	\$ ---	\$ ---	(\$4,578)	(\$5,162)	(\$5,417)

⁽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 \$2.496 billion, including Budget Stabilization of \$1.286 billion, lease debt service of \$110 million, subsidies of \$554 million and a TFA Grant which increases FY2010 revenue by \$546 million.

⁽³⁾ 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. FY2009 TFA debt defeasance increases revenue by \$530 million in FY2011.